

1 SB45  
2 155415-4  
3 By Senator Blackwell  
4 RFD: Banking and Insurance  
5 First Read: 14-JAN-14  
6 PFD: 12/02/2013

1 SB45

2  
3  
4 ENROLLED, An Act,

5 Relating to insurance; to revise the Alabama  
6 Risk-Based Capital (RBC) for Insurers Act to define insurers  
7 to include fraternal benefit societies and health  
8 organizations, such as health care service plans, health  
9 maintenance organizations, and dental service corporations; to  
10 subject health organizations to the same RBC requirements  
11 applicable to property and casualty insurers; to revise the  
12 Alabama Business Transacted with Producer Controlled Property  
13 and Casualty Insurer Law to change the definition of insurer  
14 to include risk retention groups; to revise the Alabama Risk  
15 Retention Act to require risk retention groups chartered and  
16 licensed in this state to file an annual financial statement  
17 with the Department of Insurance and with the NAIC in a form  
18 prescribed by the NAIC and to require them to adopt governance  
19 standards relating to the board of directors, service provider  
20 contracts, written policy, and audit committee; to adopt a  
21 code of business conduct and ethics for directors, officers,  
22 and employees; to amend Sections 27-2B-2; 27-2B-3; 27-2B-4, as  
23 amended by Act 2013-194, 2013 Regular Session; 27-2B-7; and  
24 27-2B-10, Code of Alabama 1975; to add Section 27-2B-14.1 to  
25 the Code of Alabama 1975; to amend Sections 27-6B-2 and

1 27-6B-4, Code of Alabama 1975; to amend Section 27-3A-3, Code  
2 of Alabama 1975; to add Section 27-3A-3.1 to the Code of  
3 Alabama 1975; and to amend Sections 10A-20-6.16, 22-21-374 and  
4 22-21A-23, Code of Alabama 1975.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. The purposes of this act are as follows:

7 (1) To revise the Alabama Risk-Based Capital (RBC)  
8 for Insurers Act to be substantially similar to the most  
9 recent versions of the Model Risk-Based Capital for Insurers  
10 Act and the Model Risk-Based Capital for Health Organizations  
11 Act developed by the National Association of Insurance  
12 Commissioners.

13 (2) To revise the Alabama Business Transacted with  
14 Producer Controlled Property and Casualty Insurer Law to be  
15 substantially similar to the most recent version of the Model  
16 Business Transacted with Producer Controlled Property and  
17 Casualty Insurer Law developed by the National Association of  
18 Insurance Commissioners.

19 (3) To revise the Alabama Risk Retention Act to be  
20 substantially similar to the most recent version of the Model  
21 Risk Retention Act developed by the National Association of  
22 Insurance Commissioners.

23 Section 2. Sections 27-2B-2; 27-2B-3; 27-2B-4, as  
24 amended by Act 2013-194, 2013 Regular Session; 27-2B-7; and

1 27-2B-10, Code of Alabama 1975, are amended to read as  
2 follows:

3           "§27-2B-2.

4           "As used in this chapter, these terms shall have the  
5 following meanings:

6           "(1) ADJUSTED RBC REPORT. An RBC report which has  
7 been adjusted by the commissioner in accordance with  
8 subsection (e) of Section 27-2B-3.

9           "(2) CORRECTIVE ORDER. An order issued by the  
10 commissioner specifying corrective actions which the  
11 commissioner has determined are required.

12           "(3) DOMESTIC INSURER. Any ~~insurance company~~ insurer  
13 domiciled in this state.

14           "(4) FOREIGN INSURER. Any ~~insurance company~~ insurer  
15 which is licensed to do business in this state but not  
16 domiciled in this state.

17           "(5) FRATERNAL BENEFIT SOCIETY. Any insurer licensed  
18 under Chapter 34.

19           "(6) HEALTH ORGANIZATION. Any health care service  
20 plan, health maintenance organization, limited health service  
21 organization, dental services corporation, or other managed  
22 care organization licensed under this title. This term does  
23 not include any life and disability insurer or property and  
24 casualty insurer.

