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**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

M E M O R A N D U M

TO: Amy Demboski
Department of Commerce, Community, and Economic Development

FROM: April Simpson, Office of the Lieutenant Governor 
465.4081

DATE: November 20, 2020

RE: Filed Permanent Regulations: Division of Insurance
Division of Insurance regulations re: omnibus update (3 AAC 25, 26, 29, 30, 31)

Attorney General File:	2020200390
Regulation Filed:	11/20/2020
Effective Date:	12/20/2020
Print:	236, January 2021

cc with enclosures: Harry Hale, Department of Law
Judy Herndon, LexisNexis

ORDER RA20-02 ADOPTING CHANGES TO REGULATIONS
OF DIVISION OF INSURANCE

The attached 47 pages of regulations, dealing with Surplus Lines Brokers; Attorney Fees Coverage; Annual Notices; Consumer Payments; Limits for Automobile Ratings; Schedule and Individual Risk Rating Plans; Information Filings for Commercial Insurance; Reporting of Statistical Data by Property and Casualty Insurance Companies; Reimbursement of Losses; the Workers' Compensation Review and Advisory Committee; Workers' Compensation Loss Reimbursement Requirements; Fees; Filing Procedures for Forms, Rates, Manuals, Rating Plans, and Rules; amending Definitions; and repealing outdated regulations, are adopted and certified to be a correct copy of the regulation changes that the Division of Insurance adopts under the authority of AS 21.06.090; AS 21.09.200; AS 21.34.080; AS 21.34.170; AS 21.34.180; AS 21.34.250; AS 21.36.125; AS 21.36.305; AS 21.36.490; AS 21.36.900; AS 21.39.040; AS 21.39.060; AS 21.39.130; AS 21.39.155; AS 21.39.210; AS 21.42.120; AS 21.51.405; AS 21.54.015; AS 21.59.200; AS 21.61.109; AS 21.66.370; AS 21.75.045; AS 21.96.080, and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Division of Insurance paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

Date: 11/13/2020

DocuSigned by:

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Anna Latham
Deputy Director

FILING CERTIFICATION

April Simpson for

I, Kevin Meyer, Lieutenant Governor for the State of Alaska, certify that on

November 20, 2020, at 12:56 p.m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.

April Simpson
for Kevin Meyer
Lieutenant Governor

Effective: December 20, 2020.

Register: 236, January 2021

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

**I, KEVIN MEYER, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA,
designate the following state employees to perform the Administrative Procedures Act
filing functions of the Office of the Lieutenant Governor:**

**Josh Applebee, Chief of Staff
Kady Levale, Notary Administrator
April Simpson, Regulations and Initiatives Specialist**

**IN TESTIMONY WHEREOF, I have
signed and affixed the Seal of the State of
Alaska, in Juneau, on December 11th,
2018.**



K-Meyer
.....

**KEVIN MEYER
LIEUTENANT GOVERNOR**



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF INSURANCE

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May 15, 2019

**DIVISION OF INSURANCE
STANDING ORDER OF DELEGATION**

I, Lori K. Wing-Heier, Director of the Division of Insurance, wish to provide this delegation of authority to personnel in the Division of Insurance to act on my behalf when required, if/when I am unable to act or cannot be reached. Pursuant to the provisions of Alaska Statute 21.06.050, and under these circumstances, I delegate authority to exercise or discharge in the director's name all power, duties, or functions, whether ministerial or discretionary, vested by this in the director, to the following division employees:

First, Anna Latham, Deputy Director
Second, Alex Romero, Chief Investigator
Third, Sarah Bailey, Supervisor of the Life and Health section

This is a standing Order of Delegation, effective immediately, and will remain in effect until notified or revoked by subsequent order.

A handwritten signature in blue ink, reading "Lori K. Wing-Heier", written over a horizontal line.

Lori K. Wing-Heier, Division Director
Division of Insurance

Cc: Julie Anderson, Commissioner
John Springsteen, Deputy Commissioner
Micaela Fowler, ASD Director, DCCED/OMB

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3 AAC 25.090 is amended by adding a new subsection to read:

(e) In AS 21.34.080(a)(1), "insured" means the "First Named Insured" for the transaction described in the report. (Eff. 8/28/91, Register 119; am 10/21/92, Register 124; am 6/11/2006, Register 178; am 7/25/2008, Register 187; am 9/4/2014, Register 211; am 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.34.080 AS 21.34.250

3 AAC 25.100(a) is amended to read:

(a) The quarterly report required of a surplus lines broker by AS 21.34.170 **shall** [MAY] be filed electronically **in the location required by the director**. Filing of the quarterly report must occur [, OR A PAPER FILING MUST BE POSTMARKED,] on or before the corresponding due date under AS 21.34.170. The quarterly report must be signed by the surplus lines broker. **The signature may be an electronic signature.** If no transactions took place during the period, a report is not required for that period.

(Eff. 8/28/91, Register 119; am 3/11/98, Register 145; am 6/11/2006, Register 178; am 7/25/2008, Register 187; am 12/28/2008, Register 188; am 9/4/2014, Register 211; am 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.34.170 AS 21.34.190
AS 21.34.080 AS 21.34.180 AS 21.34.250

3 AAC 25.900 is amended by adding a new paragraph to read:

(3) "surplus lines broker" means

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(A) a firm or agency licensed under AS 21.27.790; or

(B) an individual that is

(i) licensed under AS 21.27.790; and

(ii) not employed by a firm or agency licensed under

AS 21.27.790. (Eff. 8/28/91, Register 119; am 6/11/2006, Register 178; am

7/25/2008, Register 187; am 9/4/2014, Register 211; am 12/20/2020, Register

236)

Authority: AS 21.06.090 AS 21.34.250 AS 21.97.900

3 AAC 26.500 is amended to read:

3 AAC 26.500. Minimum standards. Minimum acceptable standards for limitation of coverage for attorney fees taxable against an insured under Alaska Rule of Civil Procedure 82 and disclosure are established under **3 AAC 26.510 - 3 AAC 26.559** [3 AAC 26.510 - 3 AAC 26.550] for all policies written on risks in this state or relative to a subject resident, located or to be performed in this state. (Eff. 7/1/96, Register 138; am 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.36.900

3 AAC 26.510 is amended to read:

3 AAC 26.510. Policy with a right or duty [DUTY] to defend [POLICY]. A policy under which an insurer has a right or duty to provide a defense for an insured **for liability for which the policy provides coverage** must provide coverage for the payment of attorney fees taxable as costs against the insured under Alaska Rule of Civil Procedure 82,

(1) except as provided in 3 AAC 26.525 and 3 AAC 26.535; and

(2) subject to the following minimum limits:

(A) [(1)] as an additional amount of coverage, a policy that provides a defense in addition to **an applicable** [THE] limit of liability must provide for payment of attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82 that is not less than the amount calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the limit of liability of the applicable coverage;

(B) [(2)] as an additional amount of coverage, a policy that provides a defense within an applicable limit of liability less than \$1,000,000 must provide for payment of attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82 that is not less than the greater of

(i) [(A)] the amount calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the limit of liability of the applicable coverage; or

(ii) [(B)] \$10,000;

(C) [(3)] a policy that provides a defense within an applicable limit of liability of \$1,000,000 or more may include within its **applicable** limit of liability coverage for attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82. (Eff. 7/1/96, Register 138; am 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.42.120 AS 21.42.160
AS 21.36.900 AS 21.42.130

3 AAC 26.520 is repealed and readopted to read:

3 AAC 26.520. Policy with no right or duty to defend. (a) A policy under which an insurer has neither a right nor a duty to provide a defense but agrees to indemnify an insured for the costs of defense for liability for which the policy also provides coverage must provide coverage to indemnify an insured for the payment of attorney fees taxed as costs against the insured under Alaska Rule of Civil Procedure 82,

(1) except as provided in 3 AAC 26.525 and 3 AAC 26.535; and

(2) subject to the following minimum limits:

(A) as an additional amount of coverage, a policy that indemnifies an insured for the costs of defense in addition to an applicable limit of liability must provide for payment of attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82 that is not less than the amount calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the limit of liability of the applicable coverage;

(B) as an additional amount of coverage, a policy that indemnifies an insured for the costs of defense within an applicable limit of liability less than \$1,000,000 must provide for payment of attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82 that is not less than the greater of

(i) an amount calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the limit of liability of the applicable coverage; or

(ii) \$10,000;

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(C) a policy that indemnifies an insured for the costs of defense within an applicable limit of liability of \$1,000,000 or more may include within its applicable limit of liability coverage for attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82.

(b) A policy under which an insurer has neither a right nor duty to provide and has not agreed to indemnify the insured for the costs of defense against a liability for which the policy also provides coverage is not required to provide coverage for the payment of attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82, except as required in 3 AAC 26.535. (Eff. 7/1/96, Register 138; am 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.42.120 AS 21.42.160
AS 21.36.900 AS 21.42.130

3 AAC 26 is amended by adding a new section to read:

3 AAC 26.525. Defense-only coverage. A policy providing defense-only coverage is not required to provide coverage for the payment of attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82. (Eff. 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.42.120 AS 21.42.160
AS 21.36.900 AS 21.42.130

3 AAC 26.530 is repealed:

3 AAC 26.530. Policy with no defense cost obligation. Repealed. (Eff. 7/1/96, Register 138; repealed 12/20/2020, Register 236)

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[EDITOR'S NOTE: IN 2010 THE REVISOR OF STATUTES, ACTING UNDER AS 01.05.031, RENUMBERED FORMER AS 21.36.150 AS AS 21.36.900. AS OF REGISTER 196 (JANUARY 2011), THE REGULATIONS ATTORNEY MADE A CONFORMING TECHNICAL REVISION UNDER AS 44.62.125(b)(6), TO THE AUTHORITY CITATION THAT FOLLOWS 3 AAC 26.530, SO THAT THE CITATION TO FORMER AS 21.36.150 NOW REFERS TO THE RENUMBERED STATUTE, AS 21.36.900.]

3 AAC 26 is amended by adding a new section to read:

3 AAC 26.535. Cost sharing provisions. (a) A cost-sharing provision that affects the amount of coverage for defense costs may be extended to apply specifically to coverage for attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82. A cost-sharing provision may not apply specifically to coverage for attorney fees awarded as costs against an insured under Alaska Rule of Civil Procedure 82 unless the application is at least as favorable with respect to that coverage as it is with respect to defense costs coverage in general.

