



30th Alaska State Legislature

House Labor and Commerce Committee

Chair:

Rep. Sam Kito
State Capitol 403
907-465-4766

Vice Chair:

Rep. Adam Wool

Members:

Rep. Chris Birch
Rep. Andy Josephson
Rep. Gary Knopp
Rep. Louise Stutes
Rep. Colleen Sullivan-
Leonard

Committee Aide:

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907-465-4767

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Summary of Changes House Bill 157 to House Bill 403

Life & Health Insurance Guaranty Association

House Bill 403 incorporates changes made by the National Association of Insurance Commissioners to the Life & Health Insurance Guarantee Association Model Act (MDL 520) in December 2017, after HB157 had been introduced. These changes added health maintenance organizations (HMOs) as members of the association, providing HMO coverage, and addressing long-term care insolvencies. With the substantial number of changes made, HB 403 was introduced to help explain these changes, though few are substantive.

Throughout, numerous conforming changes are made to AS 21.79 consistent with the model law including: language to include contracts, hospital or medical service corporations, HMOs, and enrollees of policies or contracts has been added, most of which do not substantively change the bill. Additionally, the term "member" has been added to distinguish insurers which are members of a guaranty association, and a change has been made from the use of the term "policy or contract holder" to "policy or contract owner."

The summary of changes below includes only additions or substantive changes from HB 157, as introduced.

Section 1, Page 1, Lines 4-13: Additional section not included in Version J; makes no substantive changes.

Section 4, Page 3, Lines 12-14: Provides exception for policies/contracts to which AS 21.79 does not apply.

Section 8, Page 8, Lines 19-25: Additional section not included in Version J to include reissued policies or contracts in AS 21.79.025(c).

Section 10, Page 9, Lines 7-10: Adds a new subsection regarding long-term care rider benefits.

Section 11, Page 9, Lines 11-30: Additional section not included in Version J; requires HMOs and hospital or medical service corporation businesses to become members of an association.

Section 12, Page 10, Lines 1-12: Adds a new section to increase the number of representatives on the Board of Governors of a guaranty association.

Section 15, Page 13, Lines 23-27: Additional section not included in Version J; makes no substantive changes.

Section 20, Page 15, Lines 3-30: Additional section not included in Version J; makes no substantive changes.



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Section 24, Page 21-22, Lines 20-31 & Lines 1-2: Changes the manner in which class A and class B assessments are made.

Section 25, Page 22, Lines 4-18: Additional section not included in Version J; makes no substantive changes.

Section 26, Page 22, Lines 20-27: Additional section not included in Version J; makes no substantive changes.

Section 27, Page 22-23, Lines 29-31 & Lines 1-2: Additional section not included in Version J; makes no substantive changes.

Section 28, Page 23, Lines 4-22: Additional section not included in Version J; makes no substantive changes.

Section 30, Page 24, Lines 15-25: Additional section not included in Version J; makes no substantive changes.

Section 33, Page 25, Lines 4-13: Additional section not included in Version J; makes no substantive changes.

Section 34, Page 25, Lines 15-18: Additional section not included in Version J; makes no substantive changes.

Section 35, Page 25, Lines 20-28: Additional section not included in Version J; makes no substantive changes.

Section 36, Page 25, Lines 30-31: Additional section not included in Version J; makes no substantive changes.

Section 37, Page 26, Lines 2-21: Additional section not included in Version J; makes no substantive changes.

Section 38, Page 26-27, Lines 23-31 & Lines 1-2: Additional section not included in Version J; clarifies applicability to impaired or insolvent insurers, specifically. No other substantive changes.

Section 39, Page 27, Lines 4-23: Additional section not included in Version J; makes no substantive changes.

Section 40, Page 27-28, Lines 25-31 & Lines 1-8: Additional section not included in Version J; makes no substantive changes.

Section 43, Page 28-29, Lines 27-31 & Lines 1-7: Additional section not included in Version J; makes no substantive changes.

Section 44, Page 29, Lines 9-25: Additional section not included in Version J; makes no substantive changes.



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Section 45, Page 29-30, Lines 27-31 & Lines 1-17: Additional section not included in Version J; makes no substantive changes.

Section 50, Page 31, Lines 23-31: Additional section not included in Version J; makes no substantive changes.

Section 53, Page 33, Lines 1-3: Additional section not included in Version J; makes no substantive changes.

Section 56, Page 33-34, Lines 22-31 & Lines 1-5: Amends the definition of health benefit plan.

Section 57, Page 34, Lines 11-16: Additional section not included in Version J; includes AS 21.79 in applicability.

Section 62, Page 35, Line 25: Updated effective date.

Removes HB 157 section 21