

HB

225

SENATE COMMITTEE REPORT

DATE: January 11 1990

FURTHER:

DATE TURNED INTO OFFICE: 4/12/90

Labor & Commerce Committee considered CS FOR HOUSE BILL NO. 225 (HESS) "An Act relating to payment of disability insurance claims."

and recommended:

[x] replace with SCS cs HB 225 (L+C)
[] or adopt
[] attached amendment(s)
[] letter of intent adopted

[x] same title
[] new title
[] technical title change (HB only)

[x] do pass
[] do not pass
[] no recommendation
[] individual recommendations
[] further referral to

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:
[] fiscal note(s)

APPROVES PREVIOUS:
Dept/Date:
[] fiscal note(s)

[x] zero fiscal note(s)
updated Dept of Comm 2/2/90 CS HB 225 (HESS)
Copies also to SCS HB 225 (L+C)
[] appropriation-no fiscal note

[] zero fiscal note(s)
[] Governor's bill w/fiscal note

SIGNING DO PASS:
[Signature]
[Signature]

OTHER RECOMMENDATIONS:
[Signature] No Rec.

Chair: Signature and Recommendation

HB 225 - Payment of Disability Insurance

House Bill 225 deals with the "direct payment" provisions of Title 21, which governs Alaska insurance contracts. This legislation mandates that if an insurance company disregards the patient's written direction regarding to whom the insurance payments should be sent, the insurance company remains liable to the provider. This change will make the insurance company, rather than the health care provider, bear the risk that a payment improperly sent to the patient will leave a medical bill unpaid.

House Bill 225 also clarifies the manner in which "direct payment" requests by a patient can be revoked. The revocation is not effective until both the insurance company and the healthcare providers are notified. The Senate Labor and Commerce Committee added language which establishes the right of a divorced parent with custody of children covered under a health care plan to invoke the "direct payment" provisions of law. This change will assist the custodial parent in gaining timely health care for the children, without requiring the involvement of the non-custodial parent.

AMENDMENTS

1. The first amendment simply requires that any revocation by a patient that payments be made directly to the health care provider must be in writing, and include a certification that the provider has been notified of the change. This amendment will enable insurers to avoid errors in payments.

2. The second amendment clarifies that the "direct payment" provisions made applicable to medical or hospital services corporations by Section 4 of the Act do not extend to benefits that the corporation is required to pay directly to a participating health care provider under a subscription contract. The "direct payment" provisions do apply, however, when the service corporation is obligated only to indemnify the patient.

These amendments were made at the request of insurance interests and have the approval of the prime sponsor and the Division of Insurance.

ADDITIONAL INFORMATION

1. Alaska law has "direct payment" provisions which enable an insurance company to pay most health care providers directly if the patient so direct.

2. HB 225 expressly states that an insurance company would retain the right to collect any amounts mistakenly paid to the patient from that person. Under current law a health care provider could collect from the patient in the same situation.

1

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 225 (Labor & Commerce)

Page 1, line 20, after "upon":

Insert "written"

Page 2, line 3, after "services;":

Insert "the written notice of revocation given to the insurer must certify that the covered person has given written notice of revocation to the provider of the services;"

Page 2, line 27, after "upon":

Insert "written"

Page 3, line 10, after "services.":

Insert "The written notice of revocation given to the insurer must certify that the covered person has given written notice of revocation to the provider of the services."

Page 4, line 6, after "upon":

Insert "written"

Page 4, line 18, after "services.":

Insert "The written notice of revocation given to the insurer must

certify that the covered person has given written notice of revocation to the provider of the services."

#2

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 225 (Labor & Commerce)

Page 2, after line 24:

Insert a new subsection to read:

"(c) This section does not apply to payments made under a provider contract that holds the covered person harmless from charges for services except copayments, coinsurance, and deductibles."

Page 3, after line 25:

Insert a new subsection to read:

"(e) This section does not apply to payments made under a provider contract that holds the covered person harmless from charges for services except copayments, coinsurance, and deductibles."

