

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

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DIVISION OF INSURANCE

FINDING OF EMERGENCY

The Director of Insurance finds that an emergency exists such that the emergency adoption of the attached regulations is necessary for the immediate preservation of the public's peace, health, or general welfare. The facts constituting the emergency are as follows:

On the last day of the 1992 session, the Legislature passed HCS CSSB 376 (Judiciary), a bill that comprehensively revises Alaska's insurance statutes. The bill was signed by the Governor on June 15, 1992. The effective date of the bill is July 1, 1992.

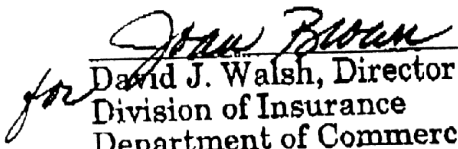
A significant part of the bill affects the licensing process for all insurance professionals. However, the bill failed to provide for a period of transition between the existing system for issuing and renewing licenses and the new system established under this bill. This situation is further complicated by the fact that most of the existing licenses expire June 30, 1992. The division has worked diligently to develop a new licensing computer system, new licensing forms, new licensing fees, and new licensing procedures in order to comply with the revised statute. The division plans to renew licenses under the new system. In order to effect a timely renewal of licenses, emergency regulations relating to the time for renewing licenses and licensing and renewal fees are necessary.

ADOPTION ORDER R 92-04

Therefore, under the authority of AS 21.06.090, these regulations are adopted by the Director of Insurance as emergency regulations to take effect immediately upon filing by the Lieutenant Governor, as provided for in AS 44.62.180(3).

This action is not expected to require an increased appropriation.

Date: 7-1-92
Juneau, Alaska

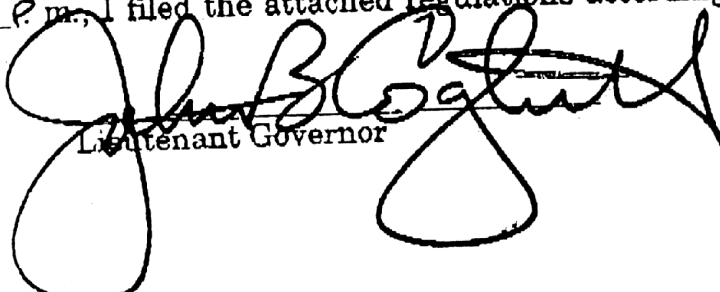

David J. Walsh, Director
Division of Insurance
Department of Commerce and
Economic Development

FILING CERTIFICATION

I, John B. Coghill, Lieutenant Governor for the State of Alaska, certify that on July 1, 1992, at 11:50 P.M., I filed the attached regulations according to the provisions of AS 44.62.

Effective: July 1, 1992
Registers: 123, October, 1992

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Lieutenant Governor

CHAPTER 23. PRODUCERS, MANAGING GENERAL AGENTS,
SURPLUS LINES BROKERS, REINSURANCE INTERMEDIARY MANAGERS,
REINSURANCE INTERMEDIARY BROKERS, THIRD PARTY
ADMINISTRATORS, AND INDEPENDENT ADJUSTERS.

Article 5. General Provisions

Section

860. Biennial license renewal

900. Definitions

3 AAC 23.860 is made permanent, to read:

3 AAC 23.860. BIENNIAL LICENSE RENEWAL. (a) The biennial renewal date for an individual licensee is based upon the individual's birthday, as follows:

(1) if the individual licensee's birth year is an odd number, the renewal date is the individual's birthday every odd-numbered year;

(2) if the individual licensee's birth year is an even number, the renewal date is the individual's birthday every even-numbered year.

(b) The biennial renewal date for a firm licensee is based upon the firm's initial license date, as follows:

(1) if the firm's initial license was issued in an odd-numbered year, the renewal date is the initial license date every odd-numbered year;

(2) if the firm's initial license was issued in an even-numbered year, the renewal date is the initial license date every even-numbered year.

(c) If the license renewal form and payment of the fee are not received by the director before the close of business on the license renewal date, the license lapses. (Eff. 7/1/92, Register 123)

Authority: AS 21.06.090

AS 21.27.380

EDITOR'S NOTE: 3 AAC 28.360 took effect 7/1/92 as an emergency regulation. Due to changes made by the regulations attorney in reviewing the "permanent" regulation for filing, the permanent regulation, as it was first published in Register 124, January 1993, differed from the emergency regulation even though the section's history note did not reflect an amendment.

CHAPTER 31. MISCELLANEOUS

PUBLISHER: The section listing amendments shown below was not shown on the original emergency regulations.

