BULLETIN B96-06

TO: All Licensees, Insurance Companies, and Interested Parties

PURPOSE: This bulletin provides information regarding insurance-related legislation passed in 1996 by the Legislature.

CH15 SLA96 / SB178—SMALL EMPLOYER HEALTH INSURANCE. Increasing the number of eligible employees that constitute an employer group for purposes of providing small employer health insurance from 25 to 50; amending the definition of "small employer"; and requiring an annual report from the Small Employer Health Reinsurance Association through December 31, 1999. Effective date: July 16, 1996

CH16 SLA96 / HB226—BENEFIT DISCRIMINATION BASED ON SPOUSE OR KIDS. Permitting the provision of different retirement and health benefits to certain employees by differentiating between benefits provided to employees with spouses or children and to other employees. Effective date: July 28, 1996

CH43 SLA96 / SB261—UNEMPLOYMENT COMPENSATION. Relating to the release of employment security records; relating to an injunction or an employer's security for delinquent unemployment insurance contributions; extending time periods for redetermination and appeals for unemployment insurance; relating to overpayment or the redetermination of unemployment benefits; relating to availability for work, seeking work, and the calculation of wages for unemployment insurance purposes; relating to voluntary federal tax withholding from unemployment insurance benefits; relating to the definition of the "waiting week" for employment security purposes. Effective date: July 1, 1996

CH49 SLA96 / SB193—MANDATORY INSURANCE FOR COSTS OF BIRTH. Requiring insurance coverage for certain costs of birth. The insurer must provide coverage for hospitalization or medical care for at least 48 hours after vaginal birth, and 96 hours after caesarian birth. The new law applies to a policy of insurance issued or renewed on or after June 1, 1996. Effective date: June 1, 1996

CH56 SLA96 / SB31—HEALTH INSURANCE NOMENCLATURE. Changes the term "disability" to "health" in the context of insurance coverage. Common usage of the term "disability" refers not to health insurance, but to loss of income or disability income insurance. This bill changes the term "disability" to "health" to better reflect the type of insurance being regulated. Effective date: October 9, 1996

CH74 SLA96 / SB25—INSURANCE FOR PROSTATE AND CERVICAL CANCER TESTS. Relating to insurance coverage for costs of prostate or cervical cancer detection. Insurers are required when writing health insurance in Alaska to provide coverage for costs of prostate cancer screening tests and cervical cancer screening tests per schedules established for each test within the bill. The new law applies to an insurance policy entered into or renewed on or after September 18, 1996. Effective date: September 18, 1996

CH75 SLA96 / HB308—UNIFORM PROBATE CODE REVISIONS. Relating to the Uniform Probate Code, including nonprobate transfers, guardianships, trusts, and multiple-party accounts; relating to the Uniform Simultaneous Death Act. Effective date: January 1, 1997

CH83 SLA96 / HB393—MANAGED CARE PROGRAM FOR MEDICAID. Relating to managed care for recipients of medical assistance. Effective date: June 21, 1996

CH96 SLA96 / HB48—MOTORCYCLE HELMET STANDARDS. Repeals and reenacts Alaska Statute 28.35.245 regarding motorcycle helmet standards. Effective date: September 23, 1996

CH107 SLA96 / SB98—WELFARE REFORM; TEMPORARY ASSISTANCE PROGRAM. While this bill made numerous changes to Alaska's welfare program, only Sections 23, 53, and 61 apply to the division. Section 23 mandates the division to verify that all initial and renewing license applicants are not on a list of obligors who are not in compliance with the Child Support Enforcement Agency (CSEA). As soon as a match occurs, a notice will be sent to the applicant by the division informing the applicant of the division's intent to withhold issuance or renewal of the license. The notice will contain information on how to contact CSEA and that CSEA must issue a release in order for the applicant to receive the license. The notice will also inform the applicant that if the applicant has complied with all licensing requirements, the division will only be able to issue a one-time 150-day temporary license. Section 23 also contains provisions for the applicant to challenge being included on CSEA's listing and CSEA's various notice requirements to the applicant and division. The section also allows CSEA to contract with the division (and all other affected state licensing entities) for implementation of this program and to provide federal funds to the licensing entities. The division will establish by regulation and then assess a fee for the issuance of the temporary license.

Section 53 requires CSEA to report to the Governor within 18 months of the effective date of the section. Licensing entities will provide statistical information to CSEA for inclusion in the report.

Section 61 states that Sections 23 and 53 take effect on the effective date of a federal law that requires the state to have procedures under which the state has the authority to withhold or suspend, or to restrict the use of driver's licenses or professional and occupational licenses of individuals owing overdue child support. This is currently anticipated to be October 1, 1996.

HB434 UNCLAIMED PROPERTY. The bill makes relatively minor changes to the reporting requirements of life insurers regarding unclaimed property. The bill was passed by the Legislature, but final action is pending.

Please contact the Alaska Legislative Information Office nearest you for copies of these new laws.

If you have access to the Internet, these laws may be found at the following address: "http://www.legis.state.ak.us/folio.pgi/sl96/query=*/toc/[@21]?".

Dated this 14th day of August 1996.

Marianne K. Burke
Director of Insurance