(b) For purposes of this section,

(1) a cost-sharing provision is

(A) a policy provision relating to a deductible;

(B) a policy provision relating to policyholder retention;

(C) a policy provision relating to a policyholder loss reimbursement

obligation; or

(D) another policy provision for the sharing of costs between the policyholder and insurer;

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(2) a provision that limits coverage for defense costs to a specific dollar or percentage amount is a provision relating to sharing of defense costs between the policyholder and insurer, except for a provision that

(A) makes coverage for defense costs subject to an applicable limit of liability; or

(B) applies to defense-only coverage;

(3) a policy provision that establishes an insurer's right to participate in the defense of its insured at its own cost is a provision relating to the sharing of defense costs between the policyholder and insurer; and

(4) a provision is at least as favorable with respect to coverage for attorney fees, awarded as costs against an insured under Alaska Rule of Civil Procedure 82, as the provision is with respect to defense costs coverage in general if the proportion of attorney fees, awarded as costs against an insured under Alaska Rule of Civil Procedure 82 and covered after application of the limitation allowed under (a) of this section, to the minimum amount of coverage for the attorney fees that would be required by 3 AAC 26.510 and 3 AAC 26.520 if no limitation existed, is at least as great as the proportion of those defense costs, that are either covered by the policy or incurred by the insurer through its participating in or providing a defense, after application of a limitation allowed under (a) of this section, to the total incurred defense costs.

(Eff. 12 / 20 / 2020, Register 236)

Authority:	AS 21.06.090	AS 21.42.120	AS 21.42.160
	AS 21.36.900	AS 21.42.130	

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3 AAC 26.550 is amended to read:

3 AAC 26.550. Required notice. (a) A policy issued by an insurer that limits coverage as permitted under **3 AAC 26.510 - 3 AAC 26.535** [3 AAC 26.510, 3 AAC 26.520, OR 3 AAC 26.530] must include a policyholder notice regarding Alaska Rule of Civil Procedure 82.

(b) The notice required by (a) of this section must

(1) conform with the division's

(A) Attorney Fees Coverage Notice A, dated March 29, 1996, and hereby adopted by reference, for a policy with a **right or** duty to defend in addition to **an applicable** [ITS] limit of liability;

(B) Attorney Fees Coverage Notice B, dated March 29, 1996, and hereby adopted by reference, for a policy with a **right or** duty to defend within **an applicable** [ITS] limit of liability;

(C) Attorney Fees Coverage Notice C, dated March 29, 1996, and hereby adopted by reference, for an indemnity policy that covers defense costs **within an applicable limit of liability**; [OR]

(D) Attorney Fees Coverage Notice D, dated March 29, 1996, and hereby adopted by reference, for a policy with no defense cost obligations; [OR]

(E) Attorney Fees Coverage Notice E, dated August 14, 2020, and hereby adopted by reference, for an indemnity policy that covers defense costs in addition to an applicable limit of liability; or

(F) Attorney Fees Coverage Notice F, dated August 14, 2020, and hereby adopted by reference, for a policy providing defense-only coverage; or

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(2) be approved in writing by the director upon a determination that the proposed notice

(A) is substantially equivalent to the division's Attorney Fees Coverage Notice A, B, C, [OR] D, E, or F; or

(B) provides notice similar in detail and format to the division's Attorney Fees Coverage Notices, but with terms related to the coverage for attorney fees taxable as costs against the insured under Alaska Rule of Civil Procedure 82 that

(i) reflect the application of cost-sharing provisions permitted under 3 AAC 26.535; or

(ii) are more favorable than the terms described in the division's notices. (Eff. 7/1/96, Register 138; am 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.42.120 AS 21.42.160
AS 21.36.900 AS 21.42.130

3 AAC 26 is amended by adding a new section to Article 4 to read:

3 AAC 26.559. Definition. In 3 AAC 26.500 - 3 AAC 26.559, "defense-only coverage" means liability insurance covering defense costs but not settlements or indemnity payments related to events that give rise to the covered defense costs. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.42.120 AS 21.42.160
AS 21.36.900 AS 21.42.130

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3 AAC 26.615 is amended by adding a new subsection to read:

(c) A licensee that provides nonpublic personal information to nonaffiliated third parties only in accordance with 3 AAC 26.660 - 3 AAC 26.670, and that has not changed its policies and practices with regard to disclosing nonpublic personal information from the policies and practices that were disclosed in the most recent disclosure sent to consumers in accordance with this section or 3 AAC 26.610, is not required to provide an annual disclosure under this section until the time when the licensee fails to comply with the criteria described in this subsection.

(Eff. 1/1/2005, Register 172; am 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.36.510

3 AAC 26.695 is amended by adding a new subsection to read:

(c) Nothing in 3 AAC 26.605 - 3 AAC 26.749 modifies, limits, or supersedes 15 U.S.C. 6801 - 6809 (Gramm-Leach-Bliley Act). (Eff. 1/1/2005, Register 172; am 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.36.510

3 AAC 26 is amended by adding new sections to read:

Article 11. Consumer Payment Clauses.

Section

875. Purpose and applicability

880. Credit, charge, or debit card payments

885. Payment plans and other fees

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890. Insurer options for accepting premium payments

899. Definitions

3 AAC 26.875. Purpose and applicability. The purpose of 3 AAC 26.875 - 3 AAC 26.899 is to preserve for consumers the benefits of being able to use alternative forms of payment for insurance transactions while preventing potential unfair practices. The provisions of 3 AAC 26.875 - 3 AAC 26.899 apply to all insurers authorized under AS 21.09. (Eff.

12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.36.090 AS 21.36.120

3 AAC 26.880. Credit, charge, or debit card payments. An insurer may accept a credit, charge, or debit card for a premium payment transaction, either directly or through a third-party payment processor, subject to the following restrictions:

(1) the credit, charge, or debit card option for payment of premiums must be made available to all insureds without arbitrary or unfair discrimination;

(2) a fee associated with a policyholder's payment of premium by credit, charge, or debit card is subject to the requirements of 3 AAC 26.885;

(3) a refund of unearned premium must be made directly to the credit, charge, or debit card holder or as a credit to the insured's credit, charge, or debit card account, unless the insurance producer has a lien against the unearned premium;

(4) the insurance may be canceled only by the named insured, policyholder, insurer, or in the case of health insurance, the health care exchange; the insurance may not be

canceled by the credit, charge, or debit card company or a payment processor;

(5) failure of the insured to pay credit, charge, or debit card charges may not cause coverage to be canceled by the insurer unless the credit, charge, or debit card has been canceled or the charge or credit limit has been exceeded;

(6) the election to pay by credit, charge, or debit card at the time of application for insurance must be treated the same as paying the premium in cash where immediate coverage is provided, unless the credit, charge, or debit card has been canceled or the charge or credit limit has been exceeded; and

(7) an insurance producer who accepts a credit, charge, or debit card in payment of insurance premium must deal with the funds when they are actually received in accordance with the provisions of the statute addressing the fiduciary responsibility of the insurance producer. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.36.090 AS 21.36.120

3 AAC 26.885. Payment plans and other fees. (a) Fees associated with premium payment transactions, including late payment fees, insufficient funds fees, installment fees, and convenience fees, are allowable subject to the following requirements, regardless of whether the fees are associated with payments made under a payment plan:

(1) fees must be reasonably related to the cost of providing the service to the applicable policyholders, may not be applied in a way that results in arbitrary or unfair discrimination, and may not duplicate costs already reflected in rates;

(2) for types of insurance subject to AS 21.39.040, fees may not be charged until

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they have been filed in accordance with the rate filing requirements;

(3) rate filings made in accordance with (2) of this subsection must include documentation to demonstrate compliance with (1) of this subsection;

(4) rate filings not specifically related to the fees described in this subsection must clearly account for fees that the insurer has collected within the experience period covered by the expense information required to be included in support of the rate by 3 AAC 31.230(2) or 3 AAC 31.235; and

(5) this subsection does not apply to cancellation fees.

(b) A policyholder's choice of payment plan or payment method may not affect premiums unless the applicable rates and rules have been filed in accordance with the rate filing requirements in AS 21.39.040, 3 AAC 31.235, or 3 AAC 28.472(b) and the rate filing includes documentation sufficient to demonstrate that the differences in premiums comply with 3 AAC 29.250(c), 3 AAC 31.235, or 3 AAC 28.472(b).

(c) A payment plan must allow for a policyholder to pay the remainder of the policyholder's outstanding premium at any time without incurring additional fees.

(d) A payment plan is not required to be filed if it does not have fees associated with it, except as required elsewhere in AS 21 or 3 AAC 21 - 3 AAC 31. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.36.090 AS 21.36.120

3 AAC 26.890. Insurer options for accepting premium payments. (a) Except to the extent that an insurer's filed rating plans or policy forms dictate otherwise, nothing in 3 AAC

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26.880 or 3 AAC 26.885 requires an insurer to

- (1) accept payment of premium by a particular method;
- (2) offer a premium payment plan;
- (3) charge a fee specifically in connection with
 - (A) a premium payment plan;
 - (B) providing another service; or
 - (C) accepting premium payments by a particular method; or
- (4) consider a policyholder's choice of payment plan or payment method as a risk characteristic in rating.

(b) An insurer that does not charge fees described in (a)(3) of this section does not violate AS 21.36.090 or 21.36.120 solely because the insurer does not pass on incurred expenses on an itemized basis. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.36.090 AS 21.36.120

3 AAC 26.899. Definitions. In 3 AAC 26.875 - 3 AAC 26.899,

- (1) "convenience fee" means a fee
 - (A) charged by a third-party vendor or payment processor; and
 - (B) associated with a premium payment transaction;
- (2) "payment plan" means an arrangement or plan by which an insurer offers its policyholders an alternative to advance payment of the entire premium;
- (3) "payment method" means the way in which a policyholder pays the policyholder's premium, including electronic fund transfers, automated clearing house (ACH)

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transactions, direct billing, cash, checks, a credit, charge, or debit card, or a third-party payment processor;

(4) "premium payment transaction" means a payment made in consideration for insurance, including a payment related to acquiring, issuing, maintaining, modifying, servicing, or reinstating a policy;

(5) "rate" and "rate filing" includes

(A) a loss cost adjustment; and

(B) a loss cost adjustment filing. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090

3 AAC 29.220(c) is repealed:

(c) Repealed 12 / 20 / 2020.

