



Bulletin B 18-15

TO: ALL INSURERS AUTHORIZED TO TRANSACT INSURANCE IN THE STATE OF ALASKA AND OTHER INTERESTED PARTIES

RE: FAIR TREATMENT OF CONSUMERS FOLLOWING THE ANCHORAGE EARTHQUAKE ON NOVEMBER 30, 2018.

Governor Bill Walker issued a disaster declaration due to the effects of the 7.0 earthquake that impacted the South Central area of Alaska on November 30, 2018. Based on the authority given the Director of Insurance during an emergency under AS 21.066.080(d), the division issues the following guidance to insurers:

All Lines of Insurance

The Alaska Division of Insurance (DOI) directs carriers to provide relief to affected policyholders by offering an extension to premium grace periods of at least one week in order to allow continuing insurance coverage. In conjunction with this effort, the DOI will work with carriers to minimize the regulatory effects of such an extension, specifically financial review requirements. The extension of the grace period does not eliminate the obligation to pay the premium, but limits policy cancellation for late payment. Carriers are encouraged to work with policyholders in the collection of premiums.

It is possible that electronic payment methods may not be operating correctly in the immediate aftereffects of the earthquake as banks and other financial institutions are closed, without power or internet service. It is the DOI's expectation that any problems with premium payment during the extended period would be resolved by the insurance company without a consumer complaint being filed.

Health Insurance

Access to healthcare services and supplies is of particular concern to the Division as retail stores remain closed and hospitals are damaged. It is expected that insurers will suspend their network requirements for pharmaceutical supplies until December 15, 2018. Consumers should be able to access their necessary prescriptions from a convenient pharmacy without concern of a non-network payment penalty. It is expected that insurers will pay for prescriptions at the in-network

level of benefits for cost sharing (e.g. coinsurance, deductible). The Director will reevaluate this policy to determine whether it should be continued for an extended period.

The Division appreciates that insurers are voluntarily offering early refills or replacements of lost or damaged medications and expects that this flexibility will continue during the disaster recovery period. It is also the Division's expectation that insurers will allow for coverage of longer supplies of medication. For example, if a 30 day supply is typically the limit under an insurance contract, insurers shall cover a 90 day supply for individuals who are impacted by the Anchorage earthquake. Insurers should also be certain that prescription drugs are covered when obtained at retail pharmacies if delivery of mail order prescriptions are disrupted.

If you have any questions relating to this bulletin, please contact Sarah Bailey, Life and Health Section Supervisor at sarah.bailey@alaska.gov or (907) 465-4608.

Dated this 30th day of November, 2018, at Anchorage, Alaska.



Lori Wing-Heier

Director