



Division of Corporations, Business and Professional Licensing

Legislative Overview 2013

28th Legislative Session / Director Don Habeger

ALASKA
DEPARTMENT OF
COMMERCE,
COMMUNITY,
AND ECONOMIC
DEVELOPMENT

The Division of Corporations, Business and Professional Licensing's mission is to ensure that competent, professional and regulated commercial services are available to Alaska consumers.

- Administer professional licensing
- License Businesses and grant tobacco endorsements
- Register corporations and trademarks
- Complaint receipt and investigation

Unit Mission Statements



Business/Customer Activity

1

Professional Licensing – Over 63,000 licenses issued in FY12
(1.2% to new applicants)

2

Business Licensing – Over 66,000 licenses issued in FY12
(23% to new businesses)

3

Corporation Registration – Over 50,000 registered
corporations in FY12 (1.2% new registrations)

4

Investigations – Over 1,200 cases with 55% closed in FY12

CBPL Organization

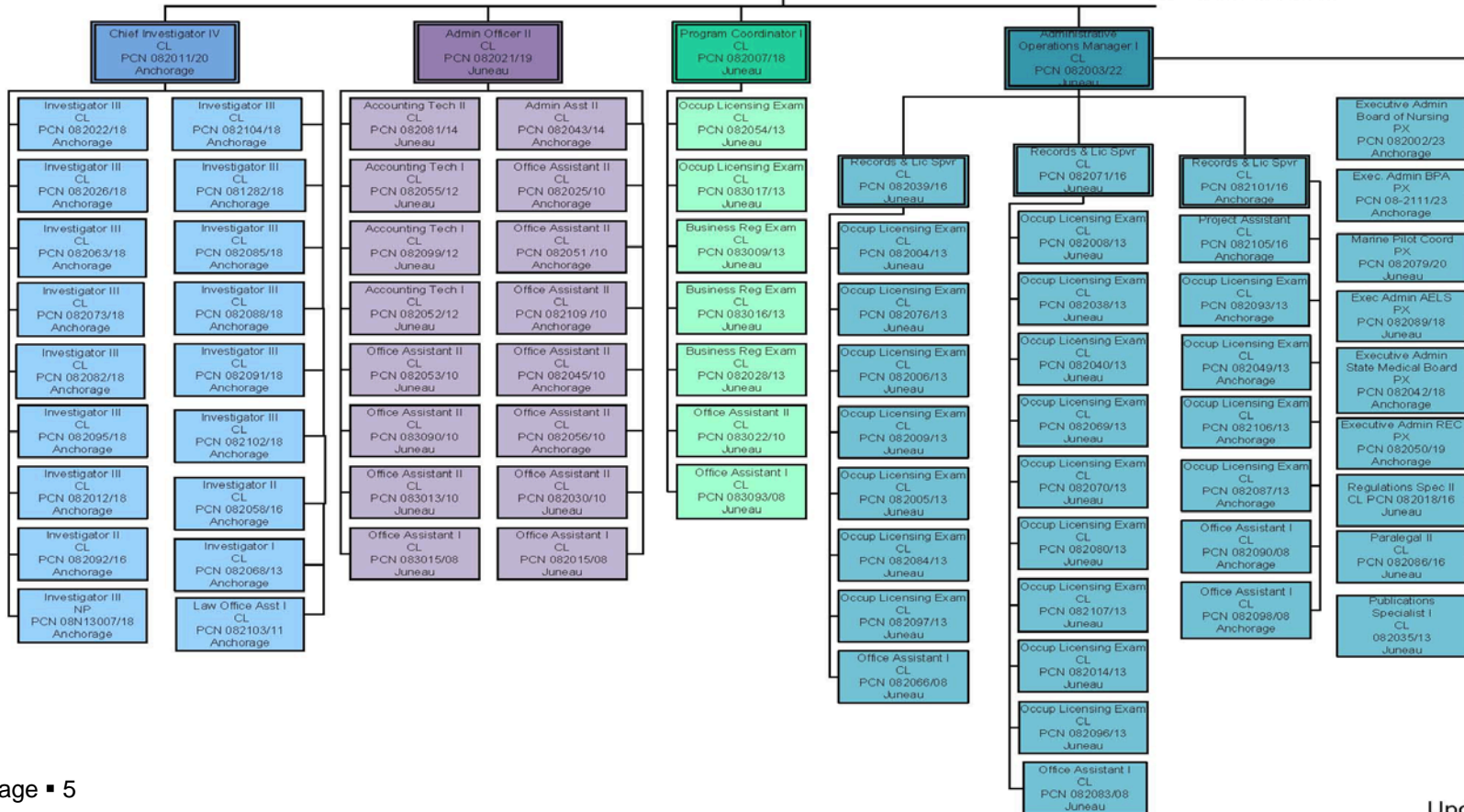
CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
FY2012 Organizational Chart as of 12/31/2012
State of Alaska
Department of Commerce, Community and Economic Development