(Eff. 8/7/92, Register 123; am 12/24/93, Register 128; am 1/17/98, Register 145; am

12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.070 AS 21.39.130

AS 21.39.040

3 AAC 29.280 is repealed:

3 AAC 29.280. Implementation. Repealed. (Eff. 8/7/92, Register 123; am 1/17/98, Register 145; repealed 12 / 20 / 2020, Register 236)

3 AAC 29 is amended by adding a new section to read:

3 AAC 29.290. Limits on using accidents or losses in automobile rating. (a) An insurer may not cancel, deny, nonrenew, underwrite, or rate an automobile insurance policy based upon

(1) an accident or claim involving an applicant or insured unless

(A) the accident involved injury to a person or more than \$1,000 damage to property; and

(B) the applicant or insured has been determined to be 50 percent or more at fault; the determination of fault must be based on a reasonable investigation of all of the available information and may not be based solely on the existence of the accident in a database or motor vehicle record report that identifies accidents without regard to fault; the insurer shall determine the applicant or insured not to be at fault for an accident that occurs under the following circumstances:

(i) the automobile was lawfully parked; the insurer is not required to determine an automobile rolling from a parked position to be lawfully parked, but may determine the rolling to be the operation of the last operator;

(ii) the applicant, insured, or owner of the motor vehicle is reimbursed by or on behalf of a person responsible for the accident, a judgment against the responsible person exists, or the insurer is able to subrogate its payment to the insured, if the reimbursement, judgment, or subrogation is 50 percent or more of the damages associated with the accident;

(iii) the applicant or insured was struck in the rear and has not

been convicted of a moving traffic violation in connection with the accident;

(iv) another party was convicted of a moving traffic violation in connection with the accident and the applicant or insured was not;

(v) the owner and operator of the other vehicle is unknown or has left the scene and the applicant or insured reported the accident to the appropriate authorities within 24 hours;

(vi) damage is the result of contact with animals;

(vii) damage is caused only by flying gravel, missiles, or falling objects; or

(viii) the accident occurs while the insured is using the motor vehicle in response to an emergency if the insured is a paid or voluntary member of a police or fire department, first-aid squad, or law enforcement agency at the time of the accident;

(2) claims for first party medical expenses or death, dismemberment, or similar benefits attributable to an accident for which the applicant or insured was less than 50 percent at fault;

(3) claims made under the uninsured and underinsured motorist coverage;

(4) claims made under comprehensive coverage, unless the insurer can demonstrate that the applicant or insured intentionally caused the loss;

(5) the existence of a resident or relative, including the use of that individual's driving record, claim record, or other risk characteristics, if that resident or relative is excluded from coverage in compliance with AS 28.20.440(l);

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(6) the prior insurance history, including the previous insurance company of an applicant or insured, unless detailed actuarial support is included within the applicable rate filing;
or

(7) an applicant or insured's failure to maintain continuous automobile insurance coverage, when the failure does not result in violation of AS 28.22 (Alaska Mandatory Automobile Insurance Act).

(b) In this section, "insured" includes customary or permissive operators.

(c) The prohibitions described in (a)(1) - (4) of this section do not prohibit the insurer from considering those claims in determining an overall or average rate level. (Eff.

12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.36.210 AS 21.36.305
AS 21.36.090 AS 21.36.240 AS 21.39.030
AS 21.36.125

3 AAC 29.415(a)(5) is amended to read:

(5) a statement **describing compliance with the requirements of 3 AAC 29.420 and 3 AAC 29.430** [THAT ANY PREVIOUSLY APPROVED SCHEDULE RATING PLAN APPLICABLE TO THE SAME CLASS OF INSURED IS WITHDRAWN UPON APPROVAL OF THE FILING].

3 AAC 29.415(b) is amended to read:

(b) A schedule rating plan filing must conform to the requirements of 3 AAC 31.200 - 3

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AAC 31.217 and 3 AAC 31.225 [AND MUST ACKNOWLEDGE AN OBLIGATION TO COMPLY WITH 3 AAC 29.420 AND 3 AAC 29.430]. (Eff. 7/24/98, Register 147; am 11/12/2006, Register 180; am 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.030 AS 21.39.040

3 AAC 29.435 is repealed:

3 AAC 29.435. Use of schedule rating plans approved before 7/24/98. Repealed. (Eff. 7/24/98, Register 147; repealed 12 / 20 / 2020, Register 236)

3 AAC 29.505 is amended to read:

3 AAC 29.505. Authorization for informational rate filings. An insurer providing insurance coverage for an exempt commercial policyholder shall submit an informational rate filing to the director **not later** [NO MORE] than 30 days after the proposed effective date of the filing. The informational filing is exempt from the **filing** [PRIOR APPROVAL] requirements of **AS 21.39.040(a)(1) and (d), 21.39.041, 21.39.210, and 21.39.220. The director will make the filing open to public inspection after completing the review of the filing or after the filing becomes effective, whichever is later** [AS 21.39.040]. (Eff. 6/11/2005, Register 174; am 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.040 **AS 21.39.220**

3 AAC 29.510(4) is amended to read:

(4) meet the filing requirements of **3 AAC 31.205 - 3 AAC 31.217 and 3 AAC**

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31.225 [3 AAC 31.200 - 3 AAC 31.217 AND 3 AAC 31.225 - 3 AAC 31.240]; **and**

(Eff. 6/11/2005, Register 174; am 11/12/2006, Register 180; am 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.040

3 AAC 29.525 is amended to read:

3 AAC 29.525. Authorization for informational form filings. An insurer providing insurance coverage for an exempt commercial policyholder shall submit an informational form filing to the director **not later** [NO MORE] than 30 days after the proposed effective date of the filing. The informational filing is exempt from the **filing**]PRIOR APPROVAL] requirements of **AS 21.42.120(b), 21.42.123, and 21.42.125. The director will make the filing open to public inspection after completing the review of the filing or after the filing becomes effective, whichever is later** [AS 21.42.120]. (Eff. 6/11/2005, Register 174; am 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.42.120 **AS 21.42.125**
AS 21.39.220 **AS 21.42.123**

3 AAC 29.530(4) is amended to read:

(4) meet the filing **requirements** [PROCEDURES] of 3 AAC 31.205 - 3 AAC 31.217, [AND] 3 AAC 31.225, **and 3 AAC 31.250**; and

(Eff. 6/11/2005, Register 174; am 11/12/2006, Register 180; am 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.42.120

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3 AAC 29 is amended by adding new sections to read:

Article 7. Reporting of Statistical Data by Property and Casualty Insurance Companies.

Section

- 600. Purpose and applicability
- 610. Examination of statistical agents
- 615. Filing of statistical plans by statistical agents
- 620. Statistical plans and reporting by insurers
- 625. Statistical agents' compliance with the statistical handbook
- 630. Multiple statistical agents for the same line of insurance
- 635. Edit and control procedures for statistical agents
- 640. Insurer edit and audit procedures
- 645. Disclosure of complying and non-complying insurers
- 650. Access to data
- 655. Lines of insurance without a statistical agent
- 669. Definitions

3 AAC 29.600. Purpose and applicability. (a) Except for data reported directly to the director by insurers, 3 AAC 29.600 - 3 AAC 29.669

- (1) set out the manner of reporting data by insurers to statistical agents;
- (2) prescribe reports that statistical agents submit to the director; and
- (3) prescribe the conduct associated with (1) and (2) of this subsection.

(b) The provisions of 3 AAC 29.600 - 3 AAC 29.669 apply to all lines of insurance for

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which rates are subject to filing with the director under AS 21.39.040. (Eff. 12 / 20 / 2020,

Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29.610. Examination of statistical agents. To be designated by the director as a statistical agent to collect statistics from insurers for the purposes of fulfilling the statistical reporting requirements under 3 AAC 29.600 - 3 AAC 29.669, a person, other than an advisory organization, must agree to be subject to the same examination provisions in AS 21 applicable to advisory organizations. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29.615. Filing of statistical plans by statistical agents. A statistical agent shall file with the director every statistical plan and every modification of a statistical plan that the statistical agent proposes to use to collect statistics to meet the requirements of 3 AAC 29.600 - 3 AAC 29.669. The director will consider the filings to meet the requirements of 3 AAC 29.600 - 3 AAC 29.669 unless disapproved by the director in writing not later than 30 days after filing.

(Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29.620. Statistical plans and reporting by insurers. An insurer authorized in this state shall report the insurer's insurance statistical experience for lines of insurance described under 3 AAC 29.600(b) to a statistical agent designated by the director. The insurer shall submit

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the data in accordance with the statistical plans approved by the director under 3 AAC 29.615.

(Eff. 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29.625. Statistical agents' compliance with the statistical handbook. For every line of insurance for which a statistical agent collects statistics in this state, the statistical agent shall, at a minimum, collect statistics and file reports and compilations, unless the director specifies otherwise, in the form and detail provided in the National Association of Insurance Commissioners' *Statistical Handbook of Data Available to Insurance Regulators*, 2012 edition, adopted by reference. (Eff. 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

Editor's note: The National Association of Insurance Commissioners' *Statistical Handbook of Data Available to Insurance Regulators*, 2012 edition, adopted by reference in 3 AAC 29.625, may be obtained from the National Association of Insurance Commissioners, 1100 Walnut Street, Suite 1500, Kansas City, Missouri 64106. The document may also be viewed electronically on the National Association of Insurance Commissioners' website at http://www.naic.org/documents/prod_serv_statistical_sta_zu.pdf.

