

**HB**

**29**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
 MAY 04 2006  
 SENATE FINANCE COMMITTEE

DATE: 5/1/06

FURTHER:

DATE TURNED  
 IN TO OFFICE: 5/4/06

Finance Committee considered CS FOR HOUSE BILL NO. 29(L&C)(title am)

## HB 29 HEALTH CARE INSUR./COMP HEALTH INS. ASSN

"An Act relating to the Comprehensive Health Insurance Association; granting a 50 percent premium tax credit for assessments against members of the Comprehensive Health Insurance Association; requiring members to provide information to the association's board of directors or the director of the division of insurance; modifying voting rights for the association members by basing their exercise on a member's share of assessments; basing assessments on major medical premiums; modifying the manner of determining members' liabilities for losses; and changing the definition of "major medical" coverage for purpose of state health insurance and providing for exclusions to major medical coverage."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**CS Senate Bill:**  
 Same Title  
 New Title

**SCS House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
DCEB	3/29/06			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS

RULES COMMITTEE, CHAIRMAN  
LABOR & COMMERCE COMMITTEE, MEMBER  
LEGISLATIVE COUNCIL, MEMBER  
SPECIAL COMMITTEE ON OIL & GAS, MEMBER  
SPECIAL COMMITTEE ON WAYS & MEANS, MEMBER

website: <http://www.akrepublicans.org/rokeberg/index.php>



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FAX (907) 465-2940

## Representative Norman Rokeberg

e-mail: [Representative\\_Norman\\_Rokeberg@legis.state.ak.us](mailto:Representative_Norman_Rokeberg@legis.state.ak.us)

### SPONSOR STATEMENT FOR CSHB 29(L&C)(title am), By: Representative Norman Rokeberg

**Title:** An Act relating to the Comprehensive Health Insurance Association; granting a 50 percent premium tax credit for assessments against members of the Comprehensive Health Insurance Association; requiring members to provide information to the association's board of directors or the director of the division of insurance; modifying voting rights for the association members by basing their exercise on a member's share of assessments; basing assessments on major medical premiums; modifying the manner of determining members' liabilities for losses; and changing the definition of "major medical" coverage for purpose of state health insurance and providing for exclusions to major medical coverage.

The Alaska Comprehensive Health Insurance Association (ACHIA) was established to provide access to health insurance to all residents of the state who are unable to find or are denied health insurance or who are considered uninsurable. It is also required coverage for those federally eligible individuals under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The plan was first implemented in 1993 and is funded through premiums collected from insureds and assessments received from health insurers transacting business in Alaska. Prior to the time the State of Alaska became self-insured, the State was also a participant in providing funds to ACHIA (through assessments received from its health insurer). The effect of the Knowles' Administration's decision not to stay in ACHIA was to reduce ACHIA's funding by approximately \$400,000 per year.

At the end of December 2003, there were 484 insured individuals participating in ACHIA. As the insurer of last resort, it is necessary that we make sure that ACHIA remains viable and in place. During 2003, over \$4 million was collected in assessments from ACHIA members (those companies or entities who do business in Alaska and pay into ACHIA) and over \$2.6 million was collected in premiums from insured individuals. ACHIA paid out over \$6.6 million in claims expenses in that same year.

The majority of Alaskans that receive health care benefits do not contribute to our high-risk pool, thereby shifting the cost to only those individuals and small groups that purchase health insurance. This is poor public policy, particularly on an unfunded Federal mandate.

Many of the self-insured companies objected to the original version of the bill. Therefore, in order to accommodate the needs of ACHIA, this bill has been modified to grant a tax credit to the insurance companies who are currently assessed for the entire ACHIA shortfall by using a small portion of the premium taxes paid into the state. A premium tax credit is justifiable given the importance of maintaining the viability of the Association and its requirement under HIPAA.

When viewed against the demands of the general fund, the viability of this organization far exceeds those of most other legislation before the legislature. I urge your support of this legislation.

