

STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:

PREMERA BLUE CROSS (formerly Blue Cross
of Washington and Alaska)

Amended Order Imposing
Retaliation Under
AS 21.09.270 and Assessing a
Deficiency

Order No. R00-03

)

WHEREAS, all insurers including hospital and medical service corporations authorized under AS 21.87 are required to complete and file with the director by March each year a premium tax statement and retaliatory schedule;

WHEREAS, the tax statement and schedule compute the amount of tax a company must pay to the director and whether retaliation under AS 21.09.270 applies based on the aggregate total of taxes, licenses and fees;

WHEREAS, the aggregate of taxes, licenses, and fees under AS 21.09.270 does not include other obligations paid by insurers doing business in this state such as the assessments imposed by the Comprehensive Health Insurance Association (CHIA) under AS 21.55 and the Small Employers Health Reinsurance Association (SEHRA) under AS 21.56;

WHEREAS, the CHIA assessments are not a tax, license, or fee;

WHEREAS, the SEHRA assessments are not a tax, license, or fee;

WHEREAS, Premera Blue Cross erroneously included CHIA and SEHRA assessments in its aggregate calculation of taxes, licenses, and fees on its 1998 tax statement and retaliatory schedule;

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AMENDED ORDER

IT IS HEREBY ORDERED THAT:

1. Retaliation under AS 21.09.270 applies to Premera Blue Cross with respect to the aggregate taxes, licenses, and fees paid in this state for 1998.
2. Based on Premera Blue Cross' year end tax statement and the retaliation imposed under AS 21.09.270, less the quarterly tax payments of \$790,827 already paid, Premera Blue Cross' remaining tax and retaliatory obligation for 1998 is \$1,180,203.
3. Premera Blue Cross paid \$254,611 on or about March 1, 1999 and, therefore, is deficient by \$925,592.
4. Premera Blue Cross shall pay the deficiency within 30 days of the date of this amended order to avoid regulatory action under AS 21.09.150(a) and to avoid any interest charges that may accrue under Alaska law.
5. Premera Blue Cross may request a hearing under the procedures outlined in AS 21.06.180 21.06.230.

This order is effective January 21, 2000 and replaces Order No. R00-02 dated January 11, 2000.

Dated this 21st day of January, 2000 at Anchorage, Alaska.



Robert A. Lohr
Director

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