



**Division of Insurance**

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**ORDER NUMBER R 00-11**

**January 4, 2001**

**ORDER REQUIRING PAYMENT OF ASSESSMENT AND  
LEVYING PENALTY UNDER AS 21.55.220 AGAINST  
JOHN ALDEN LIFE INSURANCE COMPANY  
FOR FAILURE TO PAY THE MARCH 22, 2000,  
COMPREHENSIVE HEALTH INSURANCE ASSOCIATION  
ASSESSMENT**

**BACKGROUND:**

1. On March 22, 2000, the administrator of the Comprehensive Health Insurance Association (CHIA), Aetna US Healthcare, mailed to John Alden Life Insurance Company (John Alden) a notice of assessment in the amount of \$10,742.40.

2. Since this assessment was not paid, on June 14, 2000, the administrator of CHIA mailed a second notice of assessment to John Alden.

3. In a certified letter to Gail Callahan, the representative for John Alden, dated July 14, 2000, Katie Campbell, Life/Health Actuary with the Alaska Division of Insurance, informed John Alden that the administrator of CHIA had not received payment of the March 22, 2000, assessment in the amount of \$10,742.40. Ms. Campbell reiterated the statutory definition of major medical and discussed how assessments to members of CHIA are determined. She outlined the two options available to John Alden regarding the March 22, 2000, CHIA assessment. First, if John Alden provides to CHIA a signed certification by an actuary of the company that John Alden does not write major medical coverage in Alaska, John Alden would not be subject to an assessment by CHIA. Or, second, after reviewing the definition of major medical coverage, if John Alden determines that the company is subject to the assessment, the company must pay the \$10,742.40 assessment to CHIA immediately or risk fines and potential revocation of John Alden's Certificate of Authority in Alaska.

**FINDINGS:**

The Director finds that:

A. John Alden has failed to pay the March 22, 2000, CHIA assessment within 30 days from the date of its receipt of written notice of the assessment, as required under AS 21.55.220.

B. John Alden has failed to provide CHIA a signed certification by an actuary of the company to the effect that John Alden does not write major medical coverage in Alaska, as defined in AS 21.55.500(14), and, therefore, should not be subject to assessments under AS 21.55.220.

C. John Alden reported over \$1.4 million in health insurance premium written in Alaska in 1998, the assessment base year.

**ORDER:**

The Director orders John Alden Life Insurance Company, as a condition of doing health insurance business in this state, to maintain its membership in the Comprehensive Health Insurance Association by paying the \$10,472.40 assessment as directed in the March 22, 2000, letter from Aetna US Healthcare, the administrator for CHIA;

Under authority of AS 21.55.200(d), the Director further orders that, if the \$10,742.40 assessment is not received by CHIA by November 24, 2000, John Alden shall pay to the Director a civil penalty of \$100 per day beginning May 1, 2000, and John Alden will be subject to administrative action to revoke its Certificate of Authority until payment of the full assessment is received by CHIA. Failure to comply with this order also will be grounds to suspend or revoke John Alden's Certificate of Authority under AS 21.09.150(a).

This order takes effect November 7, 2000.

ROBERT A. LOHR  
Director

By 

Stan Ridgeway  
Deputy Director