ED 2: 3/23/06

# ALASKA STATE LEGISLATURE

## House of Representatives

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FAX (907) 465-2040

## Representative Norman Rokeberg

e-mail: Representative.Norman.Rokeberg@legis.state.ak.us

### SECTIONAL ANALYSIS FOR CSHB 29(L&C)(title am)

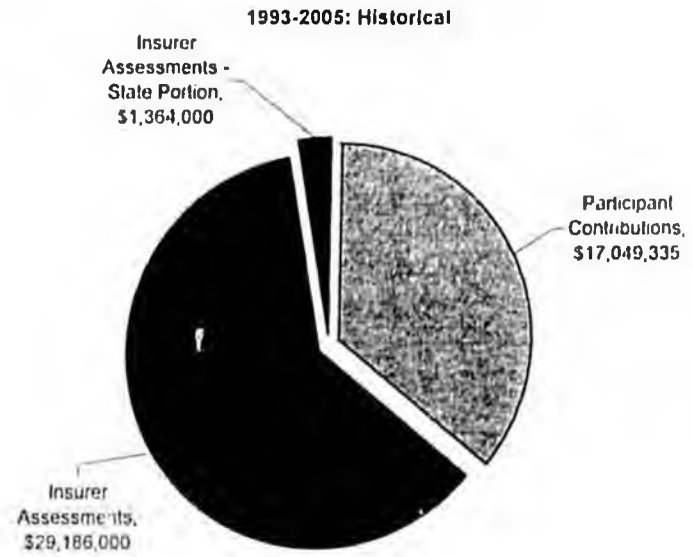
By: Representative Norman Rokeberg

**Title:** An Act relating to the Comprehensive Health Insurance Association; granting a 50 percent premium tax credit for assessments against members of the Comprehensive Health Insurance Association; requiring members to provide information to the association's board of directors or the director of the division of insurance; modifying voting rights for the association members by basing their exercise on a member's share of assessments; basing assessments on major medical premiums; modifying the manner of determining members' liabilities for losses; and changing the definition of "major medical" coverage for purpose of state health insurance and providing for exclusions to major medical coverage.

- Section 1:** Insurers who contribute to ACHIA are entitled to a premium tax credit.
- Section 2:** Insurers who contribute to ACHIA shall submit reports and provide information required by the board or director.
- Section 3:** Amends the voting rights section of ACHIA.
- Section 4:** Clarifies that insurers' contributions to ACHIA are based on the "major medical" premiums they write in Alaska.
- Section 5:** Amends the way ACHIA determines liability for unpaid assessments for those insurers who cease to do business in the state.
- Section 6:** An insurer who is required to contribute to ACHIA, may offset 50% of its ACHIA assessment as a tax credit on their premium taxes. The tax credit is applied in the following year based on the previous year's ACHIA assessment.
- Section 7:** Redefines "major medical."
- Section 8:** Premium tax credit applied starting January 1, 2007.

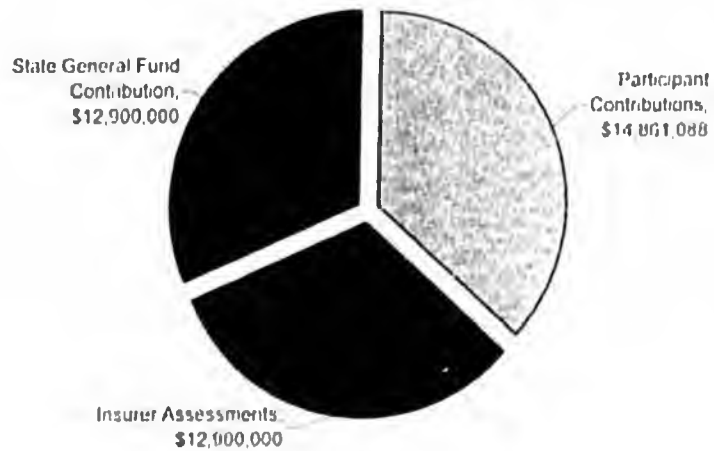
## ACHIA 1993 through 2005

Year	Participant Contributions	Claims Paid & Incurred	Assessments Collected	Federal Grant Money
1993	\$ 88,375	\$ 244,758	\$ 250,000	
1994	\$ 348,744	\$ 805,642	\$ -	
1995	\$ 479,001	\$ 2,157,549	\$ 1,800,000	
1996	\$ 588,862	\$ 1,323,651	\$ 1,500,000	
1997	\$ 683,265	\$ 1,843,919	\$ 1,200,000	
1998	\$ 759,686	\$ 1,934,665	\$ 1,500,000	
1999	\$ 863,966	\$ 2,943,692	\$ 2,500,000	
2000	\$ 1,223,291	\$ 3,963,682	\$ 3,300,000	
2001	\$ 1,720,248	\$ 4,503,747	\$ 3,500,000	
2002	\$ 2,072,420	\$ 4,800,821	\$ 2,500,000	
2003	\$ 2,640,325	\$ 7,757,608	\$ 4,500,000	
2004	\$ 2,650,880	\$ 5,813,543	\$ 5,000,000	\$ 969,110
2005*	\$ 2,930,272	\$ 6,846,410	\$ 3,000,000	
<b>1993-2005 Total</b>	<b>\$ 17,049,335</b>	<b>\$ 44,939,687</b>	<b>\$ 30,550,000</b>	<b>\$ 969,110</b>
<b>1998-2005 Total</b>	<b>\$ 14,861,088</b>	<b>\$ 38,564,168</b>	<b>\$ 25,800,000</b>	<b>\$ 969,110</b>