1           "(7) INSURER. As defined in Section 27-1-2,  
2           including, without limitation, any fraternal benefit society  
3           and any health organization.

4           "~~(5)~~(8) LIFE OR HEALTH INSURER. Any ~~insurance~~  
5           ~~company~~ insurer licensed to do business in this state and  
6           authorized to transact life and/or disability insurance,  
7           including a property and casualty insurer writing only  
8           disability insurance, but shall not include fraternal benefit  
9           societies, health care service corporations, dental service  
10          organizations, health maintenance organizations, dental plan  
11          organizations or mutual aid associations.

12          "~~(6)~~(9) NAIC. The National Association of Insurance  
13          Commissioners.

14          "~~(7)~~(10) NEGATIVE TREND. With respect to a life or  
15          health insurer or a fraternal benefit society, a negative  
16          trend over a period of time, as determined in accordance with  
17          the trend test calculation included in the RBC instructions.

18          "~~(8)~~(11) PROPERTY AND CASUALTY INSURER. Any  
19          ~~insurance company~~ insurer licensed to do business in this  
20          state and authorized to transact property, marine, casualty  
21          and/or surety insurance, but shall not include monoline  
22          mortgage guaranty insurers, financial guaranty insurers and  
23          title insurers.

24          "~~(9)~~(12) RBC. Risk-based capital.

1           "~~(10)~~(13) RBC INSTRUCTIONS. The RBC report including  
2 risk-based capital instructions adopted by the NAIC, as the  
3 RBC instructions may be amended by the NAIC from time to time  
4 in accordance with the procedures adopted by the NAIC.

5           "~~(11)~~(14) RBC LEVEL. An insurer's company action  
6 level RBC, regulatory action level RBC, authorized control  
7 level RBC, or mandatory control level RBC where:

8           "a. "Company action level RBC" means, with respect  
9 to any insurer, the product of 2.0 and its authorized control  
10 level RBC.

11           "b. "Regulatory action level RBC" means the product  
12 of 1.5 and its authorized control level RBC.

13           "c. "Authorized control level RBC" means the number  
14 determined under the risk-based capital formula in accordance  
15 with the RBC instructions.

16           "d. "Mandatory control level RBI" means the product  
17 of .70 and the authorized control level RBC.

18           "~~(12)~~(15) RBC PLAN. A comprehensive financial plan  
19 containing the elements specified in subsection (b) of Section  
20 27-2B-4. If the commissioner rejects the RBC plan, and it is  
21 revised by the insurer, with or without the commissioner's  
22 recommendation, the plan shall be called the revised RBC plan.

23           "~~(13)~~(16) RBC REPORT. The report required in Section  
24 27-2B-3.

1           "~~(14)~~(17) STATUTORY CAPITAL AND SURPLUS. The  
2 combination of capital and surplus. As used in this  
3 definition, these terms shall have the following meanings:

4           "a. Capital. At any particular time, the sum of (i)  
5 the par value of all shares of the insurer having a par value  
6 that have been issued, (ii) the amount of consideration  
7 received by the insurer for all shares of the insurer without  
8 par value that have been issued, except any part of the  
9 consideration therefor as may have been allocated to surplus  
10 in a manner permitted by law, and (iii) any amounts not  
11 included in clauses (i) and (ii) of this subdivision as have  
12 been transferred to capital of the insurer, whether upon the  
13 issue of shares as a share dividend or otherwise, minus all  
14 reductions from the sum as have been affected in a manner  
15 permitted by law.

16           "b. Surplus. The excess of the net admitted assets  
17 of an insurer over its capital. As used in this definition,  
18 "net admitted assets" means the excess of admitted assets of  
19 an insurer over its liabilities.

20           "~~(15)~~(18) TOTAL ADJUSTED CAPITAL. The sum of:

21           "a. An insurer's statutory capital and surplus.

22           "b. Other items, if any, as the RBC instructions may  
23 provide.

24           "§27-2B-3.