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Payment of Disability Insurance
Claims
Sponsor: Gruenberg and Menard
Requestor: House Rules

Agency Affected: Commerce & Economic Dev.
BRU: Insurance
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: James J. Jordan, Acting Director Phone: 465-2515
Division: Insurance Date: 1-9-90

Approved by Commissioner: Larry Merculieff Date: 1-9-90
Agency: Department of Commerce & Economic Development 465-2500

Distribution (by preparer):

Legislative Finance
69748/1990
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

State of Alaska

Committees

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VICE CHAIR, HOUSE LABOR AND COMMERCE
HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES



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Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

MEMORANDUM

TO: Sen. Dick Eliason
Chairman, Senate Labor and Commerce Committee

FROM: Rep. Max F. Gruenberg, Jr. *MF*

SUBJECT: Analysis of CS HB 225 (HESS)
and Proposed Amendment

DATE: March 26, 1990

Current Law

CS HB 225 (HESS) deals with the "direct payment" provisions of Title 21, which governs Alaska insurance contracts. Insurance contracts are indemnity contracts; they generally provide that payments are made to the person who owes the bill, rather than to the person who provided the services. Alaska law, however, has "direct payment" provisions which enable an insurance company to pay most health care providers directly if the patient so requests.

CS HB 225 (HESS)

CS HB 225 (HESS) strengthens the "direct payment" provisions of current law. A patient who has mistakenly received insurance payments that the patient asked be paid to a health care provider might not pay the medical bill. In that situation, under current law, the health care provider would bear the cost rather than the insurance company, which mistakenly paid the patient.

CS HB 225 (HESS) mandates that if an insurance company disregards the patient's written directive, it remains liable

to the provider. This change will make the insurance company, rather than the health care provider, bear the risk that a payment improperly sent to the patient will leave a medical bill unpaid.

An insurance company would retain the right to collect any amounts mistakenly paid to a patient from that person. Under current law a health care provider could collect from the patient in the same situation.

In addition to placing the risk of loss on the proper party, CS HB 225 (HESS) adds a specific time limit (30 working days) within which medical bills must be paid by the insurer. Also, the bill adds dentists to the list of health care providers who may be paid directly by an insurer.

Proposed Amendment

I've also drafted a proposed amendment to CS HB 225 (HESS) for consideration by your committee.

The amendment would do two things. First, it defines the procedure to be followed by a patient who wishes to revoke a prior authorization of direct payment to a health care provider. The amendment states that such a revocation is not effective until both the insurance company and the health care provider are notified. This will enable health care providers to monitor the payment status of patients who see them on an ongoing basis.

Second, the proposed amendment establishes the right of a divorced parent with custody of children covered under a health care plan to invoke the "direct payment" provisions of law for health care services provided to those children. This change will greatly assist the custodial parent in gaining timely health care for the children, without requiring the involvement of the non-custodial parent.

* * * * *

Taken together, these changes in current law will make the Alaska insurance industry more responsive to consumer needs and to their legitimate requests. I would appreciate the opportunity to bring the bill before your committee at your earliest opportunity.

1

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 225 (Labor & Commerce)

Page 1, line 20, after "upon":

Insert "written"

Page 2, line 3, after "services;":

Insert "the written notice of revocation given to the insurer must certify that the covered person has given written notice of revocation to the provider of the services;"

Page 2, line 27, after "upon":

Insert "written"

Page 3, line 10, after "services.":

Insert "The written notice of revocation given to the insurer must certify that the covered person has given written notice of revocation to the provider of the services."

Page 4, line 6, after "upon":

Insert "written"

Page 4, line 18, after "services.":

Insert "The written notice of revocation given to the insurer must

certify that the covered person has given written notice of revocation to the provider of the services."

#2

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 225 (Labor & Commerce)

Page 2, after line 24:

Insert a new subsection to read:

"(c) This section does not apply to payments made under a provider contract that holds the covered person harmless from charges for services except copayments, coinsurance, and deductibles."

Page 3, after line 25:

Insert a new subsection to read:

"(e) This section does not apply to payments made under a provider contract that holds the covered person harmless from charges for services except copayments, coinsurance, and deductibles."

AMENDMENT

SECTION 2, PAGE 2

AT THE END OF LINE 20: INSERT THE FOLLOWING:

"NOTHING IN THIS SECTION PROHIBITS AN INSURER FROM COLLECTING ANY AMOUNTS MISTAKENLY PAID TO A PROVIDER OR A COVERED PERSON."