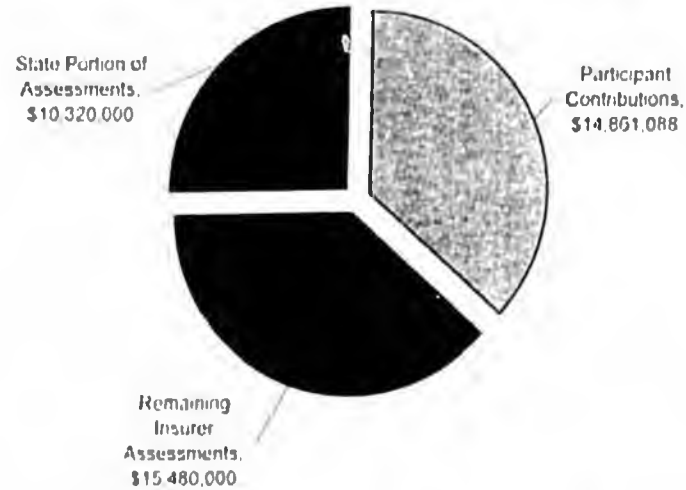


\*Not final yet

**1998-2005: Proforma With HB29**



**1998-2005: Proforma Assuming State Had Remained Insured**



Prepared by Cecil Bykerk, Executive Director of ACHIA 4/20/2006

5/4/06 9:19 AM



# ALASKA

## Comprehensive Health Insurance Association

**Read Your Policy Carefully** — This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and the Association. It is, therefore, important that you **READ YOUR POLICY CAREFULLY!**

P.O. Box 1090  
Great Bend, KS 67530

[www.achia.com](http://www.achia.com)

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### Alaska Comprehensive Health Insurance Association

The Legislature of the State of Alaska has created a Comprehensive Health Insurance Association (ACHIA) to offer residents of the State, through participation of health insurance companies, a program of health insurance. The program is designed to provide health insurance to high risk individuals who are unable to find or who are denied health insurance due to medical condition in the private market and to those individuals who have had prior health insurance coverage and meet the federal rules for eligibility described below.

This brochure describes the benefits, exclusions, eligibility and application procedures under the ACHIA program.

#### Eligibility Requirements

Coverage is available to persons under any one of three separate sets of rules:

Under the *high risk rules* a person is eligible for coverage if:  
a) one of the following apply:

- 1) the person is physically present in Alaska, has lived in Alaska for at least the 12 consecutive months immediately before applying for coverage under this plan, and intends to remain permanently in Alaska; or
  - 2) the person is not physically present in Alaska, but has lived in Alaska for at least 9 of the 12 months immediately before applying for coverage under this plan and the person's absence from Alaska is for medical treatment or education;
- b) the person is not eligible to be covered under a small employer (2-50 employees) health insurance plan,
- c) the person is not eligible for medical coverage under a federal or state program including Veteran Health Benefits, Indian Health Services or Medicaid or a group health plan,
- d) the person does not have other health insurance coverage, and
- e) at least one of the following apply:
- 1) the person has received from at least one health insurer notice of rejection for health insurance dated within the last six months,
  - 2) the person has one of the listed conditions in this brochure,
  - 3) the person has received restrictive riders that substantially reduce coverage.

Even though you may be covered by Medicare, you may still be eligible for coverage under this plan.

Under the *federal rules* a person is eligible for coverage if:

- a) the person must be domiciled in the state of Alaska,
- b) the person has at least 18 months of prior health insurance coverage without a 90 day or more break in such coverage,
- c) the person's most recent health insurance coverage was under a group plan,
- d) the person is not eligible for other group health insurance

- coverage, Medicare, Medicaid or Indian Health Services;
- e) the person's most recent health insurance coverage was not terminated due to nonpayment of premium or fraud;
  - f) the person has elected and exhausted any COBRA or similar coverage; and
  - g) the person does not have other health insurance coverage.

Under the Health Coverage Tax Credit federal program a person is eligible for ACHIA coverage if:

- a) they are a displaced worker under the Trade Adjustment Assistance Act; or
- b) they receive a pension managed by the Pension Benefit Guaranty; and
- c) eligibility for HCTC has been determined by the federal HCTC program

*If you have any of the specific conditions listed below and meet the Eligibility Requirements listed in this brochure, you have the right to obtain coverage under the plan without having to submit the rejection notice otherwise required.*

Acquired Immune Deficiency Syndrome (AIDS)	Mental Retardation
Alzheimers	Metastatic Cancer
Angina Pectoris	Motor or Sensory Aphasia
Anorexia Nervosa	Multiple or Disseminated Sclerosis
Arteriosclerosis Obliterans	Muscular Atrophy or Dystrophy
Artificial Heart Valve	Myasthenia Gravis
Ascites	Myotonia
Brain Tumors	Obesity - Morbid
Cardiomyopathy	Open Heart Surgery
Cerebral Palsy	Paraplegia or Quadriplegia
Chronic Pancreatitis	Parkinson's Disease
Cirrhosis of the Liver	Peripheral Arteriosclerosis (if treatment within last three years)
Coronary Insufficiency	Poliomyelitis
Coronary Occlusion	Polycystic Kidney
Crohn's Disease	Polyarteritis (perarteritis nodosa)
Cystic Fibrosis	Postero-lateral Sclerosis
Dermatomyositis	Psychotic Disorders
Diabetes	Rheumatoid Arthritis
Epilepsy	Sickle Cell Anemia
Friedreich's Disease	Silicosis
Heart Disorders	Splenic Anemia (True Banti's Syndrome)
Hemophilia	Still's Disease
Hepatitis C (Active)	Stroke (CVA)
HIV+	Syngonychia
Hodgkin's Disease	Talcs Dorsalis (hocomotor ataria)
Huntington's Chorea	Thalassemia (Cooley's or Mediterranean Anemia)
Hydrocephalus	Tepsectomy and Lobotomy
Intermittent Claudication	Ulcerative Colitis
Kidney Failure	Wilson's Disease
Lead Poisoning with Cerebral Involvement	
Leukemia	
Lupus Erythematosus Disseminate	
Malignant Tumor (if treated or has occurred within last four years)	