1           "(a) Every domestic insurer shall, on or prior to  
2 each March 1 (the "filing date"), prepare and submit to the  
3 commissioner a report of its RBC levels as of the end of the  
4 calendar year just ended, in a form and containing information  
5 as is required by the RBC instructions. In addition, every  
6 domestic insurer shall file its RBC report with:

7           "(1) The NAIC according to the RBC instructions.

8           "(2) The insurance commissioner in any state in  
9 which the insurer is authorized to do business, if the  
10 insurance commissioner has notified the insurer of its request  
11 in writing, in which case the insurer shall file its RBC  
12 report not later than the later of either of the following:

13           "a. Fifteen days from the receipt of notice to file  
14 its RBC report with that state.

15           "b. The filing date.

16           "(b) A life and health insurer's and a fraternal  
17 benefit society's RBC shall be determined in accordance with  
18 the formula set forth in the RBC instructions. The formula  
19 shall take into account, and may adjust for the covariance  
20 between, the following factors determined in each case by  
21 applying the factors in the manner set forth in the RBC  
22 instructions:

23           "(1) The risk with respect to the insurer's assets.

24           "(2) The risk of adverse insurance experience with  
25 respect to the insurer's liabilities and obligations.



1           "(3) The interest rate risk with respect to the  
2 insurer's business.

3           "(4) All other business risks and other relevant  
4 risks as are set forth in the RBC instructions. Subdivisions  
5 (1) to (4), inclusive, shall be determined in each case by  
6 applying the factors in the manner set forth in the RBC  
7 instructions.

8           "(c) A property and casualty insurer's and a health  
9 organization's RBC shall be determined in accordance with the  
10 formula set forth in the RBC instructions. The formula shall  
11 take into account, and may adjust for the covariance between,  
12 the following factors determined in each case by applying the  
13 factors in the manner set forth in the RBC instructions:

14           "(1) Asset risk.

15           "(2) Credit risk.

16           "(3) Underwriting risk.

17           "(4) All other business risks and other relevant  
18 risks as are set forth in the RBC instructions. Subdivisions  
19 (1) to (4), inclusive, shall be determined by applying the  
20 factors in the manner set forth in the RBC instructions.

21           "(d) An excess of capital over the amount produced  
22 by the risk-based capital requirements contained in this  
23 chapter and the formulas, schedules, and instructions  
24 referenced in this chapter is desirable in the business of  
25 insurance. Accordingly, insurers should seek to maintain

1 capital above the RBC levels required by this chapter.  
2 Additional capital is used and useful in the insurance  
3 business and helps to secure an insurer against various risks  
4 inherent in or affecting the business of insurance and not  
5 accounted for or only partially measured by the risk-based  
6 capital requirements contained in this chapter.

7 "(e) If a domestic insurer files an RBC report which  
8 in the judgment of the commissioner is inaccurate, then the  
9 commissioner shall adjust the RBC report to correct the  
10 inaccuracy and shall notify the insurer of the adjustment. The  
11 notice shall contain a statement of the reason for the  
12 adjustment. An RBC report as so adjusted is referred to as an  
13 "adjusted RBC report."

14 "§27-2B-4.

15 "(a) Company action level event means any of the  
16 following events:

17 "(1) The filing of an RBC report by an insurer which  
18 indicates any of the following:

19 "a. The insurer's total adjusted capital is greater  
20 than or equal to its regulatory action level RBC, but less  
21 than its company action level RBC.

22 "b. If a life or health insurer or fraternal benefit  
23 society, the insurer has total adjusted capital which is  
24 greater than or equal to its company action level RBC but less

1 than the product of its authorized control level RBC and 3.0  
2 and has a negative trend.

3 "c. If a property and casualty insurer or a health  
4 organization, the insurer has total adjusted capital which is  
5 greater than or equal to its company action level RBC, but  
6 less than the product of its authorized control level RBC and  
7 3.0, and triggers the trend test determined in accordance with  
8 the trend test calculation included in the property and  
9 casualty or health organization RBC instructions.