3 AAC 29.630. Multiple statistical agents for the same line of insurance. For a line of insurance where more than one statistical agent is designated and collecting statistics in this state, the statistical agents, if directed by the director, shall file combined reports for all statistical

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agents collecting data for the affected lines of insurance. The statistical agents may make arrangements among themselves for the equitable sharing of the costs to produce the combined reports. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29.635. Edit and control procedures for statistical agents. A statistical agent shall adopt edit and control procedures to screen and check data for reasonableness, apparent accuracy, and completeness. At a minimum the procedures, unless the director specifies otherwise, must conform to the specifications provided in the National Association of Insurance Commissioners' *Statistical Handbook of Data Available to Insurance Regulators*, 2012 edition, adopted by reference in 3 AAC 29.625. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29.640. Insurer edit and audit procedures. An insurer that is required by 3 AAC 29.620 to report data shall adopt edit and audit procedures to screen and check the data to ensure, unless the director specifies otherwise, that the data meet the standards for reasonableness and accuracy provided in the National Association of Insurance Commissioners' *Statistical Handbook of Data Available to Insurance Regulators*, 2012 edition, adopted by reference in 3 AAC 29.625. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29.645. Disclosure of complying and non-complying insurers. A statistical

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report must contain a listing of each insurer whose data are included in the report. If data from an insurer who agreed to have the insurer's data included in the report are not included in the report, the statistical agent submitting the report shall also submit a list of all of the insurers not included in the report. At the request of the director, the statistical agent shall provide the director with the reasons for the exclusion. (Eff. 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29.650. Access to data. Upon request of the director, a statistical agent shall provide the director

(1) with access to all statistical data collected by the statistical agent for the purpose of fulfilling the requirements of 3 AAC 29.600 - 3 AAC 29.669; and

(2) a copy of a report that the statistical agent produces from the data that the director required the statistical agent to collect. (Eff. 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29.655. Lines of insurance without a statistical agent. A licensed insurer, writing a line of insurance for which rates are subject to filing with the director under AS 21.39.040, shall notify the director as soon as practicable if the insurer finds, or believes to have found, that the insurer is writing a line of insurance for which no statistical agent will accept data. (Eff. 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

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3 AAC 29.669. Definitions. In 3 AAC 29.600 – 3 AAC 29.669,

(1) "statistical agent" means a person that the director has designated to collect statistics from insurers and provide reports developed from the statistics to the director for the purpose of fulfilling the statistical reporting obligations of the insurers;

(2) "statistical plan" means a statistical agent's system for collecting information from reporting insurers, including exposure, coverage, classification, territory, premium, loss, and other information. (Eff. 12 / 10 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130

3 AAC 29 is amended by adding a new section to read:

Article 8. General Provisions.

Section

900. Reimbursement of losses and nonpayment of premium

3 AAC 29.900. Reimbursement of losses and nonpayment of premium. (a) A property or casualty policy that requires reimbursement by an insured of losses or loss expenses paid by the insurer may not, unless specified in the policy,

(1) consider the failure of the insured to make a reimbursement as a nonpayment of premium for the purposes of AS 21.36.210 - 21.36.310; or

(2) require the insured to prefund amounts the insured agreed to pay under the policy as reimbursements, or to post collateral to secure the insured's obligation to reimburse the insurer.

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(b) The failure of an insured to meet prefunding or collateral requirements specified in a policy may not be considered nonpayment of premium.

(c) In this section, "collateral" means cash, a letter of credit, a surety bond, or other form of security that an insured posts with an insurer to secure the insured's obligations to reimburse the insurer. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.36.210 AS 21.42.075

3 AAC 30.020 is repealed:

3 AAC 30.020. Pool continuity. Repealed. (Eff. 1/1/77, Register 61; repealed 12 / 20 / 2020, Register 236)

3 AAC 30.200(d) is amended to read:

(d) A meeting of the committee may be called by or at the request of the chairperson, the director, or upon written request of three members. A notice stating the time, place, and purpose of the meeting must be sent to each member and the director at least 10 days before the date of the meeting. Regular meetings must be scheduled at least quarterly [AND] must take place in this state, and are open to the public. A person may participate telephonically. Five members constitute a quorum for the committee to conduct business at any meeting. The director will consider acts of a majority of the voting members present to be the acts of the committee as a whole.

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3 AAC 30.200 is amended by adding a new subsection to read:

(e) The committee is not directly involved in the review and approval of rate, rule, or form filings submitted to the director under AS 21.39.041 or AS 21.42.120. However, a rating organization shall share with the committee details of any proposed filing under AS 21.39.041 or AS 21.42.120 before it is submitted to the director, unless the director waives this requirement. Nothing in this subsection restricts the advice or actions of the committee to matters related to rating organization rate, rule, or form filings. (Eff. 12/20/96, Register 140; am 12/20/2020, Register 236)

Authority:	AS 21.06.090	AS 21.39.090	<u>AS 21.42.120</u>
	<u>AS 21.39.041</u>	AS 21.39.155	
	AS 21.39.060	AS 21.39.120	

3 AAC 30 is amended by adding new sections to read:

Article 4. Workers' Compensation Loss Reimbursement Requirements.

Section

- 300. Applicability
- 310. Workers' compensation deductibles prohibited
- 320. Adjustment of claims
- 330. Reimbursement limits and aggregates
- 349. Definitions

3 AAC 30.300. Applicability. Except for an excess workers' compensation policy issued

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to an employer who holds a self-insurance certificate under AS 23.30.090, 3 AAC 30.300 -

3 AAC 30.349 apply to a workers' compensation policy issued to an employer in this state. (Eff.

12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.39.130 AS 23.30.025

3 AAC 30.310. Workers' compensation deductibles prohibited; reimbursement of losses or loss expenses allowed. (a) An insurer may not include a deductible in a policy of workers' compensation insurance providing coverage under AS 23.30 (Alaska Workers' Compensation Act).

(b) An insurer may include a provision in a policy of workers' compensation insurance providing coverage under AS 23.30 requiring an employer to reimburse the insurer for losses or loss expenses.

(c) A workers' compensation loss reimbursement policy is also subject to the requirements under 3 AAC 29.900. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.42.075 AS 23.30.030
AS 21.39.130 AS 23.30.025

3 AAC 30.320. Adjustment of claims. (a) An insurer shall handle the defense and settlement of all claims as if no reimbursement provision applies. An employer may not pay amounts directly to claimants or to another person other than the insurer or, if applicable, the insurer's third-party administrator, to settle workers' compensation obligations or to pay the associated settlement costs. An employer may not adjust or administer claims or control a third-

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party administrator or adjuster.

(b) An insurer shall pay claims and settlement costs notwithstanding the failure of an employer to reimburse the insurer or, if applicable, the insurer's third-party administrator.

(c) The cancellation or expiration of a loss reimbursement policy does not affect a person's obligations for injuries under the policy which arose before the policy's cancellation or expiration. (Eff. 12/20/2020, Register 236)

Authority: AS 21.06.090 AS 21.42.075 AS 23.30.030

3 AAC 30.330. Reimbursement limits and aggregates. (a) An insurer shall specify in a loss reimbursement policy the

- (1) nature of losses for which an employer must reimburse the insurer; and
- (2) basis of the reimbursement limit.

(b) An insurer may limit the aggregate amount that an employer must reimburse the insurer because of the aggregation of all of the claims arising during the policy period if the aggregate limitation is included in the same policy.

(c) If an insurer includes an aggregate limitation in a loss reimbursement policy, the insurer shall also include in the policy a provision providing for the proration of the aggregate limits if the insurer cancels the policy, unless

- (1) the aggregate limits are a function of the audited exposure; or
- (2) the insurer cancels the policy
 - (A) because of nonpayment of premium; or
 - (B) for a reason set out in AS 21.36.220(b) and associated with the 10-day

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notice of cancellation requirement.

(d) An employer contracting with an insurer in a loss reimbursement policy may not obtain insurance to cover the amounts the employer agreed to reimburse the insurer under the policy. (Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.36.220 AS 21.42.075

3 AAC 30.349. Definitions. In 3 AAC 30.300 - 3 AAC 30.349,

(1) "deductible" means a provision in an insurance policy where the policyholder must absorb or pay part of the insured loss before qualifying for recovery from the insurer under the policy;

(2) "excess workers' compensation policy" means a policy

(A) issued by an insurer to an employer certified as a self-insurer under AS 23.30.090; and

(B) that reimburses the self-insured employer for amounts

(i) accepted by, imposed upon, or assumed by the employer under AS 23.30 for death, disablement, or injury to the employer's employees; and

(ii) that are above either a specific or an aggregate attachment point or self-insured retention, but that do not by themselves satisfy the requirements under AS 23.30.025 or 23.30.075;

(3) "loss reimbursement" means a provision in a workers' compensation policy that

(A) maintains an insurer's entire obligation under the policy for payment

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of insured loss under AS 23.30; and

(B) provides that an insured employer will reimburse the insurer under the policy for the first part of the loss subject to an agreed upon limit;

(4) "loss reimbursement policy" means a workers' compensation policy containing a loss reimbursement provision, regardless of whether the loss reimbursement provision is effected by means of an endorsement to a standard workers' compensation policy.

(Eff. 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.42.075 AS 21.42.030

3 AAC 31.060(a)(11) is amended to read:

(11) initial **service of process filing fee** [REGISTRATION] of a risk retention group, \$1,000;

3 AAC 31.060(a)(12) is amended to read:

(12) annual **service of process filing fee for** continuation of a risk retention group, \$200;

(Eff. 6/2/88, Register 106; am 7/1/89, Register 110; am 7/1/92, Register 123; am 3/30/94, Register 129; am 3/15/97, Register 141; am 8/23/2001, Register 159; am 12/30/2006, Register 180; am 10/13/2011, Register 200; am 1/1/2014, Register 208; am 9/4/2014, Register 211; am 11/26/2015, Register 216; am 8/20/2016, Register 219; am 3/3/2018, Register 225; am 3/15/2018, Register 225; am 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.34.040 AS 21.61.105

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AS 21.06.250	AS 21.36.355	AS 21.61.109
[AS 21.27.005]	AS 21.59.140	AS 21.66.210
<u>AS 21.27.010</u>	AS 21.59.160	AS 21.75.045
AS 21.27.025	AS 21.59.200	

3 AAC 31.200 is amended to read:

3 AAC 31.200. Applicability and scope. 3 AAC 31.200 - 3 AAC 31.299 apply to all persons who are required to file forms, rates, manuals, rating plans, rules, policies, certificates, or other documents under AS 21.39.040, 21.39.041, **21.39.043**, 21.39.210, 21.39.220; AS 21.42.120, 21.42.123, 21.42.125; **AS 21.51.405**; AS 21.54.015; AS 21.57.080; AS 21.66.370, 21.66.450; AS 21.84.255; AS 21.86.070; AS 21.87.180, or 21.87.190. (Eff. 12/4/94, Register 132; am 11/12/2006, Register 180; am 3/26/2015, Register 213; am 12/20/2020, Register 236)

Authority:	AS 21.06.090	AS 21.42.120	AS 21.66.370
	AS 21.39.040	AS 21.42.123	AS 21.66.450
	AS 21.39.041	AS 21.42.125	AS 21.84.255
	<u>AS 21.39.043</u>	<u>AS 21.51.405</u>	AS 21.86.070
	AS 21.39.210	AS 21.54.015	AS 21.87.180
	AS 21.39.220	AS 21.57.080	AS 21.87.190

3 AAC 31.205(b) is amended to read:

(b) If the director receives a filing **or other requested information** on a weekend or

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state holiday, or after 3:00 p.m. Alaska Time, the receipt date is the next working day. (Eff.