### Preexisting Condition Exclusion

A preexisting condition is a sickness or condition:

- a) which manifested itself within the three-month period immediately before the policy date in such a way as would cause an ordinarily prudent person to seek diagnosis, care or treatment from a practitioner; or
- b) for which medical advice, care or treatment was recommended by or received from a physician within the three-month period immediately before the policy date.

Expenses incurred for a preexisting condition during the first six months after the policy date will not be covered if you are eligible for coverage only under the *high risk rules*. However, if you had coverage under a health insurance policy (prior plan) which was involuntarily terminated and you apply for coverage under this plan within 31 days after such termination, the six month waiting period will be reduced by the amount of time you were covered under the prior plan.

If you are eligible preexisting condition exclusion will be applied for coverage under the *federal rules*, no

### Description of Benefits

There are several different comprehensive plans offered by ACHIA. The primary differences between the plans are the annual deductible and the associated out-of-pocket limits. The annual deductible is the amount that you must pay each calendar year for eligible expenses before the plan pays benefits. The out-of-pocket expense limit is the maximum amount, including the annual deductible, that you must pay in any calendar year.

With the exception of the \$1,000 deductible indemnity plan, the Medicare carveout and the two Medicare supplement plans, all ACHIA plans pay 80% of the billed charges once you have satisfied the annual deductible, as long as you receive treatment either from a preferred hospital or from a hospital that is not preferred when you do not have reasonable access to a preferred hospital. If you have reasonable access to a preferred hospital and choose to receive treatment from a hospital that is not preferred, ACHIA will pay only 60% of the usual and customary charges. After you have paid charges equal to the out-of-pocket expense limit, ACHIA will pay 100% instead of 80% or 60%.

For those covered under Medicare, ACHIA offers two Medicare supplement plans. The two Medicare supplement plans are standardized Plan A and Plan F. If you are not enrolled in Part B of Medicare, benefits under these plans will not include benefits normally paid by Medicare. In any case, these plans do not cover basic drugs whether you have Medicare Part D or not. However, drugs covered under Medicare Part B are covered under these plans.

For those under 65 and covered under Medicare, ACHIA offers a Medicare carveout plan. The plan coordinates the

benefits of the ACHIA \$1,000 deductible non-PPO plan with Medicare. This plan differs from the non-PPO plan in that it does not cover drugs whether you have Medicare Part D or not. However, drugs covered under Medicare Part B are covered under this plan. The Medicare carveout plan pays 80% of the charges not covered by Medicare (but covered under the ACHIA plan) once the \$1,000 deductible has been satisfied, and pays 100% of the charges not covered by Medicare (but covered under the ACHIA plan) after you and Medicare have paid charges equal to the out-of-pocket expense limit including the deductible.

In no case will ACHIA pay more than the balance due to the provider.

### **Mental or Nervous Disorder Limits**

For eligible expenses incurred for treatment of mental or nervous disorder, 50% is covered after the deductible. The maximum benefit payable in a calendar year for outpatient treatment is \$4,000. Mental or nervous disorders do not include treatment related to or that results from a person's alcoholism or drug abuse.

### **Alcoholism or Drug Abuse Outpatient Maximums**

The maximum benefit payable for treatment of alcoholism or drug abuse under this plan is \$12,715 in any two consecutive calendar year periods and \$25,425 during your lifetime. These maximums will be adjusted every three years.

Treatment includes, but is not limited to (a) detoxification, (b) medical or psychiatric evaluation, (c) activity or family therapy, (d) counseling, or (e) prescription drugs and supplies.

### **Case Management**

Your benefits include the services of a nurse case manager. You are encouraged to call the case manager with any health-related questions. The case manager will troubleshoot and problem solve to customize a care plan for your unique situation. 1-888-290-0616

### **Lifetime Maximum**

The maximum benefit you will be eligible to receive under this plan for all sickness and injuries combined is \$1,000,000.

### **Covered Services and Supplies**

- a) Daily semiprivate room and board and other hospital services and supplies
- b) Professional services that are rendered by a physician or by a registered nurse at the physician's direction
- c) Prescription drugs and medicines requiring a physician's prescription. (Not covered for Medicare carveout or Plan A or Plan F unless covered by Medicare Part B.)