SECTION 3, PAGE 3

AT THE END OF LINE 10: INSERT THE FOLLOWING:

"NOTHING IN THIS SECTION PROHIBITS AN INSURER FROM COLLECTING ANY INDEMNITIES MISTAKENLY PAID TO A PROVIDER OR A COVERED PERSON."

CSHB 225 (HESS): "An Act relating to payment of disability insurance claims."

This Act pertains to the payment of both group and individual disability insurance claims. It provides for a requirement that, when benefits are assigned to a medical care provider, the benefits must be paid within 30 days after receipt of a proof of loss statement and, if the insurer mistakenly pays the insured, then the insurer must also pay the medical care provider. The department's position on this legislation is neutral.

Section 1 - AS 21.51.120 - Individual Disability Contracts

Essentially, the repeal and reenactment of AS 21.51.120 does not change the existing law's intent. This section pertains to required contract provisions pertaining to payment of claims in individual disability insurance contracts. Two elements have been added in the situation when benefits have been assigned to a medical care provider:

1. payment must be made within 30 days after receipt of a proof of loss statement; and
2. if the insurer mistakenly pays benefits to the insured, it must also make payment to the medical care provider. It is assumed that the insurer is penalized for this mistake by the required double payment. Assumedly, both payments would tend to increase future rates.

It should be noted that this section does not create an irrevocable assignment and the insured could change his or her mind and request in writing that the insurer now pay direct to him or her (under AS 21.42.270 and AS 21.51.150).

Section 2 - AS 21.54.020 - Group Disability Contracts

Direct payment of benefits to medical care providers by insurers may provide for:

1. medical care providers not requiring patients to pay for treatment before treatment is given so as not to create a barrier to receiving appropriate medical care; and
2. assurance that at least some portions of the charges for medical care will be paid to the medical care provider.

Most group disability insurance contracts will allow the choice of direct payment to medical care providers to be made by the individual persons covered under the group contract. This election is required to be made in writing and may only be changed by a subsequent written request received before claim payment is made. However, many insurers do retain the contractual option of whether paying direct to the person covered or to a medical care provider. If the covered person has made the written election for direct payment to a provider, the insurer will pay to the provider. If the covered person does not make the written election for direct payment, the insurer must pay any benefits to the covered person.

However, if no direct payment election is made and the amount of the claim is substantial, many insurers will require the covered person to provide proof that the medical care provider has been paid. (An insurer will do this because, if a covered person is paid but the provider ultimately is not paid, those reimbursed charges will be factored into and result in higher charges being made for future medical service.

The new language removes the insurer's discretion in regard to making direct payment to a provider. If the insurer allows for the election of direct payment, then the direct payment must be made unless the election is revoked in writing.

The same 30-day criteria for payment of claims and the double payment features are evident in this amended provision as are in the section pertaining to individual disability contracts.

Section 3 - AS 21.54.050 - Blanket Disability Contracts

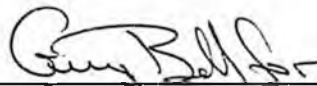
This section applies the same standards already noted in Sections 1 and 2, to blanket disability insurance contracts.

Section 4 - AS 21.87.340 - Hospital and Medical Service Corporations

Because AS 21.87 is an exclusive chapter regulating hospital and medical service corporation such as Blue Cross, there must be an internal reference to statutes outside of AS 21.87 which are intended to apply. Section 4 accomplishes that for individual contracts issued by hospital and medical service corporations.

Amendments Proposed

- o Following line 8 on page 4, add "(10) AS 21.54.020." This would apply this legislation to group contracts issued by a hospital or medical service corporation.



Larry Mercurieff, Commissioner

Date: 4/4/90

State of Alaska

Committees

CO-CHAIR, HOUSE JUDICIARY
VICE-CHAIR, HOUSE LABOR AND COMMERCE
HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES



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Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

MEMORANDUM

TO: Sen. Dick Eliason
Chairman, Senate Labor and Commerce Committee

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* * * * *

Taken together, these changes in current law will make the Alaska insurance industry more responsive to consumers' needs and to their legitimate requests. I would appreciate the opportunity to bring the bill before your committee at your earliest opportunity.

