

1 SB334
2 136079-1
3 By Senator Smitherman
4 RFD: Banking and Insurance
5 First Read: 14-MAR-13

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8 SYNOPSIS: To repeal portions of Title 27 of the Code
9 of Alabama 1975.

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11 A BILL
12 TO BE ENTITLED
13 AN ACT

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15 Relating to the Alabama Insurance Code, to repeal
16 the following:

17 27-3-26 (a) Each authorized insurer shall, annually
18 on or before March 1, or within such extension of time not
19 exceeding 30 days after March 1 as the commissioner for good
20 cause shown may grant as to a particular insurer, file with
21 the commissioner a full and true statement of its financial
22 condition, transactions and affairs as of the December 31,
23 preceding. The statement shall be in such general form and
24 context as is in current use for similar reports to states in
25 general with respect to the type of insurer and kinds of
26 insurance to be reported upon and as supplemented by

1 additional information required by the commissioner. The
2 statement shall be verified by the oath of the insurer's
3 president or vice-president and secretary or actuary as
4 applicable or, if a reciprocal insurer, by the oath of the
5 attorney-in-fact or its like officers if a corporation. (b)
6 The statement of an alien insurer shall be verified by the
7 insurer's United States manager or other officer duly
8 authorized and shall relate only to its transactions and
9 affairs in the United States, unless the commissioner requires
10 otherwise. If the commissioner requires a statement as to the
11 alien insurer's affairs throughout the world, the insurer
12 shall file such statement with the commissioner as soon as
13 reasonably possible. (c) The commissioner may in his
14 discretion suspend or revoke the certificate of authority of
15 an insurer failing to file its annual statement when due. In
16 addition the insurer shall be subject to a penalty of \$250.00,
17 such penalty to be collected by the commissioner, if
18 necessary, by a civil action therefor brought by the
19 commissioner in the Circuit Court of Montgomery County, unless
20 waived by the commissioner upon a showing by the insurer of
21 good cause for its failure to file its report on or before the
22 date due. (d) At time of filing, the insurer shall pay the
23 fee for filing its annual statement as prescribed by Section
24 27-4-2. (e) In addition to information called for and
25 furnished in connection with its annual statement, an insurer
26 shall furnish promptly to the commissioner such information

1 with respect to any of its transactions or affairs as the
2 commissioner may, from time to time, request in writing.

3 27-3-26.1 Every property or casualty insurer
4 required to file an annual statement with the commissioner on
5 March 1 of each year preceding, pursuant to Section 27-3-26,
6 shall include a statement of a qualified independent loss
7 reserve specialist setting forth his or her opinion relating
8 to loss and loss adjustment expense reserves. For the purposes
9 of this section, a qualified independent loss reserve
10 specialist shall mean a person who is not a principal,
11 director, or indirect owner of the insurer and is a member of
12 the Casualty Actuarial Society, or has such other actuarial
13 experience as is acceptable to the commissioner to assure a
14 professional opinion on the adequacy of loss and loss
15 adjustment expense reserves.

16 27-3-27 (a) No insurer shall, in this state,
17 directly or indirectly, accept applications for insurance,
18 negotiate for or issue any policy or contract of insurance or
19 assume direct liability as to a subject of insurance resident,
20 located, or to be performed in this state unless through
21 insurance producers duly licensed under the provisions of this
22 title. (b) This section shall not apply to title insurance or
23 insurance of the rolling stock, vessels, or aircraft of any
24 common carrier in interstate or foreign commerce or covering
25 any liability or other risks incident to the ownership,
26 maintenance, or operation thereof. This section shall not

1 apply as to life or disability insurance not delivered or
2 issued for delivery in this state and lawfully solicited
3 outside this state.

4 27-3-28 Repealed.

5 27-3-29 (a) The purpose of this section is to aid in
6 the protection of insurers formed under the laws of Alabama
7 and transacting insurance in other states or countries against
8 discriminatory or onerous requirements under the laws of such
9 states or countries or the administration thereof. (b) When
10 by or pursuant to the laws of any other state or foreign
11 country, any taxes, licenses, and other fees, in the
12 aggregate, and any fines, penalties, deposit requirements, or
13 other material obligations, prohibitions, or restrictions are,
14 or would be, imposed upon Alabama insurers, or upon the agents
15 or representatives of such insurers, which are in excess of
16 such taxes, licenses, and other fees, in the aggregate, or
17 which are in excess of the fines, penalties, deposit
18 requirements, or other obligations, prohibitions, or
19 restrictions directly imposed upon similar insurers, or upon
20 the agents or representatives of such insurers, of such other
21 state or country under the statutes of this state, so long as
22 such laws of such other state or country continue in force or
23 are so applied, the same taxes, licenses, and other fees, in
24 the aggregate, or fines, penalties, or deposit requirements or
25 other material obligations, prohibitions, or restrictions, of
26 whatever kind, shall be imposed by the commissioner upon the

1 insurers, or upon the agents or representatives of such
2 insurers, of such other state or country doing business or
3 seeking to do business in Alabama. Any tax, license, or other
4 fee or other obligation imposed by any city, county, or other
5 political subdivision or agency of such other state or country
6 on Alabama insurers, or their agents or representatives, shall
7 be deemed to be imposed by such state or country within the
8 meaning of this section. (c) This section shall not apply as
9 to personal income taxes, nor as to ad valorem taxes on real
10 or personal property, nor as to special purpose obligations or
11 assessments imposed by another state in connection with
12 particular kinds of insurance, other than property insurance;
13 except, that deductions from premium taxes or other taxes
14 otherwise payable allowed on account of real estate or
15 personal property taxes paid shall be taken into consideration
16 by the commissioner in determining the propriety and extent of
17 retaliatory action under this section. (d) For the purposes
18 of this section, the domicile of an alien insurer, other than
19 insurers formed under the laws of Canada or a province
20 thereof, shall be that state designated by the insurer in
21 writing filed with the commissioner at time of admission to
22 this state or within six months after the effective date of
23 this title, whichever date is the later, and may be any one of
24 the following states: (1) That in which the insurer was first
25 authorized to transact insurance; (2) That in which is
26 located the insurer's principal place of business in the

1 United States; or (3) That in which is held the larger
2 deposit of trustee assets of the insurer for the protection
3 of its policyholders or policyholders and creditors in the
4 United States. If the insurer makes no such designation its
5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Sections 27-3-26 to 27-3-29, Code of
7 Alabama 1975, are repealed.

8 Section 2. This act shall become effective
9 immediately following its passage and approval by the
10 Governor, or its otherwise becoming law.