Regulatory Activity Bulletin B 25-08

THE STATE

of ALASKA

GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

DIVISION OF INSURANCE Juneau Office

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BULLETIN B25-08

TO:	**ALL INSURERS AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ALASKA AND OTHER INTERESTED PARTIES**
RE:	**FAIR TREATMENT TO CONSUMERS FOLLOWING THE 2025 STORM IMPACTING THE WEST COAST OF ALASKA**

On October 9, 2025, Governor Mike Dunleavy issued a disaster declaration for storms impacting the west coast of Alaska. On October 12, 2025, the Governor expanded the list of impacted areas. The disaster declaration activates the State Emergency Operations Plan, bringing together a statewide coordinated response to communities impacted by this record storm.

The impacted areas include:

Boroughs

Northwest Arctic Borough

North Slope Borough

Regional Education Attendance

Areas

Kashunamiut

Lower Yukon

Bering Strait

Yupitt

Pribilof Island

Lower Kuskokwim

All Lines of Insurance

The Division directs all insurers authorized to transact insurance in Alaska to suspend the issuance of cancellation or nonrenewal of policies in affected areas for the duration of this bulletin.

This temporary moratorium recognizes that insureds may be displaced, unable to access their homes or businesses, or otherwise, and unable to obtain coverage during this period. Once normal conditions resume, insurers may resume standard cancellation and nonrenewal practices in accordance with Alaska laws and regulations. Insurers must provide reasonable notice to affected policyholders prior to reinstating such actions.

In conjunction with this effort, the Division 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 policy holders in the collection of premiums.
It is possible that electronic payment methods may not be operating correctly in the immediate aftereffects of the floods as banks and other financial institutions are closed without power or internet service. It is the Division'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, hospitals may be damaged, and consumers may be evacuated outside their community. It is expected that insurers will suspend their network requirements for pharmaceutical supplies until October 31, 2025. Consumers should be able to access their necessary prescription 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 benefit for cost sharing (e.g., coinsurance, deductible).

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 storms. Insurers should also be certain that prescription drugs are covered when obtained at retail pharmacies if delivery of mail order prescriptions are disrupted.

Investigations of Claims

The Division reminds insurers that AS 21.36.125 requires insurers to acknowledge and act promptly on communications with consumers. AS 21.36.125 also requires a “reasonable investigation of all of the available information” prior to the refusal to pay a claim and that insurers must provide an explanation of the basis for denial of the claim or the offer of a settlement.

Dominant Cause of Loss

The Division would like to remind insurers and impacted consumers of Bulletin B 18-17 regarding dominant cause of loss. The bulletin is available on the Division’s website.

If you have questions regarding this bulletin, please contact Sian Ng-Ashcraft, Property and Casualty Supervisor at sian.ng-ashcraft@alaska.gov or Sarah Bailey, Life and Health Supervisor at sarah.bailey@alaska.gov.

This bulletin supersedes B25-07 and shall expire at 11:59 pm on November 30, 2025.