Section

- 010. General requirements
- 020. Insurance producer, managing general agent, reinsurance intermediary manager, reinsurance intermediary broker, and independent adjuster fees
- 030. (Repealed)
- 040. Surplus lines broker fees
- 050. Insurer fees
- 060. Miscellaneous fees
- 070. Proration of license fees
- 090. Definitions

Emergency amendments to 3 AAC 31.010(a) are made permanent, to read:

3 AAC 31.010. GENERAL REQUIREMENTS. (a) The applicable nonrefundable fee for each type of license or service, established by the division of insurance under 3 AAC 31.020-3 AAC 31.090, must be paid to the director in advance of the action requested.

(Eff. 8/30/86, Register 99; am 6/2/88, Register 106; am 7/1/92, Register 123)

Authority: AS 21.06.090

AS 21.06.250

The emergency repeal and readoption of 3 AAC 31.020 is made permanent, to read:

3 AAC 31.020. INSURANCE PRODUCER, MANAGING GENERAL AGENCT, REINSURANCE INTERMEDIARY MANAGER, REINSURANCE INTERMEDIARY BROKER, AND INDEPENDENT ADJUSTER FEES. The following fees are established for resident and nonresident licenses, permanent, temporary and trainee, for insurance producers, managing general agents, reinsurance intermediary managers, reinsurance intermediary brokers, and independent adjusters:

(1) initial application or biennial renewal for an insurance producer or managing general agent license for all lines, including issuance of the license, if issued:

(A) for a resident individual not acting on behalf of a firm, \$200;

(B) for a nonresident individual not acting on behalf of a firm, \$400;

(C) for a resident firm, including the principal or manager, \$400;

(D) for a nonresident firm, including the principal or manager, \$800;

(2) initial application or biennial renewal for an insurance

producer or managing general agent license for any or all lines within property/casualty lines only or for any or all lines within life lines only, including issuance of the license, if issued:

(A) for a resident individual not acting on behalf of a firm, \$100;

(B) for a nonresident individual not acting on behalf of a firm, \$200;

(C) for a resident firm including the principal or manager, \$200;

(D) for a nonresident firm, including the principal or manager, \$400;

(3) initial application or biennial renewal for a reinsurance intermediary manager or reinsurance intermediary broker license or for a controlling insurance producer or third party administrator license for all lines or for any or all lines within property/casualty lines only or for any or all lines within life lines only, and for issuance of the license, if issued:

(A) for a resident individual not acting on behalf of a firm, or for a resident firm including the principal or manager of the firm, \$300;

(B) for a nonresident individual not acting on behalf of a firm, or for a nonresident firm including the principal or manager of the firm, \$900;

(4) initial application or biennial renewal for an independent adjuster license, including issuance of the license, if issued:

(A) for a resident individual not acting on behalf of a firm,

\$50;

(B) for a nonresident individual not acting on behalf of a firm, \$100;

(C) for a resident firm, including the principal or manager, \$100;

(D) for a nonresident firm, including the principal or manager, \$200;

(5) initial application or biennial renewal for each of the following limited producer resident individual licenses, including issuance of the license, if issued, \$50:

(A) bail bond;

(B) title;

(C) fraternal benefit society;

(D) disability, whose sole purpose is to be appointed by and act as an agent for disability insurance pertaining to sports and recreation;

(6) initial application or biennial renewal for a limited producer nonresident individual fraternal benefit society license for an individual not acting on behalf of a firm, including issuance of the license, if issued, \$100;

(7) initial application or biennial renewal for the following limited producer resident firm licenses, including the principal or manager, and including issuance of the license, if issued, \$100:

(A) bail bond;

(B) title;

(C) fraternal benefit society;

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- (D) disability, whose sole purpose is to be appointed by and act as an agent for disability insurance pertaining to sports and recreation;
- (E) for travel;
- (8) initial application or biennial renewal for a limited producer nonresident firm fraternal benefit society license, including the principal or manager, and including issuance of the license, if issued, \$200;
- (9) initial application or biennial renewal for a retired insurance producer license for any lines including issuance of the license, if issued:
 - (A) for a resident individual not acting on behalf of a firm, \$35;
 - (B) for a nonresident individual not acting on behalf of a firm, \$50;
- (10) initial application or biennial renewal for a license, for any lines, for an individual working in a firm, including issuance of the license, if issued:
 - (A) for a resident, \$35;
 - (B) for a nonresident, \$50;

(Eff. 8/30/86, Register 99; am 6/2/88, Register 106; am 7/1/92, Register 123)

Authority: AS 21.06.090
AS 21.06.250
AS 21.27.380

The emergency repeal of 3 AAC 31.030 is made permanent:

3 AAC 31.030. BROKER FEES. Repealed 7/1/92.

The emergency repeal and reenactment of 3 AAC 31.040 is made permanent, to read:

3 AAC 31.040. SURPLUS LINES BROKER FEES. The following fees are established for surplus lines broker licenses for initial application or biennial renewal for a license, including issuance of the license, if issued:

