

HOUSE BILL NO. 195

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE ROKEBERG

Introduced: 3/14/03

Referred: Labor and Commerce, Health, Education and Social Services

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to coverage offered under an individual policy of health care**
2 **insurance; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 21.09.210(b) is amended to read:

5 (b) **Except as provided under AS 21.54.180, each** [EACH] insurer, and each
6 formerly authorized insurer with respect to premiums received while an authorized
7 insurer in this state, shall pay a tax on the total direct premium income received during
8 the year ending on the preceding December 31 and paid for the insurance of property
9 or risks resident or located in the state, other than wet marine and transportation
10 insurance, after deducting from the total direct premium income the applicable
11 cancellations, returned premiums, the unabsorbed portion of any deposit premium, all
12 policy dividends, unabsorbed premiums refunded to policyholders, refunds, savings,
13 savings coupons, and other similar returns paid or credited to policyholders with
14 respect to their policies. Deductions may not be made of cash surrender value of

1 policies. Considerations received on annuity contracts are not included in the direct
 2 premium income and are not subject to tax. The tax shall be paid to the director at
 3 least annually but not more often than once each quarter on the dates specified by the
 4 director. The method of payment must be by the electronic or other payment method
 5 specified by the director. Except as provided under (m) of this section, the tax is
 6 computed at the rate of

7 (1) for domestic and foreign insurers, except hospital and medical
 8 service corporations, 2.7 percent;

9 (2) for hospital and medical service corporations, six percent of their
 10 gross premiums less claims paid.

11 * **Sec. 2.** AS 21.54 is amended by adding a new section to read:

12 **Sec. 21.54.180. Individual health care insurance coverage.**

13 Notwithstanding AS 21.42.347, 21.42.353, 21.42.355, 21.42.363, 21.42.365,
 14 21.42.375, 21.42.380, 21.42.385, 21.42.390, 21.42.392, 21.42.395, and 21.42.400, a
 15 health care insurer may offer an individual a health care insurance plan that does not
 16 include health insurance coverage required under AS 21.42.347, 21.42.353, 21.42.355,
 17 21.42.363, 21.42.365, 21.42.375, 21.42.380, 21.42.385, 21.42.390, 21.42.392,
 18 21.42.395, and 21.42.400; however, the coverage may be offered as optional coverage.
 19 A health insurance plan that does not include health insurance coverage required under
 20 AS 21.42.347, 21.42.353, 21.42.355, 21.42.363, 21.42.365, 21.42.375, 21.42.380,
 21 21.42.385, 21.42.390, 21.42.392, 21.42.395, and 21.42.400 is not subject to the tax on
 22 premiums imposed under AS 21.09.210.

23 * **Sec. 3.** This Act takes effect July 1, 2003.