- d) Services of a skilled nursing facility for not more than 120 days in a policy year
- e) Home health agency services up to a maximum of 270 visits in a calendar year. Limitations are provided in the policy
- f) Hospice services for up to six months in a calendar year
- g) Use of radium or other radioactive materials
- h) Outpatient chemotherapy
- i) Oxygen
- j) Anesthetics and its administration
- k) Nondental prosthesis and maxillofacial prosthesis used to replace any anatomic structure lost during treatment for head and neck tumors or additional appliances essential for the support of the prosthesis
- l) Rental, or purchase if purchase is more cost effective than rental, of durable medical equipment that has no personal use in the absence of the condition for which it was prescribed
- m) Diagnostic X-rays and laboratory tests
- n) Oral surgery for excision of partially or completely unerupted impacted teeth or excision of a tooth root without the extraction of the entire tooth
- o) Services of a licensed physical therapist rendered under the direction of a physician
- p) Transportation by a local ambulance operated by licensed or certified personnel to the nearest health care institution for treatment of the illness or injury and round trip transportation by air to the nearest health care institution for treatment of the illness or injury if the treatment is not available locally; if the patient is a child under 12 years of age, the transportation charges of a parent or legal guardian accompanying the child may be paid if the attending physician certifies the need for the accompaniment
- q) Confinement in a licensed or certified facility established primarily for the treatment of alcohol or drug abuse or in a part of a hospital used primarily for this treatment, for a period of at least 45 days within any calendar year
- r) Diagnosis or treatment of a mental or nervous disorder rendered during the year subject to the Mental or Nervous Disorder Limits
- s) Second surgical opinions
- t) One routine mammography each calendar year to insured persons age 35 or over, except benefits will be paid without regard to age or any calendar year limit if the insured person or the insured person's mother or sister have a history of breast cancer
- u) Treatment of alcoholism or drug abuse, subject to the Alcoholism or Drug Abuse Outpatient Maximums
- v) Formulas necessary for the treatment of phenylketonuria (PKU)
- w) Treatment for complications of pregnancy to the same extent as for disease surgical operations for extrauterine pregnancy or for other complications requiring intra

abdominal surgery after termination of pregnancy; pernicious vomiting of pregnancy (hyperemesis gravidarum), and toxemia with convulsions (eclampsia of pregnancy)

- x) One Pap smear including attendant physicians office visit per calendar year for covered females age 18 or older and one prostate screening test per year for covered males age 35 or older as provided by state law.

### Exclusions & Limitations

The following is a brief listing of expenses not covered under this plan and may not reflect the full extent of the policy limitations:

- a) Confinement or expenses incurred while your policy is not in force,
- b) Injuries or disease caused at place of employment subject to workers' compensation benefits,
- c) Injuries or disease caused in a motor vehicle accident subject to auto insurance coverage or other liability,
- d) Reconstructive or cosmetic surgery,
- e) Services that exceed the reasonable to customary charges,
- f) Services that are deemed not to be medically necessary,
- g) Services that are not within the scope of the providers license or certificate,
- h) Eyeglasses, contact lenses, or hearing aids or the fitting of them,
- i) Dental care not specially covered,
- j) Services of a registered nurse or physician that resides in the covered person's home,
- k) Experimental procedure, service, drugs and other supplies,
- l) Services for which the patient was not charged,
- m) Self-inflicted injury or sickness, suicide or attempted suicide,
- n) Treatment of obesity,
- o) Treatment for craniomandibular or temporomandibular joint (TMJ) disorders,
- p) Promotion of fertility,
- q) Vocational training,
- r) Expenses associated with normal pregnancy and childbirth
- s) Services of a resident physician or intern,
- t) Charges for or related to sex change surgery or gender identity disorders,
- u) Routine physical, vision, dental, hearing or preventive exams,
- v) Acupuncture therapy
- w) For Medicare carveout and Medicare Supplement Plan A and Plan F, basic prescription drugs unless covered under Medicare Part B

### Certification of Hospital Admissions

Inpatient hospital confinement should be precertified by calling (800) 318-6776.

### Renewal and Termination Agreement

Your policy will be renewed each time you pay the required premium by the due date or within the 31-day grace period. Premiums may be paid monthly or quarterly.

### Applications and Inquiries

Alaska Comprehensive Health Insurance Association  
Benefit Management, Inc.