(1) for a resident individual not acting on behalf of a firm, or for a resident firm, including the principal or manager, or for a resident individual trainee, \$300;

(2) for a nonresident individual not acting on behalf of a firm, or for a nonresident firm, including the principal or manager, or for a nonresident individual trainee, \$900;

(3) for a resident individual working in a firm, \$35;

(4) for a nonresident individual working in a firm, \$50. (Eff. 6/2/88, Register 106; am 7/1/92, Register 123)

Authority: AS 21.06.090

AS 21.06.250

AS 21.27.380

The emergency amendments to 3 AAC 31.050(1) and (2) are made permanent, to read:

3 AAC 31.050. INSURER FEES.

- (1) application for a certificate of authority, including a solicitation permit and issuance of the certificate, if issued, a one-time fee of \$2,000;
- (2) annual continuation of a certificate of authority, \$2,000;

3 AAC 31.050(9) and (10) are made permanent, to read:

- (9) registration as an accredited reinsurance company, \$500;
- (10) filing a holding company "Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer," \$2,000 (Eff. 6/2/88, Register 106; am 7/1/89, Register 110; am 8/15/90, Register 115; am 7/1/92, Register 123)

Authority: AS 21.06.090
AS 21.06.250

Emergency amendments to 3 AAC 31.060 are made permanent, to read:

3 AAC 31.060. MISCELLANEOUS FEES. (a) The following fees are established:

- (1) amendment to an insurance license, \$25;
- (2) with respect to a license for which the licensee failed to notify the director within the time period required by statute of a change of mailing or physical address, change of name, change of principal or manager, change of employment, change in phone number, suspension or revocation of a license in another state or jurisdiction, or a conviction of a misdemeanor or felony, if

notification is received

- (A) 1 to 60 days late, \$50;
 - (B) 61-120 days late, \$100;
 - (C) more than 120 days late, \$200;
- (3) insurance vending machine license, each machine, biennial, \$160,
- (4) issuance of a certification, \$25;
- (5) acceptance of service of process, \$25;
- (6) copy of an insurance report, \$25;
- (7) three-year rating bureau license, \$6,000;
- (8) delayed renewal penalty fee to reinstate a license that lapsed and that has not been suspended or revoked if payment is overdue by
- (A) 1 to 60 days, \$100; or
 - (B) over 60 days, \$200;
- (9) with respect to an application to reinstate a revoked license, if received within six months after the revocation, the application fee plus a reinstatement fee of \$500;
- (10) filing of a certified annual financial statement by surplus lines insurers, \$100;
- (11) application for registration of a surplus lines insurer on the division's "List of Eligible Surplus Lines Insurers," \$1,000;
- (12) annual renewal of "List of Eligible Surplus Lines Insurers" registration, \$500;
- (13) initial registration of a risk retention group, \$1,000;

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- (14) annual continuation of a risk retention group, \$200;
- (15) initial registration of a purchasing group, \$500;
- (16) annual continuation of a purchasing group, \$200;
- (17) computer listings, \$25.

(Eff. 6/2/88, Register 106; am 7/1/89, Register 110; am 7/1/92, Register 123)

Authority: AS 21.06.090
AS 21.06.250

3 AAC 31.070 is made permanent, to read:

3 AAC 31.070. PRORATION OF LICENSE FEES. (a) When the division converts annual licenses to biennial licenses, the licensee shall pay a prorated license fee based upon the total biennial license fee divided by 24 and multiplied by the number of months or partial months the new biennial license will cover. The product is rounded to the nearest \$5.

(b) If the division issues an initial biennial license

(1) within 90 days before the date by which it must be renewed, the applicant shall pay the entire license fee and the license will be issued to cover up to a 27-month period.

(2) within the 12 months before the date by which the license must be renewed, the applicant shall pay one-half of the prescribed license fee, and shall pay the entire prescribed renewal fee at the time of renewal;

(3) more than 12 months before the date by which the license must be renewed, the applicant shall pay the entire license fee, and shall pay the entire

prescribed renewal fee at the time of renewal.

(c) If the division issues an initial certificate of authority within 60 days before the date by which it must be renewed, the applicant shall pay the entire certificate of authority fee and the certificate of authority will be issued to cover up to a 14-month period.

(d) The division will not prorate any other fees. (Eff. 7/1/92, Register 123)

Authority: AS 21.06.090

AS 21.06.250

The emergency amendments to 3 AAC 31.090(2) and (3) are made permanent, to read:

3 AAC 31.090. DEFINITIONS

(2) "life lines" means life, disability, annuities, credit life and disability, and if qualified, variable life and variable annuities insurance; and

(3) "property/casualty lines" means property, casualty, surety, marine, mortgage guaranty, and, if qualified, disability insurance. (Eff. 6/2/88, Register 106, am 7/1/92, Register 123)

Authority: AS 21.06.090

AS 21.06.250