11/12/2006, Register 180; am 8/20/2016, Register 219; am 12 / 20 / 2020, Register ~~230~~)

Authority:	AS 21.06.090	AS 21.42.123	AS 21.66.450
	AS 21.39.040	AS 21.42.125	AS 21.84.255
	AS 21.39.041	<u>AS 21.51.405</u>	AS 21.86.070
	<u>AS 21.39.043</u>	<u>AS 21.54.015</u>	AS 21.87.180
	AS 21.39.210	AS 21.57.080	AS 21.87.190
	AS 21.39.220	AS 21.66.370	AS 21.96.080
	AS 21.42.120		

3 AAC 31.210(b) is amended to read:

(b) Except as provided in **(d)(1) and (e)** [(d)(1) - (3) AND (e)] of this section, a separate filing must be made for each type of insurance.

3 AAC 31.210(d) is amended to read:

(d) For property and casualty types of insurance,

(1) [PRIVATE PASSENGER AUTO LIABILITY AND PRIVATE PASSENGER AUTO PHYSICAL DAMAGE TYPES OF INSURANCE MAY BE SUBMITTED IN A SINGLE FILING;

(2) COMMERCIAL AUTO LIABILITY AND COMMERCIAL AUTO PHYSICAL DAMAGE TYPES OF INSURANCE MAY BE SUBMITTED IN A SINGLE FILING;

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(3)] new rates, rules, or forms that apply to different or multiple types of insurance but have the same purpose and effect, or revisions or replacements to existing rates, rules, or forms that apply to different or multiple types of insurance where the proposed revisions have the same purpose and effect, may be submitted in a single filing;

(2) [(4)] rates and rules may be submitted in a single filing when filed under AS 21.39.041 or 21.39.220;

(3) [(5)] rates filed under AS 21.39.210 may only contain rules that are revised to update the corresponding rate changes; and

(4) [(6)] if rate, rule, and form filings for a single program are submitted at the same time, the transmittal document for each filing must cross-reference the other filings submitted for the program.

3 AAC 31.210(g) is amended to read:

(g) An insurer shall include in each applicable filing a cross-reference to other similar or related filings that are submitted simultaneously with the **subject** [NEW] filing or other similar or related filings that have already been submitted. The filing must describe any differences between the new rates, rules, or forms in the **subject** [NEW] filing and any similar or related filing.

3 AAC 31.210(h) is amended to read:

(h) If a filing **contains** [IS] a revision to or replacement of an existing rate, rule, or form, the filing must include each assigned identification number under which the material proposed

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for revision is currently approved or authorized. The filing must also include a marked copy of the form, rule, or rate page showing the new material underlined and the deleted material with a line stricken through it, or by a similar method of identifying changes that has been approved by the director. A revised or replaced item that is not identified as required may not be approved or authorized for use.

3 AAC 31.210(i) is amended to read:

(i) If a filing is a resubmission of a prior filing that was withdrawn or disapproved, the filing must include the identification number assigned to the withdrawn or disapproved filing and must specifically address any questions or comments raised by the director with respect to the withdrawn or disapproved filing. The filing must also include a marked copy of the form, rule or rate page **identifying any revisions that have been made compared to the corresponding form, rule, or rate pages contained in the withdrawn or disapproved filing. The marked copy must follow the format described in (h) of this section** [SHOWING THE NEW MATERIAL UNDERLINED AND THE DELETED MATERIAL WITH A LINE STRICKEN THROUGH IT, OR BY A SIMILAR METHOD OF IDENTIFYING CHANGES THAT HAS BEEN APPROVED BY THE DIRECTOR. A REVISED OR REPLACED ITEM THAT IS NOT IDENTIFIED AS REQUIRED MAY NOT BE APPROVED OR AUTHORIZED FOR USE].

3 AAC 31.210(o) is amended to read:

(o) A filing is not required if the only change to the form **or rule page** is a change to the

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insurer's logo, letterhead information, pagination, or formatting that

(1) does not affect the text of the currently authorized or approved form,
rule, or rate page; and

(2) is not subject to special formatting requirements.

3 AAC 31.210 is amended by adding a new subsection to read:

(p) A response to a question from the director must

(1) describe or otherwise clearly identify the changes proposed within the
response; and

(2) update the information required by 3 AAC 31.221 or 3 AAC 31.225 that has
changed. (Eff. 12/4/94, Register 132; am 11/12/2006, Register 180; am 1/1/2011, Register 196;
am 8/20/2016, Register 219; am 12 /20 /2020, Register 236)

Authority:	AS 21.06.090	AS 21.42.123	AS 21.66.450
	AS 21.39.040	AS 21.42.125	AS 21.84.255
	AS 21.39.041	AS 21.48.010	AS 21.86.070
	<u>AS 21.39.043</u>	AS 21.54.060	AS 21.87.180
	AS 21.39.210	AS 21.54.070	AS 21.87.190
	AS 21.39.220	AS 21.57.080	AS 21.96.080
	AS 21.42.120	AS 21.66.370	

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3 AAC 31.215(b) is amended to read:

(b) The director will respond to a filing submitted by electronic mail with the receipt date and with the assigned identification number under 3 AAC 31.210(j). The appropriate timeline under AS 21.39.040, 21.39.041, **21.39.043**, 21.39.210, 21.39.220; AS 21.42.123, 21.42.125; **AS 21.51.405; AS 21.54.015**; AS 21.57.080; AS 21.66.370, 21.66.450; AS 21.84.255; AS 21.86.070; or AS 21.87.180 will apply based upon the receipt date stated in the director's response.

(Eff. 11/12/2006, Register 180; am 8/20/2016, Register 219; am 12/20/2020, Register 236)

Authority:	AS 21.06.090	AS 21.42.123	AS 21.66.450
	AS 21.39.040	AS 21.42.125	AS 21.84.255
	AS 21.39.041	<u>AS 21.51.405</u>	AS 21.86.070
	<u>AS 21.39.043</u>	<u>AS 21.54.015</u>	AS 21.87.180
	AS 21.39.210	AS 21.57.080	AS 21.87.190
	AS 21.39.220	AS 21.66.370	AS 21.96.080
	AS 21.42.120		

3 AAC 31.217(b) is amended to read:

(b) If the electronic filing system becomes unavailable for use, the director may extend the review timelines under AS 21.39.040, 21.39.041, **21.39.043**, 21.39.220; AS 21.42.123, 21.42.125; **AS 21.51.405; AS 21.54.015**; AS 21.57.080; AS 21.66.370, 21.66.450; AS 21.84.255; AS 21.86.070; or AS 21.87.180 by an additional working day for each day the system is unavailable. For purposes of identifying the additional working day under the extended

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timeline, the director will use the procedure set out in 3 AAC 31.205(b).

(Eff. 11/12/2006, Register 180; am 8/20/2016, Register 219; am 12 / 20 / 2020, Register 236)

Authority:	AS 21.06.090	AS 21.42.123	AS 21.66.450
	AS 21.39.040	AS 21.42.125	AS 21.84.255
	AS 21.39.041	<u>AS 21.51.405</u>	AS 21.86.070
	<u>AS 21.39.043</u>	<u>AS 21.54.015</u>	AS 21.87.180
	AS 21.39.210	AS 21.57.080	AS 21.87.190
	AS 21.39.220	AS 21.66.370	AS 21.96.080
	AS 21.42.120		

3 AAC 31.225 is repealed and readopted to read:

3 AAC 31.225. Property, casualty, surety, marine, mortgage guaranty, and title insurance transmittal document. (a) The transmittal document required under 3 AAC 31.210(a) or transmittal document information in the case of filings submitted using an electronic filing system approved by the director under AS 21.96.080 and required under 3 AAC 31.210(a) must include

- (1) the name of the rating organization, if the filing is made by a rating organization;
- (2) the National Association of Insurance Commissioners' group and company numbers and, if the filing is not made by a rating organization, the names of the companies making the filing;
- (3) the name of the person to contact regarding the filing;

(4) a brief description of the purpose of the filing and any changes that the filing will introduce;

(5) the date the filing is made;

(6) whether the filing is a rate, rule, or form filing;

(7) the type of insurance to which the filing applies;

(8) the specific product to which the filing applies;

(9) the insurer's identification number for the filing, if any;

(10) identification of whether each form, rule, or rate page is a replacement and, if so and if available, the division's identification number for previous filing;

(11) the requested effective date;

(12) the insurer's identification number of any corresponding filings or filings that are substantially similar, in whole or in part, including filings described in 3 AAC 31.210(f)(2);

(13) if the filing references a rating organization filing, the rating organization's name, the rating organization's identification number, and the division's identification number of the referenced filing;

(14) if the filing is submitted for information purposes under 3 AAC 29.500 - 3 AAC 29.550, a statement to that effect; and

(15) if the filing is a resubmission of a prior filing that was withdrawn or disapproved, the identification number assigned to the withdrawn or disapproved filing.

(b) If the filing is a form filing, in addition to the requirements of (a) of this section, the transmittal document must include

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(1) the form number, edition date, and name of each form;

(2) whether the filing is submitted for consideration subject to prior approval under AS 21.42.123 or to file and use under AS 21.42.125; and

(3) whether a similar filing has been made in the insurer's state of domicile and the status of the filing in that state.

(c) If the filing is a rate or rule filing, in addition to the requirements of (a) of this section, the transmittal document must include

(1) whether the filing is submitted for consideration subject to prior approval under AS 21.39.041, to flex-rating under AS 21.39.210, or to file and use under AS 21.39.220;

(2) the overall effect of the rate level change requested in the filing, if applicable; and

(3) the maximum and minimum rate changes an individual policyholder may receive.

