

NOTICE OF PROPOSED CHANGES ON
HEALTH DISCOUNT PLANS, FILINGS, RECORDKEEPING, LICENSEE RENEWAL
DATES, DELIVERY OF EVIDENCE OF INSURANCE, INSURANCE CLAIMS, ANNUITY
CONTRACT DISCLOSURES, FEES AND DEFINITIONS
IN THE REGULATIONS OF THE DIVISION OF INSURANCE

BRIEF DESCRIPTION

The Division of Insurance proposes to change regulations on filings, recordkeeping, licensee renewal dates, delivery of evidence of insurance, insurance claims, annuity contract disclosures, and definitions. The division also proposes to adopt regulations to implement AS 21.36.505 to require registration and regulation of health discount plans and to impose a returned check fee.

The Division of Insurance proposes to adopt regulation changes in Title 3 of the Alaska Administrative Code dealing with filings, recordkeeping, licensee renewal dates, delivery of evidence of insurance, insurance claims, annuity contract disclosures, definitions, registration and regulation of health discount plans and imposition of a return check fee including the following:

3 AAC 21.480 is proposed to be amended to clarify the term "corporate minutes book" as used in AS 21.69.390.

3 AAC 23.860(a) is proposed to be amended to change the biennial renewal date for individuals licensed under AS 21.27.

3 AAC 25.060 is proposed to be amended to clarify the prompt delivery of the evidence of insurance requirement under AS 21.34.100.

3 AAC 26.040(d), 3 AAC 26.050(c) and 3 AAC 26.070(e) are proposed to be amended to exclude group and individual insurance claims subject to AS 21.36.495 from the requirements of the respective section and to change references from AS 21.54.020 to AS 21.36.495.

3 AAC 26.070(d) is proposed to be repealed and readopted to provide additional ways to pay a judgment or settlement of a claim.

3 AAC 26.110(a)(2)(A) is proposed to be amended to delete references to the consumer price index.

3 AAC 26.110(d) and (e) are proposed to be amended to add consumers to those who must be noticed and given an opportunity to challenge the recovery of an overpayment.

3 AAC 26.110 is proposed to be amended to add additional standards for prompt, fair, and equitable settlements of health claims.

3 AAC 26.300 is proposed to be amended to define "clean claim", "electronic funds transfer", "emergency medical condition", "emergency services", "health care services", "prepaid card product" and "procedure code".

3 AAC 26.300(3) defining "consumer price index" is proposed to be repealed as the term is no longer used.

3 AAC 26.300(9) defining "person" is proposed to be repealed as the term is no longer used.

3 AAC 26.755(a) and (e) are proposed to be amended to delete the reference to the EIA buyer's guide.

3 AAC 26.769(1) is proposed to be amended to update the definition of "buyer's guide".

3 AAC 26.769(4) defining "EIA buyer's guide" is proposed to be repealed as the term is no longer used.

3 AAC 26 is proposed to be amended to add a new section on arbitration.

3 AAC 28.370 is proposed to be repealed as the data to be collected is no longer credible or useful.

3 AAC 29.220(c) is proposed to be repealed. This provision was only needed for an interim period when rating organizations switched from filing rates to filing loss costs.

3 AAC 29.280(b) this provision is proposed to be repealed. This provision was only needed for an interim period when rating organizations switched from filing rates to filing loss costs.

3 AAC 29.500 is proposed to be amended to make clear that the provisions of 3 AAC 29.500 – 3 AAC 29.550 apply to rate and form filings providing commercial insurance.

3 AAC 29.550 is proposed to be amended to add additional credentials that a person may use to qualify to be a risk manager.

3 AAC 30.200 has a citation authority deleted.

3 AAC 31.050 has a citation authority added.

3 AAC 31.060 is proposed to establish registration and renewal fees for health discount plans and a return check fee.

3 AAC 31.205(a) is proposed to be repealed and readopted to eliminate paper filings.

3 AAC 31.210 is proposed to be repealed and readopted to update filing requirements.

3 AAC 31.215 is proposed to have its section heading changed to read "Filings submitted by electronic mail."

3 AAC 31.215(a), (b), and (d) – (h) is proposed to be amended relating to electronic filings and communications.

3 AAC 31.217(c) is proposed to be amended to provide another available method when the electronic filing system becomes unavailable.

3 AAC 31.221(a) is proposed to be amended to require transmittal document information in the case of filings submitted using an electronic filing system approved by the director to be submitted with a life insurance, health insurance, or annuity filing under 3 AAC 31.210 utilizing a National Association of Insurance Commissioners transmittal document.

3 AAC 31.225(a) is proposed to be amended by adding "or transmittal document information in the case of filings submitted using an electronic filing system approved by the director under AS 21.96.080" to the lead-in language of the subsection.

3 AAC 31.225(d) introductory language is proposed to be amended to read "Responses to the director's questions on a filing submitted by electronic mail must include...".

3 AAC 31.230(3) is proposed to be amended to require a property, casualty, surety, marine, or mortgage guaranty rate filing to include support showing how investment income was incorporated into the proposed rate.

3 AAC 31.235 is proposed to be repealed and readopted to update health care insurance rate filings.

3 AAC 31.250(b) is proposed to be repealed and readopted to modify form filing requirements relating to text or numbers in a form.