2015-16th Street  
P.O. Box 1090  
Great Bend, KS 67530  
(888) 290-0616

E-mail: Inquiries: [dmcconnick@benefitmanagementks.com](mailto:dmcconnick@benefitmanagementks.com)

Enrollment: [jkauffman@benefitmanagementks.com](mailto:jkauffman@benefitmanagementks.com)

Applications may be downloaded at [www.achia.com](http://www.achia.com)

### Complaints

The ACHIA has established a grievance committee to review and resolve any complaints you may have regarding your coverage under the ACHIA. If you have contacted the administrator and have not received satisfactory resolution, please write a detailed description of your complaint and send to:

#### Grievance Committee

Alaska Comprehensive Health Insurance Association  
P.O. Box 1090  
Great Bend, KS 67530

Cecil D. Bykerk  
Executive Director - ACHIA  
9643 Oak Circle  
Omaha, NE 68124-2767  
(402) 591-8701

If, after the grievance committee has reviewed your complaint, you still have not received a satisfactory resolution, you may wish to contact the Division of Insurance at:

Alaska Division of Insurance  
550 West 7th Avenue, Suite 1560  
Anchorage, AK 99501-3567  
Phone (907) 269-7900  
Fax (907) 269-7910  
TDD (907) 465-5437

## Insurers Writing Comprehensive Health Insurance in Alaska

The Alaska Division of Insurance surveys insurers each year to gather health insurance market share information. For calendar year 2003 the following companies indicated on the survey that they were actively marketing comprehensive health insurance (i.e. writing new business) in Alaska. Note that the following chart does not include insurers that indicated on the survey that they did not actively market comprehensive health insurance in Alaska in 2003. *For information regarding coverage and premiums contact one or more agents or brokers licensed to sell health insurance in Alaska. You can search for agents or brokers in your area on the Division's website at <http://www.commerce.state.ak.us/insurance/producerinfo.htm>. Also, if you click on company name in the following chart you will see a list of agents or brokers that are authorized to sell insurance for that company in Alaska.*

Company Name	Type	Premium	Share of Active Market
Premera Blue Cross Blue Shield of Alaska	<ul style="list-style-type: none"> <li>• Individual</li> <li>• Small Employer</li> <li>• Large Employer</li> </ul>	\$256,727,435	79.27%
Principal Life Insurance Company	<ul style="list-style-type: none"> <li>• Small Employer</li> <li>• Large Employer</li> </ul>	\$23,932,613	7.39%
Aetna Life Insurance Company	<ul style="list-style-type: none"> <li>• Small Employer</li> <li>• Large Employer</li> </ul>	\$16,793,513	5.19%
Golden Rule Insurance Company	<ul style="list-style-type: none"> <li>• Individual</li> </ul>	\$7,362,503	2.27%
Mega Life and Health Insurance Company	<ul style="list-style-type: none"> <li>• Individual</li> <li>• Small Employer</li> </ul>	\$6,145,604	1.90%
United HealthCare Insurance Company	<ul style="list-style-type: none"> <li>• Small Employer</li> <li>• Large Employer</li> </ul>	\$5,578,953	1.72%
Trustmark Insurance Company	<ul style="list-style-type: none"> <li>• Small Employer</li> </ul>	\$3,913,270	1.21%
United of Omaha Life Insurance Company	<ul style="list-style-type: none"> <li>• Large Employer</li> </ul>	\$2,348,204	0.73%
New York Life Insurance Company	<ul style="list-style-type: none"> <li>• Large Employer</li> </ul>	\$585,858	0.18%
John Alden Life Insurance Company	<ul style="list-style-type: none"> <li>• Individual</li> </ul>	\$145,733	0.04%
Celtic Insurance Company	<ul style="list-style-type: none"> <li>• Individual</li> </ul>	\$143,416	0.04%
Connecticut General Life Insurance Company	<ul style="list-style-type: none"> <li>• Large Employer</li> </ul>	\$68,518	0.02%
Continental Assurance Co.	<ul style="list-style-type: none"> <li>• Small Employer</li> </ul>	\$61,820	0.02%
Fortis Insurance Company	<ul style="list-style-type: none"> <li>• Individual</li> </ul>	\$55,784	0.02%
American Heritage Life Insurance Company	<ul style="list-style-type: none"> <li>• Large Employer</li> </ul>	\$8,671	0.00%