DIVISION DIRECTOR
PX
PCN 082001/27
Juneau

Secretary
CL
PCN 082010/11
Juneau

76 CL: Classified
7 PX: Partially Exempt
0 EX: Exempt
0 EE: Excluded
1 NP: Non Perm
0 PPT: Perm Part Time
PCN: Position Control Number/Salary Range

84 TOTAL POSITIONS





Division of Insurance

Legislative Overview 2013

28th Legislative Session / Director Bret Kolb

ALASKA
DEPARTMENT OF
COMMERCE,
COMMUNITY,
AND ECONOMIC
DEVELOPMENT

Division of Insurance Overview

The Division of Insurance regulates the insurance industry to protect Alaskan Consumers, while promoting a healthy, competitive, marketplace.

- Industry Overview
- Division Organization
- Benefits & Challenges of the Division of Insurance

Industry Overview

- 1** \$3.1 Billion of total premium written in calendar year 2011
- 2** 1,085 insurance companies admitted to do business in Alaska
- 3** 42,753 licensees currently in Alaska, an increase of almost 10 percent over FY2011

Division Organization

1	Licensing: Oversees and administers the licensure of agents, brokers and insurance entities
2	Consumer Servies: Resolves consumer inquires and complaints. Engages in consumer outreach.
3	Investigations: Investigates fraudulent insurance activities-resulting in criminal convictions and civil settlements
4	Filings and Market Conduct: Ensures compliance of operations with laws, regulations, policies, plans and procedures. Reviews and approves insurance premium rates and policy forms.
5	Financial Examination: Reviews, analyzes and approves operational and financial data provided by insurance entities. Primary regulator for domestic companies and responsible for verification of compliance with Alaska financial statues.
6	Administrative: Manages and monitors the financial operations, budget development, provides business management support on procurement, personnel and administrative operations.

Benefits

- Collected \$65,734,955 in FY2012 premium taxes and fees.
- Opened 57 criminal investigations and closed 35 in FY2012.
- Approved 3606 rate and form filings and disapproved 123.
- Opened and investigated 290 consumer complaints, closed 286 complaints, and took action that resulted in additional payments of \$145,888 to consumers in FY2012.
- Admitted 19 new insurance companies to do business in Alaska.

Challenges

- Growing complexity of white collar crime complicates and lengthens the investigation process.
- The structure of insurance products continues to evolve. These new products add increasing regulatory challenges.
- The limited health and workers' compensation insurance market; creating a less competitive insurance marketplace.
- Federal Health Care Reform will challenge staff resources as various provisions of the law are implemented.



Division of Banking and Securities

Legislative Overview 2013

28th Legislative Session / Director Lorie Hovanec

ALASKA
DEPARTMENT OF
COMMERCE,
COMMUNITY,
AND ECONOMIC
DEVELOPMENT

Banking and Securities Overview

The Division of Banking and Securities mission is to protect consumers of financial services and promote safe and sound financial systems.

Financial Services

Charter, License, Register, Accept Filings, Examine

- State Banks, Credit Unions, Trust companies
- Business Industrial Development Corporation
- Premium Finance Companies, Small Loan Companies, Payday Lenders
- Mortgage Lenders, Loan Originators, Money Service Businesses
- Broker-dealers, Investment advisers, sales agents
- Securities Issuers and agents
- Mutual Funds, Federal Covered Securities
- Alaska Native Claims Settlement Act (ANCSA) Corporation and Shareholder Proxy Filings

Protect Consumers

Respond, Investigate, Enforce

- Inquiries
- Complaints
- Requests for Investigation
- Ensure compliance, including remediation
- Issue administrative orders
- Collect costs of investigation and civil penalties
- Negotiate restitution

Efficiencies and Streamlining

- Expanded the use of multi-state and joint examinations of licensees and registrants, easing the burden on the businesses, and sharing the workload among states.
- Accept registration and license applications through national database filings, allowing 'one stop' access to all regulators with fewer entries.
- Allow electronic filing for ANCSA Corporations and shareholders to upload required filings.

Challenges

Distance and Technology

Most Licensees and Registrants located in the lower 48

- Much of the legitimate financial business is conducted by internet and telephone
- Oversight is expensive and time consuming

ALASKA is a target for unscrupulous businesses

- Alaskans have the second highest household income
- Most internet fraud complaints
- Investigation/enforcement hampered by distance/technology

Coordinated consumer outreach and education is difficult within Alaska because of distance and infrastructure limits.

