

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version:	HB 78
Fiscal Note Number:	1
(H) Publish Date:	3/4/2019

Identifier: LL0953-2-DCCED-DOI-02-27-19
Title: INSURER & GROUP INSURANCE DISCLOSURE
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Commerce, Community and
Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2020 Appropriation Requested	Included in Governor's FY2020 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2019) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2020) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/20

Why this fiscal note differs from previous version/comments:

Not applicable, initial version based on the Governor's FY2020 Request

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Agency: Office of Management and Budget

Phone: (907)465-2560
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Date: 02/27/19

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION**Analysis**

This legislation brings the department's Division of Insurance into compliance with recently updated standards from the National Association of Insurance Commissioners (NAIC) in order to maintain the Division's accreditation.

This accreditation is necessary because the NAIC Financial Regulation Standards and Accreditation Program (Accreditation Program) serves as the central pillar of the United States system of state-based regulation of the business of insurance and defines the baseline standards deemed essential for effective solvency regulation in each state. The program fosters accountability and uniformity and allows regulators of multi-state insurers to rely on the domiciliary state's solvency regulation to avoid duplication of effort and expense. The program is particularly important to Alaska, which has few domestic insurers, because the division can rely on the examinations of non-domestic insurers licensed to sell in Alaska from other accredited states without having to perform its own examinations. Through legislative and regulatory enactments, and division practices and procedures, the Division of Insurance has been able to maintain its accreditation since 1992.

This legislation also enhances the effectiveness of group-wide supervision of insurance companies by providing the Director of Insurance the authority to access books, records, and other additional information from affiliated companies belonging to the holding company. This bill applies to all insurers domiciled in the State of Alaska.

The Division of Insurance does not anticipate fiscal impact from this legislation as the annual report would be incorporated into the existing company analysis and review procedures currently in place.