



BULLETIN B20-20

TO: INSURERS AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF ALASKA AND OTHER INTERESTED PARTIES

RE: EXTENSION OF THE WAIVER OF ONSITE REVIEW REQUIREMENTS

The purpose of this bulletin is to extend the waiver of onsite review requirements issued in Bulletin B20-15 and for the Alaska Division of Insurance (DOI) to advise all insurance companies regarding compliance with regulatory requirements during the COVID-19 public health emergency. This flexibility is being provided in light of guidance from the Centers for Disease Control and Prevention (CDC) that individuals practice social distancing to the extent possible to mitigate their chances of getting or spreading COVID-19. Furthermore, CDC guidance cautions that travel increases individuals' chances of getting and spreading COVID-19. As a result, many companies have suspended or limited business travel to protect the health and safety of their employees and communities. Also, some state and local governments may require people who have recently traveled to quarantine for 14 days.

Waiver of On-Site Review Requirements

Under Alaska Statute AS 21.27.620(e), insurers are required to, at least semiannually, conduct an on-site review of the underwriting and claims processing operations of a managing general agent if the managing general agent, with or without authority, either separately or with affiliates, directly or indirectly produces or underwrites an amount of gross written premium equal to or more than five percent of the policy holder's surplus in a quarter or year, as reported in the insurer's last annual statement.

Under AS 21.27.650(i), insurers are required to, at least semiannually, conduct a review of the operations of its third-party administrator in cases where an administrator administers benefits for more than one hundred (100) certificate holders on behalf of an insurer, and at least one such review must be conducted on-site.

To support the recommendations of the CDC, and in the interest of the public health and safety, the DOI will not require insurers to conduct any on-site reviews of managing general agents or third-party administrators until May 31, 2021. Until May 31, 2021, insurers may conduct reviews of managing general agents or third-party administrators through electronic means to satisfy their on-site review obligations under AS 21.27.620(e) and AS 21.27.650(i).

If you have questions regarding this bulletin please contact Chris Murray, DOI Insurance Licensing Program Coordinator, at chris.murray@alaska.gov or 907-465-2545.

Dated November 16, 2020

A handwritten signature in blue ink that reads "Lori Wing-Heier".

Lori Wing-Heier
Director