

Alaska State Legislature
Senate Committee on Labor and Commerce

March 19, 2026

Submitted electronically

RE: SB 185, Rebating Reform - NAMIC's Written Testimony in Support

Thank you for affording the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony in support of SB 185 to the March 20, public hearing of the Senate Committee on Labor and Commerce. Unfortunately, I will not be able to attend the public hearing so please accept this letter as written testimony.

The National Association of Mutual Insurance Companies (NAMIC) is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies - including local and regional insurers as well as some of the nation's largest carriers - NAMIC members collectively write \$467 billion in annual premiums, representing 61% of the homeowners and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

NAMIC is pleased to be testifying in support of SB 185, because it is an exceptional example of effective regulator, policymaker and insurance industry collaboration to promote pro-consumer legislation designed to assist insurers and their policyholders in their risk prevention and mitigation activities.

NAMIC would like to specifically thank Senator Bjorkman and the Department of Insurance for all of their work on this project over the last two years. A lot of hard work has gone into making sure that this legislation is reasonable and balanced ... and provides consumers with appropriate consumer protections while helping facilitate cooperation between insurers and their policyholders in risk management.

For a number of years now, there has been a national movement towards modifying anti-rebating laws so that insurers can better assist their policyholders in undertaking reasonable risk mitigation activities. SB 185 is consistent with the letter and spirit of this regulatory commitment to facilitate collaboration between consumers and their insurers to address risk before it turns into a devastating incident for the consumer, an expensive insurance claim, and an avoidable insurance rate cost-driver.

As we all know from our experience in this inflationary world, the cost of everything is going up so it's only reasonable that certain homeowners and insurance consumers, who might want to undertake certain risk mitigation activities in their home, just don't have the financial resources to do so. However, with the cooperation of their insurance company, consumers can engage in some of these reasonable risk mitigation activities that will reduce the likelihood of a loss and reduce the cost of their insurance claim. SB 185 will

facilitate conscientious risk management that clearly benefits both the homeowner, who doesn't want to have an insurable disaster in their home, and also the insurance company, who wants to save financial resources paid in claims settlements. This insurer-consumer risk management endeavor makes sense for all.

As Benjamin Franklin aptly coined "an ounce of prevention is worth a pound of cure", and SB 185 will help promote "the ounce of prevention".

NAMIC supports the introduced version of Senate Bill 185 because it balances practicality with consumer protection. The bill makes it clear that the consumer is not charged for the risk mitigation good or service and gets to keep it whether or not they continue the professional relationship with the insurer. The bill also is practical in that it requires that the value of the risk mitigation good or services be reasonable in value in reference to the scope of the insurance policy and the premium being paid for the policy, but it lets insurers have flexibility to meet evolving consumer risk mitigation needs and compete in risk mitigation collaboration with their policyholders. Further, the bill grants broad regulatory discretion to the Director of Insurance to evaluate and regulate these activities to make sure that the underlying public policy objective of anti-rebating laws is well maintained.

NAMIC sees SB 185 as a clear "win-win" pro-consumer protection and pro-risk reduction bill, so we **respectfully ask for your vote in support of the bill.**

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at crataj@namic.org, if you would like to discuss NAMIC's written testimony.

Respectfully,



Christian John Rataj, Esq.
NAMIC Senior Regional Vice President
State Government Affairs, Western Region