10 "(2) The notification by the commissioner to the  
11 insurer of an adjusted RBC report that indicates an event in  
12 subdivision (1) of this subsection, provided the insurer does  
13 not challenge the adjusted RBC report under Section 27-2B-8.

14 "(3) If, pursuant to Section 27-2B-8, an insurer  
15 challenges an adjusted RBC report that indicates the event in  
16 subdivision (1) of this subsection, the notification by the  
17 commissioner to the insurer that the commissioner has, after a  
18 hearing, rejected the insurer's challenge.

19 "(b) In the event of a company action level event,  
20 the insurer shall prepare and submit to the commissioner an  
21 RBC plan which shall include all of the following:

22 "(1) Identify the conditions which contribute to the  
23 company action level event.

1           "(2) Contain proposals of corrective actions which  
2 the insurer intends to take and would be expected to result in  
3 the elimination of the company action level event.

4           "(3) Provide projections of the insurer's financial  
5 results in the current year and at least the four succeeding  
6 years, both in the absence of proposed corrective actions and  
7 giving effect to the proposed corrective actions, including  
8 projections of statutory operating income, net income,  
9 capital, or surplus. The projections for both new and renewal  
10 business may include separate projections for each major line  
11 of business and separately identify each significant income,  
12 expense, and benefit component.

13           "(4) Identify the key assumptions impacting the  
14 insurer's projections and the sensitivity of the projections  
15 to the assumptions.

16           "(5) Identify the quality of, and problems  
17 associated with, the insurer's business, including, but not  
18 limited to, its assets, anticipated business growth and  
19 associated surplus strain, extraordinary exposure to risk, mix  
20 of business, and use of reinsurance, if any, in each case.

21           "(c) The RBC plan shall be submitted as follows:

22           "(1) Within 45 days of the company action level  
23 event.

24           "(2) If the insurer challenges an adjusted RBC  
25 report pursuant to Section 27-2B-8, within 45 days after

1 notification to the insurer that the commissioner has, after a  
2 hearing, rejected the insurer's challenge.

3 "(d) Within 60 days after the submission by an  
4 insurer of an RBC plan to the commissioner, the commissioner  
5 shall notify the insurer whether the RBC plan shall be  
6 implemented or is, in the judgment of the commissioner,  
7 unsatisfactory. If the commissioner determines the RBC plan is  
8 unsatisfactory, the notification to the insurer shall set  
9 forth the reasons for the determination, and may set forth  
10 proposed revisions which will render the RBC plan  
11 satisfactory, in the judgment of the commissioner. Upon  
12 notification from the commissioner, the insurer shall prepare  
13 a revised RBC plan, which may incorporate by reference any  
14 revisions proposed by the commissioner, and shall submit the  
15 revised RBC plan to the commissioner as follows:

16 "(1) Within 45 days after the notification from the  
17 commissioner.

18 "(2) If the insurer challenges the notification from  
19 the commissioner under Section 27-2B-8, within 45 days after a  
20 notification to the insurer that the commissioner has, after a  
21 hearing, rejected the insurer's challenge.

22 "(E.) In the event of a notification by the  
23 commissioner to an insurer that the insurer's RBC plan or  
24 revised RBC plan is unsatisfactory, the commissioner may, at  
25 the commissioner's discretion, subject to the insurer's right

1 to a hearing under Section 27-2B-8, specify in the  
2 notification that the notification constitutes a regulatory  
3 action level event.

4 "(f) Every domestic insurer that files an RBC plan  
5 or revised RBC plan with the commissioner shall file a copy of  
6 the RBC plan or revised RBC plan with the insurance  
7 commissioner in any state in which the insurer is authorized  
8 to do business if:

9 "(1) The state has an RBC provision substantially  
10 similar to subsection (a) of Section 27-2B-9.

11 "(2) The insurance commissioner of that state has  
12 notified the insurer of its request for the filing in writing,  
13 in which case the insurer shall file a copy of the RBC plan or  
14 revised RBC plan in that state no later than the later of  
15 either of the following:

16 "a. Fifteen days after the receipt of notice to file  
17 a copy of its RBC plan or revised RBC plan with the state.