3 AAC 31.250(c) is proposed to be amended to allow a blank endorsement, rider, or form to be submitted in a filing if included with the filing are the full range of possible variable language options along with a description of when each variable language option will be used.

3 AAC 31.250(e)(2) lead-in language is proposed to be amended to read "a new optional component may be submitted separately from the base policy form if the filing clearly states the assigned filing numbers for..."

3 AAC 31.250(e)(3) and (4) are proposed to be repealed. These provisions are no longer needed because electronic records allow the division to easily track insurance contracts.

3 AAC 31.250 is proposed to be amended to add new subsections relating to form filing requirements.

3 AAC 31 is proposed to be amended to add new sections as follows:

3 AAC 31.700 provides that 3 AAC 31.700 – 3 AAC 31.750 apply to health discount plans.

3 AAC 31.710 establishes the term for initial biennial registration periods and makes clear health discount plans are responsible for knowing when their registration period ends and when a renewal registration application is required.

3 AAC 31.720 identifies the information required in registration and renewal applications and requires updating of information and describes what information is confidential.

3 AAC 31.730 provides that the director may examine or investigate the business and affairs of a health discount plan.

3 AAC 31.740 provides a grace period in which a health discount plan can continue to transact new business after its registration lapses. The provision also sets forth causes for which the director after a hearing may suspend or revoke a registration. The provision also includes how the period of time for a suspension is determined and health discount plan requirements during the suspension.

3 AAC 31.750 provides that health discount plans must establish and maintain records and accounts of its transactions and operations in this state.

3 AAC 31.790 defines "health discount plan".

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to the Division of Insurance; Attention: Chip Wagoner; P.O. Box 110805; Juneau, AK 99811-0805 or by e-mail to chip.wagoner@alaska.gov; or by fax to (907) 465-3422. Comments may also be submitted through the Alaska Online Public Notice System at <http://aws.state.ak.us/OnlinePublicNotices>. All comments must be received **no later than 5:00 p.m., December 7, 2015**.

Oral or written comments also may be submitted at a hearing to be held on **November 24, 2015** in conference room B which is on the ninth floor of the State Office Building located at 333 Willoughby Ave., Juneau, Alaska. The hearing will be held from **10:30 a.m. to 11:30 a.m.**, and might be extended to accommodate those present before **11:30 a.m.** who did not have an opportunity to comment. If you are unable to attend the meeting in person and would like to participate by teleconference, please call 1-800-315-6338 and enter the access code 42070 followed by # (pound sign).

You may submit written questions relevant to the proposed action to the Division of Insurance; Attention: Chip Wagoner; P.O. Box 110805, Juneau, AK 99811-0805 or by e-mail to chip.wagoner@alaska.gov. **The questions must be received at least 10 days before the end of the public comment period.** The division will aggregate its response to substantially similar questions and make the questions and responses available on the division's website at <https://www.commerce.alaska.gov/web/ins/HearingsMeetingsandNotices.aspx> and on the Alaska Online Public Notice System. The division may, but is not required to, answer written questions received after the 10-day cut-off date and before the end of the comment period.

If you are a person with a disability who needs a special accommodation in order to participate in the process, please contact Laura Watson at laura.watson@alaska.gov or (907) 465-2597 or TDD (907) 465-5437 no later than **November 19, 2015** to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes and material proposed for adoption by reference is available on the division's website at <https://www.commerce.alaska.gov/web/ins/HearingsMeetingsandNotices.aspx>, and on the Alaska Online Public Notice System or by contacting Chip Wagoner at

chip.wagoner@alaska.gov or by calling (907) 269-7900 in Anchorage or (907) 465-2515 in Juneau.

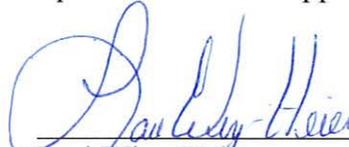
After the public comment period ends, the Division of Insurance will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED. Written comments received are public records and are subject to public inspection.

Statutory Authority: AS 21.06.090; AS 21.06.250; AS 21.27.380; AS 21.34.250; AS 21.36.125; AS 21.36.505; AS 21.39.040; AS 21.39.130; AS 21.39.210; AS 21.42.120; AS 21.42.205; AS 21.54.015; AS 21.66.370; AS 21.69.390; AS 21.96.080.

Statutes Being Implemented, Interpreted, or Made Specific: AS 21.09.200; AS 21.12.130; AS 21.27.380; AS 21.34.100; AS 21.36.020; AS 21.36.030; AS 21.36.040; AS 21.36.050; AS 21.36.125; AS 21.36.495; AS 21.36.505; AS 21.36.910; AS 21.39.040; AS 21.39.041; AS 21.39.060; AS 21.39.070; AS 21.39.130; AS 21.42.120; AS 21.42.123; AS 21.42.125; AS 21.42.205; AS 21.51.405; AS 21.54.015; AS 21.54.020; AS 21.57.080; AS 21.66.080; AS 21.66.370; AS 21.66.450; AS 21.69.390; AS 21.84.255; AS 21.86.070; AS 21.87.180; AS 21.87.190; AS 21.96.030; AS 21.96.080.

Fiscal Information: This action is not expected to require an increased appropriation.

DATE: October 28th 2015.



Lori Wing-Heier
Director of Insurance