

HOUSE BILL NO. 239

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE WOOL

Introduced: 1/19/16

Referred: Health and Social Services, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the annual report by the director of insurance; relating to the duty**
2 **of the director of insurance to inform the public; relating to insurer filings for premium**
3 **rates charged for an individual health care insurance plan; relating to investigatory**
4 **hearings on insurer filings for premium rates charged for an individual health care**
5 **insurance plan; relating to the duties and powers of the attorney general; and providing**
6 **for an effective date."**

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

8 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
9 to read:

10 LEGISLATIVE INTENT. It is the intent of the legislature that, in implementing
11 AS 21.51.405(f), added by sec. 6 of this Act, as a cost savings measure, the division of
12 insurance use software already in use by the Regulatory Commission of Alaska, or other state
13 agency, to publish nonconfidential filings.

1 * **Sec. 2.** AS 21.06.110 is amended to read:

2 **Sec. 21.06.110. Director's annual report.** As early in each calendar year as is
3 reasonably possible, the director shall prepare and deliver an annual report to the
4 commissioner, who shall notify the legislature that the report is available, showing,
5 with respect to the preceding calendar year,

6 (1) a list of the authorized insurers transacting insurance in this state,
7 with a summary of their financial statement as the director considers appropriate;

8 (2) the name of each insurer whose certificate of authority was
9 surrendered, suspended, or revoked during the year and the cause of surrender,
10 suspension, or revocation;

11 (3) the name of each insurer authorized to do business in this state
12 against which delinquency or similar proceedings were instituted and, if against an
13 insurer domiciled in this state, a concise statement of the facts with respect to each
14 proceeding and its present status;

15 (4) a statement in regard to examination of rating organizations,
16 advisory organizations, joint underwriters, and joint reinsurers as required by
17 AS 21.39.120;

18 (5) the receipt and expenses of the division for the year;

19 (6) recommendations of the director as to amendments or
20 supplementation of laws affecting insurance or the office of director;

21 (7) statistical information regarding health insurance, including the
22 number of individual and group policies sold or terminated in the state; this paragraph
23 does not authorize the director to require an insurer to release proprietary information;

24 (8) the annual percentage of health claims paid in the state that meets
25 the requirements of AS 21.36.495(a) and (d);

26 (9) the total amount of contributions reported and the total amount of
27 credit claimed under AS 21.96.070 and 21.96.075; [AND]

28 (10) **the total number of public comments received under**
29 **AS 21.51.405(b) and (e) and the director's efforts to improve public access to**
30 **information and facilitate public comment on individual health insurance rate**
31 **filings before they become effective; and**

1 **(11)** other pertinent information and matters the director considers
 2 proper.

3 * **Sec. 3.** AS 21.06.115 is amended to read:

4 **Sec. 21.06.115. Duty to inform public.** The director shall regularly inform the
 5 public of matters concerning the purchase, price, coverage, benefits, **rate increases,**
 6 and rights of insurance marketed in this state and make available information on
 7 availability of the services of the division of insurance **and the opportunity for**
 8 **public comment.** The director shall prepare, publish, and revise as it becomes useful
 9 or necessary to do so, an information pamphlet on insurance and the rights of a
 10 consumer of insurance and on how to take advantage of the **right to public comment**
 11 **and the** services of the division of insurance.

12 * **Sec. 4.** AS 21.51.405(b) is amended to read:

13 (b) An insurer shall file with the director the premium rates charged for an
 14 individual health care insurance plan before using them. A premium rate or premium
 15 rate change must be on file with the director for a waiting period of at least 45 days
 16 before the effective date of the premium rate. That period may be extended by the
 17 director or the insurer for an additional 15 days if, during the initial 45-day waiting
 18 period, notice is given stating that additional time for consideration of the filing is
 19 needed. **The director shall provide public notice of a filing, and the public may**
 20 **submit comments during the 45-day waiting period. Except as provided in (d) of**
 21 **this section, a** [A] filing may become effective at the end of the waiting period unless
 22 disapproved by the director during the waiting period. If an insurer fails to provide
 23 information requested by the director during the waiting period, the filing is
 24 considered withdrawn by the insurer, and the premium rate does not become effective.

25 * **Sec. 5.** AS 21.51.405(c) is amended to read:

26 (c) The director shall adopt regulations
 27 (1) establishing procedures for filing and use of rates; [AND]
 28 (2) specifying information that must be submitted in a filing required
 29 under (b) of this section; **and**
 30 **(3) establishing procedures for investigatory hearings under (d)**
 31 **and (e) of this section.**

1 * **Sec. 6.** AS 21.51.405 is amended by adding new subsections to read:

2 (d) The director shall hold an investigatory hearing under AS 21.06.170 -
3 21.06.230 if an insurer seeks to increase the premium rate charged for an individual
4 health care insurance plan by 10 percent or more in a filing required under (b) of this
5 section. A filing that requires an investigatory hearing under this section may become
6 effective when an order is issued unless earlier disapproved by the director. If an
7 insurer fails to provide information requested by the director during the investigatory
8 hearing, the filing is considered withdrawn by the insurer, and the premium rate does
9 not become effective.

10 (e) In setting and during an investigatory hearing under (d) of this section, the
11 director shall

12 (1) provide public notice of the hearing by posting on the Alaska
13 Online Public Notice System (AS 44.62.175);

14 (2) invite the attorney general to participate on behalf of the public;

15 (3) allow the attorney general access to confidential information or
16 records obtained by the director as part of the investigatory hearing;

17 (4) invite public comment;

18 (5) provide copies of all public comments received under (4) of this
19 subsection to all parties to the hearing;

20 (6) publish nonconfidential information relating to the investigatory
21 hearing for the public.

22 (f) The director shall make all nonconfidential information under this section
23 available online, including any nonconfidential filings made as part of an investigatory
24 hearing under (d) of this section.

25 (g) In this section, "nonconfidential information" means any information or
26 record not designated as confidential under AS 21.06.060 or other state or federal law.

27 * **Sec. 7.** AS 44.23.020 is amended by adding a new subsection to read:

28 (i) The attorney general may participate as a party in an investigatory hearing
29 under AS 21.51.405(d) when the attorney general determines that participation is in
30 the public interest.

31 * **Sec. 8.** This Act takes effect January 1, 2017.