18 "b. The date on which the RBC plan or revised RBC  
19 plan is filed under subsections (c) and (d) of this section.

20 "§27-2B-7.

21 "(a) "Mandatory control level event" means any of  
22 the following events:

23 "(1) The filing of an RBC report which indicates  
24 that the insurer's total adjusted capital is less than its  
25 mandatory control level RBC.

1           "(2) Notification by the commissioner to the insurer  
2 of an adjusted RBC report that indicates the event in  
3 subdivision (1), provided the insurer does not challenge the  
4 adjusted RBC report under Section 27-2B-8.

5           "(3) If, pursuant to Section 27-2B-8, the insurer  
6 challenges an adjusted RBC report that indicates the event in  
7 subdivision (1), notification by the commissioner to the  
8 insurer that the commissioner has, after a hearing, rejected  
9 the insurer's challenge.

10           "(b) In the event of a mandatory control level  
11 event:

12           "(1) With respect to a life insurer, health  
13 organization, or fraternal benefit society, the commissioner  
14 shall take actions as necessary to place the insurer under  
15 regulatory control pursuant to Chapter 32. In that event, the  
16 mandatory control level event shall be deemed sufficient  
17 grounds for the commissioner to take action pursuant to  
18 Chapter 32, and the commissioner shall have the rights,  
19 powers, and duties with respect to the insurer as are set  
20 forth in Chapter 32. Notwithstanding any of the foregoing, the  
21 commissioner may forego action for up to 90 days after the  
22 mandatory control level event if the commissioner finds there  
23 is a reasonable expectation that the mandatory control level  
24 event may be eliminated within the 90-day period.

1           "(2) With respect to a property and casualty  
2 insurer, the commissioner shall take actions as necessary to  
3 place the insurer under regulatory control pursuant to Chapter  
4 32. In the case of an insurer which is writing no business and  
5 which is running-off its existing business, the commissioner  
6 may allow the insurer to continue its run-off under his or her  
7 supervision. In either event, the mandatory control level  
8 event shall be deemed sufficient grounds for the commissioner  
9 to take action, pursuant to Chapter 32, and the commissioner  
10 shall have the rights, powers, and duties with respect to the  
11 insurer as are set forth in Chapter 32. Notwithstanding any of  
12 the foregoing, the commissioner may forego action for up to 90  
13 days after the mandatory control level event if the  
14 commissioner finds there is a reasonable expectation that the  
15 mandatory control level event may be eliminated within the  
16 90-day period.

17           "§27-2B-10.

18           "(a) The provisions of this chapter are supplemental  
19 to any other provisions of the laws of this state, and shall  
20 not preclude or limit any other powers or duties of the  
21 commissioner under other laws, including, but not limited to,  
22 Chapter 32, and Section 27-2-33.

23           "(b) The commissioner may adopt reasonable rules  
24 necessary for the implementation of this chapter.



1           "(c) The commissioner may exempt from the  
2 application of this chapter any domestic property and casualty  
3 insurer that meets all of the following criteria:

4           "(1) Writes direct business only in this state.

5           "(2) Writes direct annual premiums of two million  
6 dollars (\$2,000,000) or less.

7           "(3) Assumes no reinsurance in excess of five  
8 percent of direct premium written.

9           "(d) The commissioner may exempt from the  
10 application of this chapter any health organization that meets  
11 all of the following criteria:

12           "(1) Writes direct business only in this state.

13           "(2) Assumes no reinsurance in excess of five  
14 percent of direct premium written.

15           "(3) Meets either of the following criteria:

16           "a. Writes direct annual premiums for comprehensive  
17 medical business of one million dollars (\$1,000,000) or less.

18           "b. Is a limited health services organization that  
19 covers less than 1,000 lives."

20           Section 3. Section 27-2B-14.1 is added to the Code  
21 of Alabama 1975, to read as follows:

22           §27-2B-14.1.