Dated 10/31/2025

Heather Carpenter

Acting Director

Value Added Table

Description	Dated October 31, 2025. The Alaska Division of Insurance issued Bulletin B25-08 to address fair treatment of consumers following the 2025 storm that impacted the west coast of Alaska. This bulletin was issued in response to a disaster declaration made on October 9, 2025, and expanded on October 12, 2025, to include additional affected areas. The declaration activated the State Emergency Operations Plan to coordinate statewide recovery efforts in impacted communities, including Northwest Arctic Borough, North Slope Borough, Kashunamiut, Lower Yukon, Bering Strait, Yupitt, Pribilof Island, and Lower Kuskokwim. The bulletin applies to all lines of insurance and outlines temporary measures to assist consumers and insurers during the recovery period. The Division directed all insurers authorized to transact insurance in Alaska to suspend cancellations or nonrenewals of policies in the affected areas for the duration of the bulletin. This moratorium was implemented to address the displacement of insureds, the inability to access homes or businesses, and challenges in obtaining coverage during the disaster. Insurers are required to provide reasonable notice to policyholders before resuming standard cancellation and nonrenewal practices once normal conditions are restored. Additionally, the Division committed to working with carriers to minimize regulatory impacts, particularly regarding financial review requirements. While the grace period extension does not eliminate the obligation to pay premiums, it limits policy cancellations for late payments. Insurers are encouraged to collaborate with policyholders in premium collection, especially given potential disruptions to electronic payment systems caused by power and internet outages affecting financial institutions. For health insurance, the Division emphasized ensuring access to healthcare services and supplies due to the closure of retail stores, potential damage to hospitals, and consumer evacuations. Insurers are required to suspend network requirements for pharmaceutical supplies until October 31, 2025, allowing consumers to access prescriptions from convenient pharmacies without facing non-network payment penalties. Insurers must pay for prescriptions at in-network benefit levels for cost-sharing purposes, such as coinsurance and deductibles. They are also required to cover extended supplies of medication, such as 90-day supplies instead of the typical 30-day limit, for individuals impacted by the storms. Prescription drugs obtained at retail pharmacies must be covered if mail-order delivery services are disrupted. The Division reminded insurers of their obligations under AS 21.36.125 to acknowledge and act promptly on consumer communications, conduct reasonable investigations of all available information before denying claims, and provide explanations for claim denials or settlement offers. The bulletin also referenced Bulletin B18-17 regarding the dominant cause of loss, which remains available on the Division's website for further guidance. Insurers are expected to comply with these requirements to ensure fair treatment of consumers during the claims process. Bulletin B25-08 supersedes Bulletin B25-07 and will expire at 11:59 pm on November 30, 2025. Insurers may contact the Property and Casualty Supervisor or the Life and Health Supervisor via the provided email addresses for inquiries regarding the bulletin.
Lines of Business	**Personal P&C** Personal Automobile, Personal Credit, Personal Earthquake, Personal Flood, Personal Homeowner Warranty, Personal Homeowners, Personal Inland Marine, Personal Liability, Personal Property, Personal Title, Personal Umbrella/Excess Liability, Personal Vehicle Service Contract, Personal Watercraft **Commercial P&C** Commercial Aircraft, Commercial Automobile, Commercial Boiler and Machinery, Commercial Credit, Commercial Crime, Commercial Crop/Hail, Commercial Earthquake, Commercial Farmowners, Commercial Fidelity, Commercial Financial Guaranty, Commercial Flood, Commercial General Liability, Commercial Inland Marine, Commercial Medical Malpractice, Commercial Mortgage, Commercial Ocean Marine, Commercial Professional Liability, Commercial Property, Commercial Surety, Commercial Title, Commercial Umbrella/Excess Liability, Workers' Compensation **Life** Funeral Service Contract, Group Annuities, Group Blanket Life, Group Corporate Owned - Key Person, Group Credit Life, Group Deferred Annuities, Group Fixed Annuities, Group Industrial Life, Group Term Life, Group Universal Life, Group Variable Annuities, Group Variable Life, Group Whole Life, Individual Annuities, Individual Corporate Owned - Key Person, Individual Credit Life, Individual Deferred Annuities, Individual Fixed Annuities, Individual Industrial Life, Individual Term Life, Individual Universal Life, Individual Variable Annuities, Individual Variable Life, Individual Whole Life, Viatical Settlements **Health** Continuing Care Facilities, Group Accident, Group Blanket Medical and Disability, Group Comprehensive Major Medical, Group Credit Accident and Health, Group Critical Illness/Specified Disease, Group Dental, Group HMO/Managed Care, Group Industrial Health, Group Long Term Care, Group Long Term Disability, Group Medical/Surgical - Outpatient Benefits, Group Medicare Supplement, Group Short Term Disability, Group Stop Loss, Group Supplemental - Hospital Indemnity, Group Vision, Individual Accident, Individual Comprehensive Major Medical, Individual Credit Accident and Health, Individual Critical Illness/Specified Disease, Individual Dental, Individual HMO/Managed Care, Individual Industrial Health, Individual Long Term Care, Individual Long Term Disability, Individual Medical/Surgical - Outpatient Benefits, Individual Medicare Supplement, Individual Short Term Disability, Individual Stop Loss, Individual Supplemental - Hospital Indemnity, Individual Vision, Medicaid
Functions	Actuarial Claims Finance/Accounting General Compliance Legal Policy Management

Subject Category	011 - All Lines 060 - Health insurance / insurers 065 - Health service corporations 080 - Group insurance (all lines) 300 - The policy 560 - Finance and investments 620 - Financial institutions 700 - Trade practices 720 - Information practices 760 - Premium rates / rating organizations 800 - Legal procedure / proceedings 840 - Government agencies
Status	New
Actions	New
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