

1 SB300
2 111763-2
3 By Senator Bedford
4 RFD: Banking and Insurance
5 First Read: 19-JAN-10

1 SB300

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4 ENROLLED, An Act,

5 To amend Section 27-27-29, Code of Alabama 1975, to
6 delete the requirement that a domestic insurer whose principal
7 place of business is located outside of this state maintain a
8 duplicate set of records and keep an office managed by one or
9 more officers of the insured in this state and to further
10 specify that records kept at the executive office outside
11 Alabama shall be made available to the Commissioner of
12 Insurance upon reasonable notice.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. Section 27-27-29, Code of Alabama 1975,
15 is amended to read as follows:

16 "§27-27-29.

17 "(a) Every domestic insurer shall have, and
18 maintain, its principal place of business and home office in
19 this state and shall keep therein complete records of its
20 assets, transactions, and affairs in accordance with such
21 methods and systems as are customary or suitable as to the
22 kind, or kinds, of insurance transacted.

23 "(b) Every domestic insurer shall have, and
24 maintain, its assets in this state, except as to:

1 "(1) Real property and personal property appurtenant
2 thereto lawfully owned by the insurer and located outside this
3 state; and

4 "(2) Such property of the insurer as may be
5 customary, necessary, and convenient to enable and facilitate
6 the operation of its branch offices and "regional home
7 offices" located outside this state as referred to in
8 subsection (d) of this section.

9 "(c) Removal of all, or a material part of, the
10 records or assets of a domestic insurer from this state except
11 pursuant to a plan of merger or consolidation approved by the
12 commissioner under this title, or for such reasonable purposes
13 and periods of time as may be approved by the commissioner in
14 writing in advance of such removal, or concealment of such
15 records or assets, or material part thereof, from the
16 commissioner is prohibited. Any person who removes, or
17 attempts to remove, such records or assets, or such material
18 part thereof, from the home office or other place of business
19 or of safekeeping of the insurer in this state with the intent
20 to remove the same from this state or who conceals or attempts
21 to conceal the same from the commissioner, in violation of
22 this section, shall, upon conviction thereof, be guilty of a
23 felony, punishable by a fine of not more than ten thousand
24 dollars (\$10,000), or by imprisonment in the penitentiary for
25 not more than five years, or by both such fine and

1 imprisonment in the discretion of the court. Upon any removal
2 or attempted removal of such records or assets or upon
3 retention of such records or assets, or material part thereof,
4 outside this state beyond the period therefor specified in the
5 commissioner's consent under which the records were so removed
6 thereat or upon concealment of, or attempt to conceal, records
7 or assets in violation of this section, the commissioner may
8 institute delinquency proceedings against the insurer pursuant
9 to the provisions of Chapter 32 of this title.

10 "(d) This section shall not be deemed to prohibit or
11 prevent an insurer from:

12 "(1) Establishing and maintaining branch offices or
13 "regional home offices" in other states where necessary or
14 convenient for the transaction of its business and keeping
15 therein the detailed records and assets customary and
16 necessary for the servicing of its insurance in force and
17 affairs in the territory served by such an office, as long as
18 such records and assets are made readily available at such
19 office for examination by the commissioner at his or her
20 request; or

21 "(2) Having, depositing, or transmitting funds and
22 assets of the insurer in, or to, jurisdictions outside of this
23 state required by the law of such jurisdiction or as
24 reasonably and customarily required in the regular course of
25 its business, including the retention of personal property or

1 securities in a depository outside the State of Alabama for
2 purposes of safekeeping or for the convenient operation of the
3 insurer.

4 "(e) With the written permission of the
5 commissioner, a domestic insurer may maintain its executive
6 offices outside the State of Alabama and keep there complete
7 records of its assets, transactions, and affairs in accordance
8 with the methods and systems as are customary or suitable for
9 the kind or kinds of insurance transacted. All records kept at
10 the executive offices outside Alabama shall be made available
11 to the commissioner of Alabama upon reasonable notice by him
12 or her.

13 "(f) This section shall not apply to those actions
14 taken by insurance companies prior to January 1, 1972, but
15 only applies to future actions of domestic insurance
16 companies.

17 "(g) Notwithstanding any other provision of this
18 section, any company may evidence ownership of its assets by
19 use of a clearing corporation or book-entry deposit system."

20 Section 2. This act shall become effective
21 immediately following its passage and approval by the
22 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB300

Senate 06-APR-10

I hereby certify that the within Act originated in and passed the Senate.

McDowell Lee
Secretary

House of Representatives
Passed: 21-APR-10

By: Senator Bedford