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Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

MEMORANDUM

TO: Senator Dick Eliason
Chairman, Senate Labor and Commerce Committee

FROM: Representative Max F. Gruenberg, Jr. *MFG*

DATE: January 23, 1990

SUBJECT: Scheduling of CS HB 225 (HESS), "An Act relating to payment of disability insurance claims."

Last year I sponsored HB 225. CS HB 225 (HESS) was the first Act to pass out of the House this session, and it passed by a unanimous vote.

CS HB 225 (HESS) amends the "direct payment" provisions of the Insurance Code, to ensure that health care providers receive payments for services rendered to insured patients.

Since the bill passed the House, I have prepared three amendments to refine the bill's impact. With those amendments in hand, CS HB 225 (HESS) is now ready to be heard and I would appreciate your scheduling it at the earliest opportunity.

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSHB 225(HESS)

Page 1, line 28, following "person":

Insert ";

(3) a covered person may revoke an election of direct payment of indemnities made under this subsection by giving written notice of the revocation to the insurer and to the provider of the services; revocation of an election of direct payment is not effective until the notice of revocation is received by the insurer and the provider of the services;

(4) the right of the insured to request payment of indemnities for hospital, nursing, medical, dental, or surgical services directly to the provider of the services or to another person may be transferred to a person who is not the insured by a qualified domestic relations order; rights under the qualified domestic relations order do not take effect until the order is received by the insurer; in this paragraph, "qualified domestic relations order" means an order or judgment in a divorce or dissolution action under AS 25.24 that designates a person to determine to whom indemnities for a named beneficiary should be paid under a disability policy"

Page 2, line 11, before "An":

Insert "(a)"

Page 2, after line 20:

Insert new subsections to read:

"(b) A covered person may revoke an election of direct payment of indemnities made under (a) of this section by giving written notice of the revocation to the insurer and to the provider of the services. Revocation of an election of direct payment is not effective until the notice of revocation is received by the insurer and the provider of the services.

(c) The right of the covered person to request payment of indemnities under a blanket disability policy directly to the provider of the services or to another person may be transferred to a person who is not the covered person by a qualified domestic relations order. Rights under the qualified domestic relations order do not take effect until the order is received by the insurer. In this subsection, "qualified domestic relations order" means an order or judgment in a divorce or dissolution action under AS 25.24 that designates a person to determine to whom indemnities for a covered person should be paid under a disability policy."

Page 2, line 23, before "All":

Insert "(a)"

Page 3, after line 10:

Insert new subsections to read:

"(b) A covered person may revoke an election of direct payment of benefits made under (a) of this section by giving written notice of

the revocation to the insurer and to the provider of the services. Revocation of an election of direct payment is not effective until the notice of revocation is received by the insurer and the provider of the services.

(c) The right of the covered person to request payment of indemnities under a group disability policy directly to the provider of the services or to another person may be transferred to a person who is not the covered person by a qualified domestic relations order. Rights under the qualified domestic relations order do not take effect until the order is received by the insurer. In this subsection, "qualified domestic relations order" means an order or judgment in a divorce or dissolution action under AS 25.24 that designates a person to determine to whom indemnities for a covered person should be paid under a disability policy."

Page 4, following line 8:

Insert new bill sections to read:

"* Sec. 5. AS 25.24.160(b) is amended to read:

(b) If a judgment under this section distributes benefits to an alternate payee under AS 14.25, AS 21.51.120(a), AS 21.54.020(c), 21.54.050(c), AS 22.25, AS 26.05.222 - 26.05.226, or AS 39.35, the judgment must meet the requirements of a qualified domestic relations order under the definition of that phrase that is applicable to those provisions.

* Sec. 6. AS 25.24.230(g) is amended to read:

(g) If a judgment under this section distributes benefits to an

alternate payee under AS 14.25, AS 21.51.120(a), AS 21.54.020(c), 21.54.050(c), AS 22.25, AS 26.05.222 - 26.05.226, or AS 39.35, the judgment must meet the requirements of a qualified domestic relations order under the definition of that phrase that is applicable to those provisions."

Renumber the following bill section accordingly.

