

Sponsor Statement

[SB 357](#) is referred to as the Insurance Omnibus Bill because it contains numerous changes to [Title 21](#) that are necessary to ensure that state statutes are consistent with federal law, the National Association of Insurance Commissioners (NAIC) model acts, standards and guidelines, and to update procedures and transactions.

A summary of the general changes follows.

1. Provisions to provide electronic communications between the Division of Insurance and the public, industry and other regulators will promote more efficient administrative procedures.
2. Provisions for changes in reinsurance are necessary to bring the state law into compliance with the NAIC Model Credit for Reinsurance Regulation
3. Revisions have been suggested by the NAIC Accreditation Team dealing with authority of the director over risk based capital and conditions for approval of a merger or other acquisition.
4. Licensing revisions are necessary to make insurance license regulation in Alaska consistent with the NAIC Producer License Model Act and Producer Licensing Resident Uniformity Standards to be in compliance with Federal Law.
5. Revisions in the surplus lines statutes to make the regulatory process more efficient based on a industry producer task force that met in the summer of 2003.
6. Changes to provide that a person is not liable for civil damages for filing a report concerning fraudulent act to a person involved in the prevention and detection of fraudulent insurance acts. This change is necessary to allow special investigation units of different insurance companies to share information about fraudulent acts without the potential of liability and is based on the NAIC model act.
7. Provisions clarifying that a guaranty fund deposit is required for title insurance companies.
8. Changes to taxes and late payments to make the penalties more consistent with the Department of Revenue statutes and include penalties for surplus lines brokers who submit late payments on taxes.

These changes to Title 21 will promote consistency between Alaska and other states, promote more efficient operations and provide better public protection.