

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	HCS CSSB 132(FIN)
Fiscal Note Number:	2
(H) Publish Date:	5/19/2025

Identifier: SB132HCSCS(FIN)-DCCED-DOI-05-17-25
 Title: OMNIBUS INSURANCE BILL
 Sponsor: LABOR & COMMERCE
 Requester: House Finance

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					
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

1004 Gen Fund (UGF)	470.4		489.0	489.0	489.0	489.0	489.0
Total	470.4	0.0	489.0	489.0	489.0	489.0	489.0

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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/26

Why this fiscal note differs from previous version/comments:

Amended to incorporate Fees for Pharmacy Benefits Managers and Third Party Administrators.

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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, increases consumer protections, and addresses non-resident adjusters that may work in Alaska.

This bill also would require Third-Party Administrators (TPA) and Pharmacy Benefits Managers (PBM) to be licensed instead of registered. The bill amends the examination statutes in AS 21.06.120 - 21.06.160 to add PBM to the list of entities the director of the Division of Insurance may examine, including through coordinated multi-state examinations. It removes an exemption for certain TPA that would now subject them to pay the costs of a market conduct examination, identical to the provisions that regulate insurers. The bill increases the licensing fee for TPA from \$0.3 to \$2.0 for a bi-annual license. The bill adds licensing fee for PBM of \$15.0 for a bi-annual license. With these licensing fees the division estimates additional revenue of \$360.4 in FY2026 and \$379.0 in FY2027 and each fiscal year beyond based on the TPA (124) and PBM (34) doing business in Alaska now. This fiscal note does not consider new TPA or PBM that may enter the market as it is not known if any will. The two fees bring Alaska more in line with fees being charged by others states, particularly PBM. For example: Massachusetts charges a fee of \$25.0 for a 3-year license while New York charges a fee of \$24.0 for the similar time frame. Arkansas and West Virginia charge \$40.0 for a bi-annual license. Fees for TPA range from \$0.3 and up.

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 tax. The current calculation allowed for deductions for direct losses and ceding premiums to other companies. Often, the other companies were not authorized to do business in Alaska, and the premium tax is lost as statute does not provide provisions to tax these nonauthorized insurers. The bill 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 under the new calculation would have been (in whole dollars):

2022 - \$112,539

2023 - \$ 85,155

2024 - \$113,189

For FY2026 and future years, increased revenue under this calculation is estimated at \$115.0.

Under the filing fee penalty proposal in Section 60, the division would see a slight decrease in revenue due the change in the calculation. The division estimates a potential loss of revenue ranging from \$3.0 - \$5.0 per year.

In total, the Division of Insurance estimates this legislation would create additional revenue of approximately \$470.4 in FY2026 (\$360.4 from PMB and TPA fees + \$115.0 from wet marine and transportation - \$5.0 filing fee penalty) and \$489.0 in each subsequent fiscal year (\$379.0 from PBM and TPA fees + \$115.0 from wet marine and transportation - \$5.0 filing fee penalty).