Original sponsor(s): REP. GRUENBERG, Menard

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 225 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to payment of disability insurance
7 claims."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 21.51.120 is repealed and reenacted to read:

10 Sec. 21.51.120. PAYMENT OF CLAIMS. (a) A disability policy
11 delivered or issued for delivery must contain the following provi-
12 sions:

13 (1) indemnity for loss of life shall be paid according to
14 the beneficiary designation and payment provisions contained in the
15 policy that are effective at the time of payment; if a beneficiary has
16 not been designated, indemnity shall be paid to the estate of the
17 insured; accrued indemnities unpaid at the insured's death shall be
18 paid to either the beneficiary or the estate, at the option of the
19 insurer; all other indemnities shall be paid to the insured;

20 (2) the insurer may, and upon request of the insured shall,
21 within 30 working days after receiving a proof of loss statement, pay
22 indemnities for hospital, nursing, medical, dental, or surgical ser-
23 vices directly to the provider of the services; an insurer who pays
24 indemnities to an insured, after the insured has given the insurer
25 written notice in the proof of loss statement of an election of direct
26 payment of indemnities to the provider of the services, shall also pay
27 indemnities to the provider of the services; this paragraph does not
28 require that services be provided by a particular hospital or person;

29 (3) a covered person may revoke an election of direct

1 payment of indemnities made under this subsection by giving written
2 notice of the revocation to the insurer and to the provider of the
3 services; revocation of an election of direct payment is not effective
4 until the notice of revocation is received by the insurer and the
5 provider of the services;

6 (4) the right of the insured to request payment of indem-
7 nities for hospital, nursing, medical, dental, or surgical services
8 directly to the provider of the services or to another person may be
9 transferred to a person who is not the insured by a qualified domestic
10 relations order; rights under the qualified domestic relations order
11 do not take effect until the order is received by the insurer; in this
12 paragraph, "qualified domestic relations order" means an order or
13 judgment in a divorce or dissolution action under AS 25.24 that desig-
14 nates a person to determine to whom indemnities for a named benefi-
15 ciary should be paid under a disability policy.

16 (b) A disability policy delivered or issued for delivery may, at
17 the option of the insurer, require that an indemnity in an amount not
18 to exceed \$1,000 that is payable to the estate of the insured, an
19 insured or beneficiary who is a minor, or an insured who is not compe-
20 tent to give a valid release, be paid to a relative by blood or mar-
21 riage, or a beneficiary that the insured determines is equitably
22 entitled to the payment. A good faith payment by the insurer under
23 this subsection fully discharges the insurer to the extent of the
24 payment.

25 * Sec. 2. AS 21.54.020 is repealed and reenacted to read:

26 Sec. 21.54.020. DIRECT PAYMENT OF HOSPITAL, MEDICAL SERVICES.

27 (a) An insurer may, and upon request of the covered person shall,
28 within 30 working days after receiving a proof of loss statement, pay
29 indemnities under a group disability policy directly to the provider

1 of the hospital, nursing, medical, dental, or surgical services. The
2 policy may not contain a provision requiring that services be provided
3 by a particular hospital or person. If the insurer pays indemnities
4 to the covered person after the covered person has given the insurer
5 written notice in the proof of loss statement of an election of direct
6 payment of indemnities to the provider of the service, the insurer
7 shall also pay those indemnities to the provider of the service.

8 (b) A covered person may revoke an election of direct payment of
9 indemnities made under (a) of this section by giving written notice of
10 the revocation to the insurer and to the provider of the services.
11 Revocation of an election of direct payment is not effective until the
12 notice of revocation is received by the insurer and the provider of
13 the services.

14 (c) The right of the covered person to request payment of indem-
15 nities under a blanket disability policy directly to the provider of
16 the services or to another person may be transferred to a person who
17 is not the covered person by a qualified domestic relations order.
18 Rights under the qualified domestic relations order do not take effect
19 until the order is received by the insurer. In this subsection,
20 "qualified domestic relations order" means an order or judgment in a
21 divorce or dissolution action under AS 25.24 that designates a person
22 to determine to whom indemnities for a covered person should be paid
23 under a disability policy.

24 (d) This section does not prohibit an insurer from recovering an
25 amount mistakenly paid to a provider or a covered person.