(d) Responses to the director's questions on a filing submitted by electronic mail must include

(1) the name of the rating organization, if the response is made by a rating organization;

(2) the National Association of Insurance Commissioners' group and company numbers and, if the filing is not made by a rating organization, the name of the company making the filing;

(3) the name of the person to contact regarding the response;

(4) a description of the changes proposed in the response;

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- (5) the date the response is made;
- (6) whether the filing is a rate, rule, or form filing;
- (7) the type of insurance to which the filing applies;
- (8) the specific product to which the filing applies;
- (9) the insurer's identification number for the filing, if any;
- (10) the division's identification number assigned to the filing;
- (11) the requested effective date; and
- (12) if the filing is submitted for information purposes under 3 AAC 29.500 -

3 AAC 29.550, a statement to that effect.

(e) A response to a question from the director must revise any transmittal document information required by (a), (b), or (c) of this section, if the information requires revision to accurately reflect the proposal as amended by the response. (Eff. 11/12/2006, Register 180; am 8/20/2016, Register 219; am 12/20/2020, Register 236)

Authority:	AS 21.06.090	AS 21.39.210	AS 21.42.125
	AS 21.39.040	AS 21.39.220	AS 21.66.370
	AS 21.39.041	AS 21.42.120	AS 21.66.450
	<u>AS 21.39.043</u>	AS 21.42.123	AS 21.96.080

3 AAC 31.230 is amended to read:

3 AAC 31.230. Property, casualty, surety, marine, and mortgage guaranty rate filings. In addition to the requirements under 3 AAC 31.200 - 3 AAC 31.217 and 3 AAC 31.225, a property, casualty, surety, marine, or mortgage guaranty rate filing must include

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(1) premium and loss experience, both nationwide and specifically for **this state** [ALASKA], shown separately by each year in the experience period used or with a full explanation if that information is not available; in the case of a filing for more than one company, the premium and loss experience of the different companies may be combined if an explanation is provided;

(2) expense information, both nationwide and specifically for this state, if available; expense information must be broken out in detail at least as specific as the expense groups shown on Part III of the insurance expense exhibit of the annual statement required by AS 21.09.200; if loss adjustment expenses are included in the loss experience, that fact must be clearly explained;

(3) support showing how investment income was incorporated into the proposed rate **or loss cost adjustment**;

(4) an explanation of the actuarial methodology used in developing an indicated rate, **rating component, or loss cost adjustment** [CHANGE], including a description of any trending or credibility procedures used, as well as the role of judgment in the formulation of a final rate proposal;

(5) support for any deviation included in a filing, whether the deviation is between companies or from a rating organization filing;

(6) any other information that the company considers relevant, including reference to rating organization experience or published industry statistics, if appropriate; and

(7) any other information requested by the division in support of the filing.

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3 AAC 31.230 is amended by adding a new subsection to read:

(b) If the filing is submitted for flex-rating under AS 21.39.210, the filing must also include an exhibit detailing the cumulative rate change of all the rate filings that became effective or will become effective within the 12 months immediately preceding the proposed effective date, including the effect of the rate change of the subject filing. The exhibit must calculate the rate change separately for each company to which the filing applies and must include the division's identification numbers for each of the applicable historical rate filings.

(Eff. 12/4/94, Register 132; am 11/12/2006, Register 180; am 8/20/2016, Register 219; am

12 / 20 / 2020, Register 236)

Authority:	AS 21.06.090	<u>AS 21.39.043</u>	AS 21.39.210
	AS 21.09.200	AS 21.39.060	AS 21.39.220
	AS 21.39.040	AS 21.39.070	AS 21.66.370
	AS 21.39.041	AS 21.39.130	

3 AAC 31.240 is amended to read:

3 AAC 31.240. Loss cost adjustment filing. In addition to the requirements under 3 AAC 31.200 - 3 AAC 31.217, 3 AAC 31.225, and 3 AAC 31.230, a filing by a participating insurer of a rating organization that aims to modify the rating organization's filed and approved loss costs for a **type of insurance** [LINE OF BUSINESS] by applying a loss cost adjustment must include copies of the loss cost adjustment form provided by the director. An explanation, including information upon which the insurer relies to support the deviation, must be included regarding any deviation contained in the filing. (Eff. 12/4/94, Register 132; am 1/17/98, Register

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145; am 11/12/2006, Register 180; am 12 / 20 / 2020, Register 236)

Authority:	AS 21.06.090	AS 21.39.060	AS 21.39.210
	AS 21.39.040	AS 21.39.070	AS 21.39.220
	AS 21.39.041	AS 21.39.130	

3 AAC 31.250(a) is repealed:

(a) Repealed 12 / 20 / 2020.

(Eff. 11/12/2006, Register 180; am 3/26/2015, Register 213; am 8/20/2016, Register 219; am 12 / 20 / 2020, Register 236)

Authority:	AS 21.06.090	AS 21.42.125	AS 21.86.070
	AS 21.42.120	AS 21.42.160	AS 21.87.180
	AS 21.42.123	AS 21.66.450	

3 AAC 31 is amended by adding a new section to read:

3 AAC 31.260. Fees. A licensee or its affiliate or subsidiary is not prohibited from charging and collecting fees included in an insurer's rate filing that has been properly filed. (Eff. 12 / 20 / 2020, Register 236)

Authority:	AS 06.40.010	AS 21.06.090	AS 21.36.490
	AS 06.40.020		

3 AAC 31.299 is repealed and readopted to read:

3 AAC 31.299. Definitions. In 3 AAC 31.200 - 3 AAC 31.299,

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(1) "replaced" or "revised," with respect to a form, rule, or rate page,

(A) means a form, rule, or rate page with the same basic content or effect as a currently authorized or approved form, rule, or rate page and that will be used in place of the currently authorized or approved form, rule, or rate page regardless of whether the name or other identifying information associated with the form, rule, or rate is changing;

(B) does not include a form, rule, or rate page

(i) with changes limited to the insurer's logo, letterhead information, pagination, or formatting that does not affect the text of the currently authorized or approved form, rule, or rate page, and that is not subject to special formatting requirements; or

(ii) defined under 3 AAC 31.221(d)(2) or (3);

(2) "rate filing" includes a loss cost filing. (Eff. 3/26/2015, Register 213; am

12/20/2020, Register 236)

Authority:	AS 21.06.090	AS 21.42.125	AS 21.84.255
	<u>AS 21.39.043</u>	AS 21.57.080	AS 21.86.070
	AS 21.42.120	AS 21.66.450	AS 21.87.180
	AS 21.42.123		

3 AAC 31.900(5) is repealed:

(5) repealed 12/20/2020;

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3 AAC 31.900 is amended by adding a new paragraph to read:

(8) "type of insurance" means, for property and casualty insurers, the Type of Insurance as defined and identified within the applicable *Uniform Property & Casualty Product Coding Matrix* adopted by the National Association of Insurance Commissioners, revised as of January 1, 2020, and adopted by reference. (Eff. 12/4/94, Register 132; am 4/20/97, Register 142; am 11/26/2015, Register 216; am 12 / 20 / 2020, Register 236)

Authority: AS 21.06.090 AS 21.09.200

Editor's note: The National Association of Insurance Commissioners' *Uniform Property & Casualty Product Coding Matrix*, 2020 edition, adopted by reference in 3 AAC 31.900, may be obtained from the National Association of Insurance Commissioners; 1100 Walnut Street, Suite 1500; Kansas City, Missouri 64106. The document may also be viewed electronically on the National Association of Insurance Commissioners' website at https://www.naic.org/documents/industry_pcm_p_c_2020.pdf.

MEMORANDUM

State of Alaska Department of Law

To: The Honorable Kevin Meyer
Lieutenant Governor

Date: November 17, 2020

File No.: 2020200390

Thru: Susan R. Pollard 
Chief Assistant Attorney General
and Regulations Attorney
Legislation and Regulations Section

Tel. No.: 465-3600

From: Steven C. Weaver *SCW*
Senior Assistant Attorney General
Legislation and Regulations Section

Re: Division of Insurance regulations re:
omnibus update (3 AAC 25, 26, 29,
30, 31)

The Department of Law has reviewed the attached regulations of the Division of Insurance against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations were adopted by the Division of Insurance after the close of the public comment period. The division has adopted an omnibus update to its regulations.

The June 4, 2020 public notice and the November 13, 2020 adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

SCW

Lori Wing-Heier, Director
Division of Insurance
Department of Commerce, Community, and Economic Development

Amy Demboski, Assistant Commissioner and Regulations Contact
Department of Commerce, Community, and Economic Development

Anna Latham, Deputy Director
Division of Insurance
Department of Commerce, Community, and Economic Development

Jackson Willard, Regulations Specialist
Division of Insurance
Department of Commerce, Community, and Economic Development

Erin Egan, Assistant Attorney General
Commercial, Fair Business, and Child Support Section

NOTICE OF PROPOSED CHANGES REGARDING SURPLUS LINES BROKERS;
ATTORNEY FEES COVERAGE; ANNUAL NOTICES; CONSUMER PAYMENTS; LIMITS
FOR AUTOMOBILE RATINGS; SCHEDULE AND INDIVIDUAL RISK RATING PLANS;
INFORMATION FILINGS FOR COMMERCIAL INSURANCE; REPORTING OF
STATISTICAL DATA BY PROPERTY AND CASUALTY INSURANCE COMPANIES;
REIMBURSEMENT OF LOSSES; THE WORKERS' COMPENSATION REVIEW AND
ADVISORY COMMITTEE; WORKERS' COMPENSATION LOSS REIMBURSEMENT
REQUIREMENTS; FEES; FILING PROCEDURES FOR FORMS, RATES, MANUALS,
RATING PLANS, AND RULES; AMENDING DEFINITIONS; AND REPEALING
OUTDATED REGULATIONS IN THE REGULATIONS OF THE DIVISION OF
INSURANCE

The Division of Insurance proposes to adopt regulation changes in Title 3, Chapters 25, 26, 29, 30, and 31 of the Alaska Administrative Code, dealing with surplus lines brokers; attorney fees coverage; annual notices; consumer payments; limits for automobile ratings; schedule and individual risk rating plans; information filings for commercial insurance; reporting of statistical data by property and casualty insurance companies; reimbursement of losses; the workers' compensation review and advisory committee; workers' compensation loss reimbursement requirements; fees; filing procedures for forms, rates, manuals, rating plans, and rules; amending definitions; and repealing outdated regulations, including the following:

3 AAC 25, 3 AAC 26, 3 AAC 29, 3 AAC 30, and 3 AAC 31 are proposed to be amended as follows:

- (1) **3 AAC 25** is proposed to be changed as follows: Amendments to clarify the regulations regarding surplus lines brokers by allowing electronic signatures, and adding definitions.
- (2) **3 AAC 26** is proposed to be changed as follows: Amendments regarding attorney fees taxable according to Alaska Rule of Civil Procedure 82, repealing 3 AAC 26.530, amending the annual notice regulations, amending definitions, and adding a new article regarding consumer payments.
- (3) **3 AAC 29** is proposed to be changed as follows: 3 AAC 29.220(c) and 3 AAC 29.280 are proposed to be repealed, a section is proposed to be added regarding limits for automobile ratings, updating regulations regarding schedule and individual risk rating plans, 3 AAC 29.435 is proposed to be repealed due to being outdated, amendments are proposed regarding information filings for commercial insurance, and new articles are proposed to be added regarding the reporting of statistical data by property and casualty insurance companies, and reimbursement of losses.
- (4) **3 AAC 30** is proposed to be changed as follows: 3 AAC 30.020 is proposed to be repealed due to being outdated, amendments to regulations regarding the Workers' Compensation Review and Advisory Committee are proposed to update and

clarify the regulations, and a new article are proposed regarding workers' compensation loss reimbursement requirements.