23           For RBC reports required to be filed by health  
24 organizations and fraternal benefit societies with respect to

1 2015, the following requirements shall apply in lieu of the  
2 provisions of Sections 27-2B-4, 27-2B-5, 27-2B-6, and 27-2B-7:

3 (1) In the event of a company action level event  
4 with respect to a domestic insurer, the commissioner shall  
5 take no regulatory action hereunder.

6 (2) In the event of a regulatory action level event  
7 under subdivisions (1), (2), or (3) of subsection (a) of  
8 Section 27-2B-5, the commissioner shall take the actions  
9 required under Section 27-2B-4.

10 (3) In the event of a regulatory action level event  
11 under subdivisions (4), (5), (6), (7), (8), or (9) of  
12 subsection (a) of Section 27-2B-5, or an authorized control  
13 level event, the commissioner shall take the actions required  
14 under Section 27-2B-5 with respect to the organization or  
15 society.

16 (4) In the event of a mandatory control level event  
17 with respect to an insurer, the commissioner shall take the  
18 actions required under Section 27-2B-6.

19 Section 4. Sections 27-6B-2 and 27-6B-4 of the Code  
20 of Alabama 1975, are amended to read as follows:

21 "§27-6B-2.

22 "As used in this chapter, the following terms shall  
23 have the following meanings, respectively, unless the context  
24 clearly indicates otherwise:

1           "(1) ACCREDITED STATE. A state in which the  
2 Department of Insurance meets the minimum financial  
3 qualifications and regulatory standards promulgated and  
4 established, from time to time, by the National Association of  
5 Insurance Commissioners.

6           "(2) COMMISSIONER. The Commissioner of Insurance.

7           "(3) CONTROL or CONTROLLED. The same as defined in  
8 ~~subsection (3) of Section 27-29-1.~~

9           "(4) CONTROLLED INSURER. A licensed insurer who is  
10 controlled, directly or indirectly, by a producer.

11           "(5) CONTROLLING PRODUCER. A producer who, directly  
12 or indirectly, controls an insurer.

13           "(6) LICENSED INSURER or INSURER. Any person, firm,  
14 association, or corporation duly licensed to transact a  
15 property and casualty insurance business in this state. For  
16 the purposes of this chapter, the following are not licensed  
17 insurers:

18           ~~"a. A risk retention group as defined in the  
19 Superfund Amendments Reauthorization Act of 1986, Pub. L. No.  
20 99-499, 100 Stat. 1613 (1986) and the Risk Retention Act  
21 (commencing with Section 3901 of Title 15, U.S.C., 1982 and  
22 1986 of Supp. to Title 15, U.S.C.).~~

23           ~~"b.a.~~ A residual market pool and a joint  
24 underwriting authority or association.

1           "~~c.b.~~ A captive insurer other than risk retention  
2 groups as defined in 15 U.S.C. Section 3901 et seq. and 42  
3 U.S.C. Section 9671, which, for the purposes of this chapter,  
4 ~~is an insurance company~~ are insurers owned by another  
5 organization whose exclusive purpose is to insure risks of the  
6 parent organization and ~~any affiliated company~~ companies or,  
7 in the case of ~~any group~~ groups and ~~association~~ associations,  
8 ~~an insurance organization~~ organizations owned by the ~~insured~~  
9 insureds whose ~~only~~ exclusive purpose is to insure risks to  
10 ~~any member organization,~~ member organizations and group ~~member~~  
11 ~~or affiliate of the member~~ members and their affiliates.

12           "(7) PRODUCER. An insurance broker or brokers or any  
13 other person, firm, association, or corporation, when, for any  
14 compensation, commission, or other thing of value, the person,  
15 firm, association, or corporation acts or aids in any manner  
16 in soliciting, negotiating, or procuring the making of any  
17 insurance contract on behalf of another insured person, firm,  
18 association, or corporation. The term is not intended to  
19 include an exclusive agent or any independent agent acting on  
20 behalf of the controlled insurer and any subagent or  
21 representative of the agent, who acts in the solicitation of,  
22 negotiation for, or procurement or making of an insurance  
23 contract, if the agent is not also acting in the capacity of  
24 an insurance broker in the transaction in question.