26 * Sec. 3. AS 21.54.050 is repealed and reenacted to read:

27 Sec. 21.54.050. PAYMENT OF BLANKET DISABILITY POLICY BENEFITS.

28 (a) All benefits under a blanket disability policy shall be paid to
29 (1) the person insured; (2) the designated beneficiary or

1 beneficiaries of the person insured; (3) the estate of the person
2 insured; (4) the parent, guardian, or other person actually supporting
3 the person insured, if the person insured is a minor or otherwise not
4 competent to give a valid release; or (5) the employer, if the entire
5 cost of the insurance has been paid by the employer. An insurer may,
6 and upon request of the covered person shall, within 30 working days
7 after receiving a proof of loss statement, pay benefits directly to
8 the provider of the hospital, nursing, medical, dental, or surgical
9 services. The policy may not contain a provision requiring that
10 services be provided by a particular hospital or person. If the
11 insurer pays indemnities to the insured after the covered person has
12 given the insurer written notice in the proof of loss statement of an
13 election of direct payment of indemnities to the provider of the
14 service, the insurer shall also pay those indemnities to the provider
15 of the service.

16 (b) A covered person may revoke an election of direct payment of
17 benefits made under (a) of this section by giving written notice of
18 the revocation to the insurer and to the provider of the services.
19 Revocation of an election of direct payment is not effective until the
20 notice of revocation is received by the insurer and the provider of
21 the services.

22 (c) The right of the covered person to request payment of indem-
23 nities under a group disability policy directly to the provider of the
24 services or to another person may be transferred to a person who is
25 not the covered person by a qualified domestic relations order.
26 Rights under the qualified domestic relations order do not take effect
27 until the order is received by the insurer. In this subsection,
28 "qualified domestic relations order" means an order or judgment in a
29 divorce or dissolution action under AS 25.24 that designates a person

1 to determine to whom indemnities for a covered person should be paid
2 under a disability policy.

3 (d) This section does not prohibit an insurer from recovering an
4 indemnity mistakenly paid to a provider or a covered person.

5 * Sec. 4. AS 21.87.340 is amended to read:

6 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to
7 the provisions contained or referred to previously in this chapter,
8 the following chapters and provisions of this title also apply with
9 respect to service corporations to the extent applicable and not in
10 conflict with the express provisions of this chapter and the reason-
11 able implications of the express provisions, and for the purposes of
12 the application the corporations shall be considered to be mutual
13 "insurers":

- 14 (1) AS 21.03
15 (2) AS 21.06
16 (3) AS 21.09, except AS 21.09.090
17 (4) AS 21.18.010
18 (5) AS 21.18.030
19 (6) AS 21.18.040
20 (7) AS 21.18.120
21 (8) AS 21.21.321
22 (9) AS 21.36
23 (10) AS 21.69.400
24 (11) AS 21.69.520
25 (12) AS 21.69.600, 21.69.620, and 21.69.630
26 (13) AS 21.78
27 (14) AS 21.90
28 (15) AS 21.42.345 - 21.42.365
29 (16) AS 21.89.040

1 (17) AS 21.89.060;

2 (18) AS 21.51.120;

3 (19) AS 21.54.020.

4 * Sec. 5. AS 25.24.160(b) is amended to read:

5 (b) If a judgment under this section distributes benefits to an
6 alternate payee under AS 14.25, AS 21.51.120(a), AS 21.54.020(c),
7 21.54.050(c), AS 22.25, AS 26.05.222 - 26.05.226, or AS 39.35, the
8 judgment must meet the requirements of a qualified domestic relations
9 order under the definition of that phrase that is applicable to those
10 provisions.

11 * Sec. 6. AS 25.24.230(g) is amended to read:

12 (g) If a judgment under this section distributes benefits to an
13 alternate payee under AS 14.25, AS 21.51.120(a), AS 21.54.020(c),
14 21.54.050(c), AS 22.25, AS 26.05.222 - 26.05.226, or AS 39.35, the
15 judgment must meet the requirements of a qualified domestic relations
16 order under the definition of that phrase that is applicable to those
17 provisions.

18 * Sec. 7. This Act applies to policies of disability insurance entered
19 into or renewed after the effective date of this Act.
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