5/4/06 9:18am

Assessments provided by ACHIA Board  
March 16, 2005

NAIC	CARRIER	WRITTEN PREMIUM	% OF MARKET	ASSESSMENT
77879	5 Star Life Ins Co	23,539	0.0055585819%	\$130
22667	Ace American Ins Co	44,246	0.0104446460%	\$261
60054	Aetna Life Ins Co	19,342,481	4.5659577636%	\$114,149
60186	Allstate Life Ins Co	257,111	0.0606932465%	\$1,517
67369	Alta Health & Life Ins Co	401,834	0.0948563461%	\$2,371
60380	American Family Life Asr Co Columbus	7,472,429	1.7639306564%	\$44,098
60410	American Fidelity Assur Co	1,030,244	0.2431978912%	\$8,080
60534	American Heritage Life Ins Co	407,010	0.0960781851%	\$2,402
27928	Amex Assur Co	416,318	0.0982754179%	\$2,457
10367	Avemco Ins Co	3,700,977	0.8736472155%	\$21,841
61212	Ballmore Life Ins Co	27,867	0.0065782432%	\$164
61263	Bankers Life & Cas Co	148,796	0.0351245660%	\$878
38245	BCS Ins Co	76,729	0.0181125355%	\$453
90638	Best Life And Health Ins Co	18,640	0.0044001311%	\$110
80799	Celtic Ins Co	167,748	0.0395983474%	\$990
80896	Centre Life Ins Co	62,499	0.0147534225%	\$369
62049	Colonial Life & Accident Ins Co	411,142	0.0970535790%	\$2,426
62146	Combined Ins Co Of Amer	73,194	0.0172780685%	\$432
62308	Connecticut General Life Ins Co	87,347	0.0206190050%	\$515
78174	Conseco Health Ins Co	138,002	0.0325765502%	\$814
76325	Conseco Senior Health Ins Co	256,647	0.0605837153%	\$1,515
62413	Continental Assur Co	60,982	0.0143953217%	\$360
20443	Continental Cas Co	2,212,352	0.5222469367%	\$13,056
71404	Continental General Ins Co	106,704	0.0251883901%	\$630
62553	Country Life Ins Co	49,738	0.0117410795%	\$294
62944	Equitable Life Assr Soc Of The US	253,031	0.0597301276%	\$1,493
71870	Fidelity Security Life Ins Co	33,815	0.0079823194%	\$200
38830	Fort Wayne Hlth & Cas Ins Co	1,623,881	0.3833309729%	\$9,583
70408	Fortis Benefits Ins Co	1,810,356	0.4273499885%	\$10,684
80926	GE Gr Life Assur Co	127,958	0.0302055783%	\$755
70025	General Electric Capital Assur Co	1,528,653	0.3608515905%	\$9,021
91472	Globe Life & Accident Ins Co	65,974	0.0155501201%	\$389
62286	Golden Rule Ins Co	7,502,818	1.7711042393%	\$44,278
63312	Great American Life Ins Co	93,205	0.0220018359%	\$550
68322	Great West Life & Annuity Ins Co	7,882,617	1.8607590355%	\$46,519
64211	Guarantee Trust Life Ins Co	19,712	0.0046531859%	\$116
64246	Guardian Life Ins Co Of Amer	2,239,544	0.5286634798%	\$13,217
22217	Gulf Ins Co	19,737	0.0046590873%	\$116
70815	Hartford Life & Accident Ins Co	3,629,278	0.8567220545%	\$21,418
88072	Hartford Life Ins Co	124,582	0.0294086446%	\$735
73288	Humana Ins Co	146,473	0.0345762021%	\$864
70580	Humanadental Ins Co	677,342	0.1598923615%	\$3,997
65005	IDS Life Ins Co	99,643	0.0235215808%	\$588
70254	Jefferson Pilot Financial Ins Co	1,249,917	0.2950535782%	\$7,376
65087	John Aiden Life Ins Co	172,468	0.0407125437%	\$1,018
650	John Hancock Life Ins Co	756,100	0.1784852761%	\$4,462
65315	Liberty Life Assur Co Of Boston	84,330	0.0199068164%	\$498
65323	Liberty Life Ins Co	43,327	0.0102277082%	\$256
65498	Life Ins Co Of North Amer	1,750,924	0.4133205576%	\$10,333
64130	Life Investors Ins Co Of Amer	784,573	0.1852051544%	\$4,630
65876	Lincoln Natl Life Ins Co	74,120	0.0174966588%	\$437
71471	Medico Life Ins Co	136,587	0.0322425274%	\$806
97355	Mega Life & Health Ins Co The	7,475,106	1.7645625851%	\$44,114
65978	Metropolitan Life Ins Co	2,423,139	0.5720026469%	\$14,300
66087	Mid West Natl Life Ins Co Of TN	23,017	0.0054333593%	\$130
66281	Monumental Life Ins Co	432,184	0.1020207227%	\$2,551
66370	Money Life Ins Co	247,661	0.0584624933%	\$1,462
71412	Mutual Of Omaha Ins Co	1,194,383	0.2819443074%	\$7,049
66915	New York Life Ins Co	2,105,432	0.4970051973%	\$12,425
24147	Old Republic Ins Co	41,843	0.0098773974%	\$247
97	Pacific Life & Annuity Co	369,378	0.0871948302%	\$2,180
6759	Pal Revere Life Ins Co	488,271	0.1105393671%	\$2,783
63282	Penn Treaty Network Amer Ins Co	111,350	0.0202851181%	\$657
67660	Pennsylvania Life Ins Co	57,891	0.0136656648%	\$342
66605	Peoples Benefit Life Ins Co	58,591	0.0138309057%	\$346
80578	Physicians Mut Ins Co	717,949	0.1694779905%	\$4,237
47570	Premier Blue Cross	202,700,411	0.2140909997%	\$1,550,352
61271	Principal Life Ins Co	27,520,815	0.4965233210%	\$102,413
68136	Protective Life Ins Co	45,905	0.0108302671%	\$271
68195	Provident Life & Accident Ins Co	940,313	0.2210609110%	\$5,649
68209	Provident Life & Cas Ins Co	26,807	0.0061351030%	\$158
61241	Prudential Ins Co Of Amer	327,727	0.0773027561%	\$1,934

