

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	CSHB 148(L&C)
Fiscal Note Number:	1
(H) Publish Date:	5/16/2025

Identifier: HB148-DCCED-DOI-03-21-25
 Title: OMNIBUS INSURANCE BILL
 Sponsor: LABOR & COMMERCE
 Requester: House Labor & Commerce

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)

	FY2026	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
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

1156 Rcpt Svcs (DGF)	110.0		110.0	110.0	110.0	110.0	110.0
Total	110.0	0.0	110.0	110.0	110.0	110.0	110.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) 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? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Division of Insurance	Date:	03/21/2025
Approved By:	Hannah Lager, Administrative Services Director	Date:	03/21/25
Agency:	Department of Commerce, Community, and Economic Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Analysis

This bill simplifies the computation of premium tax, broadens the type of health care insurance plans that may be offered by an employer, establishes financial reporting of insurers, and adds a requirement for a licensure under a health maintenance organization.

For wet marine and transportation insurance, the Division of Insurance would see an increase in premium tax due to the change to the wet marine and transportation base premium subject to premium tax. The current calculation allowed for deductions for direct losses paid and ceding premiums to other companies. Often, the other companies are not authorized to do business in Alaska, and the premium tax is lost as statute does not provide provisions to tax these nonauthorized companies. The statute change removes those deductions and only allows for a dividend deduction like all other insurance premium tax calculations.

For calendar years 2022-2024, the increased revenue would have been under the new calculation (shown in whole dollars):

Year	Tax Increase
2022	112,539
2023	85,155
2024	113,189

Under the filing fee penalty proposal, the division would see a decrease in penalty revenue due to the change in the calculation. The division estimates a potential loss of revenue ranging from \$3.0 up to \$5.0 per year. Under the home state definition proposal, the division could see an increase in revenue for those entities based outside the United States that underwrite insurance policies in Alaska. Combining the decrease in penalty revenue and the increase in revenue for entities based outside of the state, the Division of Insurance projects approximately \$110.0 in tax revenue each fiscal year.