

1 HB219
2 114048-2
3 By Representatives McMillan, Buskey, Baker (A), Vance, Ison,
4 Fincher, Gaston, Faust, Shiver, Kennedy, Davis, Collier and
5 Allen
6 RFD: Banking and Insurance
7 First Read: 12-JAN-10

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8 SYNOPSIS: This bill would allow the Commissioner of
9 Insurance to establish nonbinding alternative
10 dispute resolution procedures for claims relating
11 to personal and commercial insurance lines.

12 This bill would require the commissioner to
13 post certain information on the department's
14 website and prepare an annual legislative report.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT
19

20 To add Sections 27-2-8.1, 27-2-8.2, and 27-2-8.3 to
21 the Code of Alabama 1975, relating to insurance; to establish
22 nonbinding alternative dispute resolution procedures for
23 certain insurance claims; to establish a process by which the
24 department may assist consumers; and to amend Section 27-2-9,
25 Code of Alabama 1975, to require certain information be posted
26 on the department's website and require annual legislative
27 reports.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Sections 27-2-8.1, 27-2-8.2, and 27-2-8.3
3 are added to the Code of Alabama 1975, to read as follows:

4 §27-2-8.1.

5 The commissioner may use any of the powers
6 established under the insurance laws of this state to
7 establish a nonbinding, nonadversarial, alternative dispute
8 resolution procedure for the effective, fair, and timely
9 handling of claims relating to personal and commercial lines
10 of insurance. The commissioner may establish and amend rules
11 to enforce this section.

12 §27-2-8.2.

13 (a) The commissioner shall establish within the
14 department a process to assist Alabama citizens in
15 understanding, evaluating, and comparing insurance products
16 available to them. Particular attention shall be given to
17 addressing questions involving policies of personal and
18 commercial insurance lines.

19 (b) In order to implement this process, the
20 commissioner may do any of the following:

21 (1) Train personnel to meet with and appear before
22 citizen groups to disseminate and gather information on
23 insurance products of interest to them.

24 (2) Develop a computer system capable of comparing
25 features and rates of various insurance policies.

1 (3) Develop and implement an outreach program to
2 manage the entry of additional insurers into the Alabama
3 market.

4 §27-2-8.3.

5 (a) It shall be the duty of the commissioner to
6 compile and release annually for public dissemination a list
7 of all written requests for assistance by citizens received by
8 the department pursuant to Section 27-2-8.2(a).

9 (b) The list shall include a separate itemization of
10 each request for assistance received and of the line of
11 insurance involved.

12 Section 2. Section 27-2-9, Code of Alabama 1975, is
13 amended to read as follows:

14 "§27-2-9.

15 "As early as consistent with full and accurate
16 preparation, the commissioner shall annually make a report to
17 ~~the Governor of his~~ official transactions during the preceding
18 calendar year to the Governor and to the chairs of the
19 legislative committees with jurisdiction over matters of
20 insurance. He shall include in the The report, which shall
21 also be made available on the department's Web site, shall
22 include all of the following:

23 "(1) A statement of the receipts and expenditures of
24 the department for the preceding year~~7~~.

25 "(2) An exhibit of the financial condition ~~and~~
26 ~~business transactions~~ during the preceding year of insurers
27 authorized to transact business in this state, as disclosed by

1 the financial statements of the insurers filed with the
2 commissioner, unless such information is otherwise
3 confidential or privileged.

4 "(3) Names of insurers whose business was closed
5 during the year, the cause thereof and amount of assets and
6 liabilities as ascertainable.

7 "(4) Names of insurers against whom delinquency or
8 similar proceedings were instituted and a concise statement of
9 the circumstances and results of each such proceeding.

10 "(5) ~~His recommendations~~ Recommendations as to
11 amendments or supplementation of laws affecting insurance.

12 "(6) ~~His recommendations~~ Recommendations concerning
13 the condition, operation, and functioning of the department
14 and.

15 "(7) Such other pertinent information and matters as
16 he deems to be in the public interest."

17 Section 3. This act shall become effective on the
18 first day of January 2011, following its passage and approval
19 by the Governor, or its otherwise becoming law.