Assessments provided by ACHIA Board  
 March 16, 2005

NAIC	CARRIER	WRITTEN PREMIUM	% OF MARKET	ASSESSMENT
65765	Reassure America Life Ins Co	301,689	0.0712162639%	\$1,780
67105	Reliastar Life Ins Co	2,709,522	0.6396057989%	\$15,990
61360	Reliastar Life Ins Co Of NY	88,444	0.0208773612%	\$522
68608	Safeco Life Ins Co	8,785,075	2.0737919505%	\$51,845
69914	Sears Life Ins Co	144,779	0.0341763189%	\$854
68721	Security Life Ins Co Of Amer	61,632	0.0145487597%	\$364
86355	Standard Life & Accident Ins Co	25,380	0.0059911657%	\$150
25178	State Farm Mut Auto Ins Co	3,793,898	0.8955820108%	\$22,390
77399	Sterling Life Ins Co	271,901	0.0641845522%	\$1,605
65021	Stonebridge Life Ins Co	2,046,169	0.4830156603%	\$12,075
87726	The Travelers Ins Co	86,246	0.0203591046%	\$509
60142	TIAA Cref Life Ins Co	22,093	0.0052152413%	\$130
86231	Transamerica Life Ins Co	25,010	0.0059038240%	\$148
67121	Transamerica Occidental Life Ins Co	45,262	0.0106844815%	\$267
61425	Trustmark Ins Co	83,865	0.0197970492%	\$495
37893	Ulico Cas Co	139,395	0.0329053797%	\$823
80314	Unicare Life & Health Ins Co	331,754	0.0783133638%	\$1,958
62596	Union Fidelity Life Ins Co	153,880	0.0363246876%	\$908
69744	Union Labor Life Ins Co	1,535,028	0.3623564637%	\$9,059
92916	United American Ins Co	88,186	0.0208170581%	\$520
79413	United Healthcare Ins Co	12,796,116	3.0206324202%	\$75,516
69868	United Of Omaha Life Ins Co	4,660,575	1.1001685153%	\$27,504
70106	United States Life Ins Co In NYC	1,054,504	0.2489246713%	\$6,223
82235	Unum Life Ins Co Of Amer	6,148,871	1.4514934915%	\$36,287
80659	US Bus of the Canada Life Assur Co	62,022	0.0146408226%	\$368
69663	USAA Life Ins Co	185,269	0.0390131583%	\$975
81027	Veterans Life Ins Co	20,424	0.0048212596%	\$121
70319	Washington Natl Ins Co	67,255	0.0158761169%	\$397
16535	Zurich American Ins Co	689,835	0.1628414408%	\$4,071
		423,623,739	100.0000000000%	\$2,500,000



Comprehensive  
Health  
Insurance  
Association  
P.O. Box 1090  
2015 16<sup>th</sup> Street  
Great Bend, KS 67530

Directors:  
Jeffrey W. Davis (Chairperson)  
J. Brian Angel  
Marilyn Walsh Kasmar  
Chester Lozowski  
Mona McAleese  
Shawn Pollock  
Chris Palme-Krizak  
Katherine Campbell (Ex-Officio)  
Cecil D. Bykerk, Executive Director

March 31, 2006

The Honorable Norman Rokeberg  
State Capitol Room 214  
Juneau, AK  
99801-1182

Dear Chairman Rokeberg:

Thank you for your continued interest and assistance with the risk pool legislation. Heather has provided us the March 23 draft committee substitute for HB 29. We are pleased that the Labor & Commerce Committee will be holding a hearing on the bill today. Unfortunately, Jeff Davis, Chair of ACHIA, Brian Angel, Vice-Chair of ACHIA, and I are unavailable to participate by telephone due to previous commitments.

As you know, the Board believes strongly that ACHIA benefits Alaskans by providing affordable access to health insurance for those individuals that, due to health conditions, cannot obtain coverage in the private market. Consumers in the private market benefit from more stable and otherwise lower premiums. Moreover, by providing coverage for otherwise uncovered catastrophic health conditions, ACHIA ultimately reduces the uncompensated care rolls, thereby benefiting all Alaskans.

Because ACHIA benefits all Alaskans, the most equitable funding approaches are those that are broad-based. To this end, ACHIA supports the inclusion of a premium tax offset for fifty-percent of member assessments. This mechanism not only achieves broad-based funding, but also ensures ACHIA has a stable source of operating funds. The board believes that this bill will provide some relief to those insured Alaskans who currently carry the burden of the assessments through increased premiums for major medical insurance.

Additionally, the board supports the clean-up provisions in Sections 2-5 and 7 of the bill. We believe these provisions are both important and non-controversial and, therefore, respectfully urge your support for these provisions as well.

Thank you and your staff again for supporting ACHIA. We stand ready to meet with you as well as other members of the legislature in Juneau to discuss the bill as time permits.

Sincerely,



Cecil D. Bykerk, FSA, MAAA  
Executive Director

cc: Director Linda Hall  
Board of Directors