- (5) **3 AAC 31** is proposed to be changed as follows: Amendments regarding clarifying fees, updating regulations regarding filing procedures for forms, rates, manuals, rating plans, and rules, amending definitions, and repealing 3 AAC 31.210(d)(1)-(2) and 3 AAC 31.250(a).

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: Jackson Willard; P.O. Box 110805, Juneau, Alaska 99811; or by fax to (907) 465-3422, and by electronic mail at insurance@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System, by accessing this notice on the system and using the comment link. The comments must be received **no later than 5:00pm on July 6, 2020**.

You may provide oral comments relevant to the proposed action **via telephone** at the hearing to be held on July 6, 2020 from 10 a.m. to 11 a.m. Alaska time **by calling 1-800-315-6338 and using Access Code: 42070#**. **Due to public health and safety concerns associated with the COVID – 19 pandemic, there will not be in-person attendance provided at the hearing site, so please prepare to share your oral comments by telephone only.** Callers should be on the line **before** the hearing begins at 10 a.m. if they would like to provide oral testimony. Priority will be given to those who called in before 10 a.m. Prior to the start of the hearing, the Division of Insurance may limit the time allotted for each person providing oral testimony, as reasonably necessary to conclude the hearing in the time provided.

You may submit written questions relevant to the proposed action to Jackson Willard via email at jackson.willard@alaska.gov. The questions must be received at least 10 days before the end of the public comment period. The Division of Insurance will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and the Division of Insurance's website.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Kelli Patterson via email at kelli.patterson@alaska.gov not later than July 1, 2020, to ensure that any necessary accommodation can be provided.

A copy of the proposed changes is available on the Alaska Online Public Notice System and on the Division of Insurance's website and by contacting Jackson Willard at jackson.willard@alaska.gov.

A copy of material proposed for adoption by reference is available on the Alaska Online Public Notice System or through the Division of Insurance's website at insurance.alaska.gov.

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.

Statutory authority: AS 21.06.090; AS 21.09.200; AS 21.34.080; AS 21.34.170; AS 21.34.180; AS 21.34.250; AS 21.36.125; AS 21.36.305; AS 21.36.490; AS 21.36.900; AS 21.39.040; AS 21.39.060; AS 21.39.130; AS 21.39.155; AS 21.39.210; AS 21.42.120; AS 21.51.405; AS 21.54.015; AS 21.59.200; AS 21.61.109; AS 21.66.370; AS 21.75.045; AS 21.96.080.

Statutes being implemented, interpreted, or made specific: AS 06.40.010; AS 06.40.020; AS 21.06.090; AS 21.06.250; AS 21.09.200; AS 21.27.010; AS 21.27.025; AS 21.34.080; AS 21.34.170; AS 21.34.180; AS 21.34.190; AS 21.34.250; AS 21.36.090; AS 21.36.120; AS 21.36.125; AS 21.36.210; AS 21.36.240; AS 21.36.305; AS 21.36.310; AS 21.36.355; AS 21.36.490; AS 21.36.900; AS 21.39.020; AS 21.39.030; AS 21.39.040; AS 21.39.041; AS 21.39.050; AS 21.39.060; AS 21.39.070; AS 21.39.130; AS 21.39.155; AS 21.39.210; AS 21.39.220; AS 21.42.075; AS 21.42.120; AS 21.42.123; AS 21.42.125; AS 21.42.130; AS 21.42.160; AS 21.51.405; AS 21.54.015; AS 21.57.080; AS 21.59.140; AS 21.59.160; AS 21.59.200; AS 21.61.105; AS 21.61.109; AS 21.66.210; AS 21.66.370; AS 21.66.450; AS 21.75.045; AS 21.84.255; AS 21.86.070; AS 21.87.180; AS 21.87.190; AS 21.96.080; AS 21.97.900; AS 23.30.025; AS 23.30.030

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

The Division of Insurance keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the division notices of proposed regulation changes. To be added to or removed from the list, send a request to the division at insurance@alaska.gov, listing your name, and your e-mail address.

Date: June 2, 2020



Lori Wing-Heier
Director, Division of Insurance

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Division of Insurance
2. General subject of regulation: Surplus lines brokers; attorney fees coverage; annual notices; consumer payments; limits for automobile ratings; schedule and individual risk rating plans; information filings for commercial insurance; reporting of statistical data by property and casualty insurance companies; reimbursement of losses; the workers' compensation review and advisory committee; workers' compensation loss reimbursement requirements; fees; filing procedures for forms, rates, manuals, rating plans, and rules; amending definitions; and repealing outdated regulations
3. Citation of regulation: 3 AAC 25.090-100, 3 AAC 25.900, 3 AAC 26.500-559, 3 AAC 26.615, 3 AAC 26.695, 3 AAC 26.900-949, 3 AAC 29.220, 3 AAC 29.280, 3 AAC 29.290, 3 AAC 29.415, 3 AAC 29.435, 3 AAC 29.505-510, 3 AAC 29.525-530, 3 AAC 29.600-669, 3 AAC 29.900, 3 AAC 30.020, 3 AAC 30.200, 3 AAC 30.300-349, 3 AAC 31.060, 3 AAC 31.200-230, 3 AAC 31.240-299, 3 AAC 31.900
4. Department of Law file number, if any: _____
5. Reason for the proposed action:

☐ Compliance with federal law or action (identify): _____
☐ Compliance with new or changed state statute
☐ Compliance with federal or state court decision (identify): _____
☐ Development of program standards
☒ Other (identify): Updating regulations, making needed changes, and repealing outdated regulations
6. Appropriation/Allocation: 0
7. Estimated annual cost to comply with the proposed action to:

A private person: 0
Another state agency: 0
A municipality: 0
8. Cost of implementation to the state agency and available funding (in thousands of dollars):

Initial Year	Subsequent
FY <u>20</u>	Years

Operating Cost	\$ 0	\$ 0
Capital Cost	\$ 0	\$ 0
1002 Federal receipts	\$ 0	\$ 0
1003 General fund match	\$ 0	\$ 0
1004 General fund	\$ 0	\$ 0
1005 General fund/ program	\$ 0	\$ 0
Other (identify)	\$ 0	\$ 0

9. The name of the contact person for the regulation:

Name: Jackson Willard
 Title: Regulation Specialist II
 Address: P.O Box 110805, Juneau, AK, 99811
 Telephone: (907) 465-8486
 E-mail address: Jackson.willard@alaska.gov

10. The origin of the proposed action:

☒ Staff of state agency
☐ Federal government
☒ General public
☐ Petition for regulation change⁷
☐ Other (identify): _____

11. Date: 5/29/2020 Prepared by: Jackson Willard Digitally signed by Jackson Willard
Date: 2020.05.29 10:19:27 -08'00'

Name (printed): Jackson Willard
 Title (printed): Regulation Specialist II
 Telephone: (907) 465-8486

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION
AND FURNISHING OF ADDITIONAL INFORMATION

I, Jackson Willard, Regulation Specialist II, of the Division of Insurance, under penalty of perjury, certify the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to 3 AAC 25, 26, 29, 30, 31 for the Division's Omnibus Regulations project has been given by being

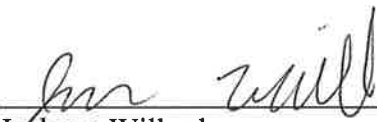
- (1) published in a newspaper or trade publication;
- (2) furnished to every person who has filed a request for notice of proposed action with the state agency;
- (3) furnished to appropriate state officials;
- (4) furnished to interested persons;
- (5) furnished to the Department of Law, along with a copy of the proposed regulation;
- (6) furnished electronically to incumbent State of Alaska legislators;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1).

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (2), (4) and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

There is no notary public or other official empowered to administer oaths available to notarize this document as a result of social distancing requirements implemented statewide.

I certify under penalty of perjury that the foregoing is true.

Date: 8/12/2020



Jackson Willard
Regulation Specialist II

State of Alaska
Juneau, AK

ANCHORAGE DAILY NEWS

AFFIDAVIT OF PUBLICATION

Account #: 270251 ST OF AK/DIV OF INSURANCE
PO BOX 110805, JUNEAU, AK 99811

Order #: W0015919

Cost: \$761.98

STATE OF ALASKA THIRD JUDICIAL DISTRICT

Lisi Misa being first duly sworn on oath deposes and says that she is a representative of the Anchorage Daily News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the afore-said place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

06/04/2020

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed



Subscribed and sworn to before me
this 5th day of June 2020.

Notary Public in and for
The State of Alaska.
Third Division
Anchorage, Alaska

MY COMMISSION EXPIRES

7/14/2020

NOTICE OF PROPOSED CHANGES REGARDING SURPLUS LINES BROKERS; ATTORNEY FEES COVERAGE; ANNUAL NOTICES; CONSUMER PAYMENTS; LIMITS FOR AUTOMOBILE RATINGS; SCHEDULE AND INDIVIDUAL RISK RATING PLANS; INFORMATION FILINGS FOR COMMERCIAL INSURANCE; REPORTING OF STATISTICAL DATA BY PROPERTY AND CASUALTY INSURANCE COMPANIES; REIMBURSEMENT OF LOSSES; THE WORKERS' COMPENSATION REVIEW AND ADVISORY COMMITTEE; WORKERS' COMPENSATION LOSS REIMBURSEMENT REQUIREMENTS; FEES; FILING PROCEDURES FOR FORMS, RATES, MANUALS, RATING PLANS, AND RULES; AMENDING DEFINITIONS, AND REPEALING OUTDATED REGULATIONS IN THE REGULATIONS OF THE DIVISION OF INSURANCE.

The Division of Insurance proposes to adopt regulation changes in Title 3, Chapters 25, 26, 29, 30, and 31 of the Alaska Administrative Code, dealing with surplus lines brokers; attorney fees coverage; annual notices; consumer payments; limits for automobile ratings; schedule and individual risk rating plans; information filings for commercial insurance; reporting of statistical data by property and casualty insurance companies; reimbursement of losses; the workers' compensation review and advisory committee; workers' compensation loss reimbursement requirements; fees; filing procedures for forms, rates, manuals, rating plans, and rules; amending definitions; and repealing outdated regulations, including the following:

3 AAC 25, 3 AAC 26, 3 AAC 29, 3 AAC 30, and 3 AAC 31 are proposed to be amended as follows:

(1) 3 AAC 25 is proposed to be changed as follows: Amendments to clarify the regulations regarding surplus lines brokers by allowing electronic signatures, and adding collectors.

(2) 3 AAC 26 is proposed to be changed as follows: Amendments regarding attorney fees taxable according to Alaska Rule of Civil Procedure 82, repealing 3 AAC 26.530, amending the annual notice regulations, amending definitions, and adding a new article regarding consumer payments.

(3) 3 AAC 29 is proposed to be changed as follows: 3 AAC 29.270(c) and 3 AAC 29.280 are proposed to be repealed; a section is proposed to be added regarding limits for automobile ratings; updating regulations regarding schedule and individual risk rating plans; 3 AAC 29.435 is proposed to be repealed due to being outdated; amendments are proposed regarding information filings for commercial insurance, and new articles are proposed to be added regarding the reporting of statistical data by property and casualty insurance companies, and reimbursement of losses.

(4) 3 AAC 30 is proposed to be changed as follows: 3 AAC 30.020 is proposed to be repealed due to being outdated; amendments to regulations regarding the Workers' Compensation Review and Advisory Committee are proposed to update and clarify the regulations, and a new article is proposed regarding workers' compensation loss reimbursement requirements.

(5) 3 AAC 31 is proposed to be changed as follows: Amendments regarding clarifying fees, updating regulations regarding filing procedures for forms, rates, manuals, rating plans, and rules; amending definitions; and repealing 3 AAC 31.230(a)-(d) and 3 AAC 31.230(e).

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: Jackson Willard, P.O. Box 110805, Juneau, Alaska 99811; or by fax to (907) 465-4422, and by electronic mail at insurance@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System, by accessing this notice on the system and using the comment link. Comments must be received no later than 5:00pm on July 6, 2020.

You may provide oral comments relevant to the proposed action via telephone at the hearing to be held on July 6, 2020 from 10 a.m. to 11 a.m. Alaska time. To participate in the hearing, please call Access Code: 420704. Due to public health and safety concerns associated with the COVID-19 pandemic, there will not be in-person attendance provided at the hearing site, so please prepare to share your oral comments by telephone only. Callers should be on the line before the hearing begins at 10 a.m. if they would like to provide oral testimony. Priority will be given to those who called in before 10 a.m. Prior to the start of the hearing, the Division of Insurance may limit the time allocated for each person providing oral testimony, as reasonably necessary to conclude the hearing in the time provided.

You may submit written questions relevant to the proposed action to Jackson Willard via email at jackson.willard@alaska.gov. The questions must be received at least 10 days before the end of the public comment period. The Division of Insurance will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and the Division of Insurance's website.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Kelli Patterson via email at kelli.patterson@alaska.gov not later than July 1, 2020, to ensure that any necessary accommodation can be provided.

A copy of the proposed changes is available on the Alaska Online Public Notice System and on the Division of Insurance's website and by contacting Jackson Willard at jackson.willard@alaska.gov.

A copy of material proposed for adoption by reference is available on the Alaska Online Public Notice System or through the Division of Insurance's website at insurance.alaska.gov.

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.

Statutory authority: AS 21.06.090; AS 21.09.200; AS 21.34.080; AS 21.34.170; AS 21.34.180; AS 21.34.190; AS 21.34.250; AS 21.34.260; AS 21.34.280; AS 21.34.290; AS 21.34.300; AS 21.34.310; AS 21.34.320; AS 21.34.330; AS 21.34.340; AS 21.34.350; AS 21.34.360; AS 21.34.370; AS 21.34.380; AS 21.34.390; AS 21.34.400; AS 21.34.410; AS 21.34.420; AS 21.34.430; AS 21.34.440; AS 21.34.450; AS 21.34.460; AS 21.34.470; AS 21.34.480; AS 21.34.490; AS 21.34.500; AS 21.34.510; AS 21.34.520; AS 21.34.530; AS 21.34.540; AS 21.34.550; AS 21.34.560; AS 21.34.570; AS 21.34.580; AS 21.34.590; AS 21.34.600; AS 21.34.610; AS 21.34.620; AS 21.34.630; AS 21.34.640; AS 21.34.650; AS 21.34.660; AS 21.34.670; AS 21.34.680; AS 21.34.690; AS 21.34.700; AS 21.34.710; AS 21.34.720; AS 21.34.730; AS 21.34.740; AS 21.34.750; AS 21.34.760; AS 21.34.770; AS 21.34.780; AS 21.34.790; AS 21.34.800; AS 21.34.810; AS 21.34.820; AS 21.34.830; AS 21.34.840; AS 21.34.850; AS 21.34.860; AS 21.34.870; AS 21.34.880; AS 21.34.890; AS 21.34.900; AS 21.34.910; AS 21.34.920; AS 21.34.930; AS 21.34.940; AS 21.34.950; AS 21.34.960; AS 21.34.970; AS 21.34.980; AS 21.34.990; AS 21.35.000.

Statutes being implemented, interpreted, or made specific: AS 06.40.010; AS 06.40.020; AS 06.40.030; AS 06.40.040; AS 06.40.050; AS 06.40.060; AS 06.40.070; AS 06.40.080; AS 06.40.090; AS 06.40.100; AS 06.40.110; AS 06.40.120; AS 06.40.130; AS 06.40.140; AS 06.40.150; AS 06.40.160; AS 06.40.170; AS 06.40.180; AS 06.40.190; AS 06.40.200; AS 06.40.210; AS 06.40.220; AS 06.40.230; AS 06.40.240; AS 06.40.250; AS 06.40.260; AS 06.40.270; AS 06.40.280; AS 06.40.290; AS 06.40.300; AS 06.40.310; AS 06.40.320; AS 06.40.330; AS 06.40.340; AS 06.40.350; AS 06.40.360; AS 06.40.370; AS 06.40.380; AS 06.40.390; AS 06.40.400; AS 06.40.410; AS 06.40.420; AS 06.40.430; AS 06.40.440; AS 06.40.450; AS 06.40.460; AS 06.40.470; AS 06.40.480; AS 06.40.490; AS 06.40.500; AS 06.40.510; AS 06.40.520; AS 06.40.530; AS 06.40.540; AS 06.40.550; AS 06.40.560; AS 06.40.570; AS 06.40.580; AS 06.40.590; AS 06.40.600; AS 06.40.610; AS 06.40.620; AS 06.40.630; AS 06.40.640; AS 06.40.650; AS 06.40.660; AS 06.40.670; AS 06.40.680; AS 06.40.690; AS 06.40.700; AS 06.40.710; AS 06.40.720; AS 06.40.730; AS 06.40.740; AS 06.40.750; AS 06.40.760; AS 06.40.770; AS 06.40.780; AS 06.40.790; AS 06.40.800; AS 06.40.810; AS 06.40.820; AS 06.40.830; AS 06.40.840; AS 06.40.850; AS 06.40.860; AS 06.40.870; AS 06.40.880; AS 06.40.890; AS 06.40.900; AS 06.40.910; AS 06.40.920; AS 06.40.930; AS 06.40.940; AS 06.40.950; AS 06.40.960; AS 06.40.970; AS 06.40.980; AS 06.40.990; AS 06.50.000.

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

The Division of Insurance keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the division notices of proposed regulation changes. To be added to or removed from the list, send a request to the division at insurance@alaska.gov, listing your name, and your e-mail address.

Date: June 2, 2020
By: /s/ Lori Wing-Heiler
Director, Division of Insurance
Published: June 4, 2020

RECEIVED

JUN 15 2020

SOA-DCCC
DIVISION OF INSURANCE
JUNEAU OFFICE

AFFIDAVIT OF ORAL HEARING

I, Jackson Willard, Regulation Specialist II, of the Division of Insurance, under penalty of perjury, certify the following:

On July 6, 2020, at 10:00 am, in Conference Room B, Ninth Floor of the State Office Building at 333 Willoughby Ave., Juneau, AK, 99801, I presided over a public hearing held under AS 44.62.210 for the purpose of taking testimony in connection with the adoption of changes to 3 AAC 25, 26, 29, 30, 31 for the Division's Omnibus Regulations project.

There is no notary public or other official empowered to administer oaths available to notarize this document as a result of social distancing requirements implemented statewide.

I certify under penalty of perjury that the foregoing is true.

Date: 8/12/2020



Jackson Willard
Regulation Specialist II

State of Alaska
Juneau, AK

AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

I, Jackson Willard, Regulation Specialist II, of the Division of Insurance, under penalty of perjury, state the following:

In compliance with AS 44.62.215, the Division of Insurance has kept a record of its use or rejection of factual or other substantive information that was submitted in writing and orally as public comment and that was relevant to the accuracy, coverage, or other aspect of the Division of Insurance's Omnibus Regulation project.

There is no notary public or other official empowered to administer oaths available to notarize this document as a result of social distancing requirements implemented statewide.

I certify under penalty of perjury that the foregoing is true.

Date: 8/12/2020



Jackson Willard
Regulation Specialist II

State of Alaska
Juneau, AK