25           "§27-6B-4.

1           "(a) Unless there is a written contract between the  
2 controlling producer and the insurer approved by the board of  
3 directors of the insurer and specifying the responsibilities  
4 of each party, a controlled insurer shall not accept business  
5 from a controlling producer and a controlling producer shall  
6 not place business with a controlled insurer. The contract  
7 between a controlling producer and a controlled insurer shall,  
8 as a minimum, contain all of the following:

9           "(1) A provision that, upon written notice to the  
10 controlling producer, the controlled insurer may terminate the  
11 contract for cause. The controlled insurer shall suspend the  
12 authority of the controlling producer to write business during  
13 any pending dispute regarding the cause for the termination.

14           "(2) A provision requiring the controlling producer  
15 to give a detailed accounting to the controlled insurer on any  
16 material transaction, including information necessary to  
17 support all commissions, charges, and other fees received by,  
18 or owing to, the controlling producer.

19           "(3) A provision requiring the controlling producer  
20 to send all funds due, under the terms of the contract, to the  
21 controlled insurer on at least a monthly basis. The contract  
22 shall require the due date to be fixed so that premiums or any  
23 installment collected are remitted no later than ninety days  
24 after the effective date of any policy placed with the  
25 controlled insurer under the contract.

1           "(4) A provision requiring all funds collected for  
2 the account of the controlled insurer to be held by the  
3 controlling producer in a fiduciary capacity, in one or more  
4 appropriately identified bank accounts in a bank that is a  
5 member of the Federal Reserve System, in accordance with any  
6 applicable insurance law. Funds of a controlling producer, not  
7 required to be licensed in this state, shall be maintained in  
8 compliance with the requirements of the domiciliary  
9 jurisdiction of the controlling producer.

10           "(5) A provision requiring the controlling producer  
11 to maintain separate identifiable records of business written  
12 for the controlled insurer.

13           "(6) A provision prohibiting the controlling  
14 producer from assigning the contract in whole or in part.

15           "(7) A provision that the rates and terms of the  
16 commissions, charges, and other fees of the controlling  
17 producer shall be no greater than those applicable to  
18 comparable business placed with the controlled insurer by  
19 producers other than controlling producers. For purposes of  
20 this ~~subsection~~ subdivision and ~~subsection (d)~~ subdivision 11,  
21 examples of "comparable business" includes the same lines of  
22 insurance, the same kinds of insurance, the same kinds of  
23 risks, similar policy limits, and similar quality of business.

24           "(8) A provision that if the contract provides that  
25 the controlling producer, on insurance business placed with

1 the insurer, is to be compensated contingent upon the  
2 insurer's profits on that business, the compensation shall not  
3 be determined and paid until at least five years after the  
4 premiums on liability insurance are earned and at least one  
5 year after the premiums are earned on any other insurance. In  
6 no event may the commissions be paid until the adequacy of the  
7 controlled insurer's reserves on remaining claims has been  
8 independently verified pursuant to ~~the reporting requirements~~  
9 of subsection ~~(f)~~ (e).

10 "(9) A provision specifying a limit on the  
11 controlling producer's writings in relation to the controlled  
12 insurer's surplus and total writing and that the insurer may  
13 establish a different limit for each line or sub-line of  
14 business written by the controlling producer. The controlled  
15 insurer shall notify the controlling producer when the limit  
16 is approached and shall not accept business from the  
17 controlling producer if the applicable limit is reached. The  
18 controlling producer shall not place business with the  
19 controlled insurer if it has been notified by the controlled  
20 insurer that the limit has been reached.

21 "(10) A provision that the controlling producer may  
22 negotiate but ~~may~~ shall not bind reinsurance on behalf of the  
23 controlled insurer on business the controlling producer places  
24 with the controlled insurer, except that the controlling  
25 producer may bind facultative reinsurance contracts pursuant

1 to obligatory facultative agreements if the contract with the  
2 controlled insurer contains underwriting guidelines including,  
3 for both reinsurance assumed and ceded, a list of reinsurers  
4 with which the automatic agreements are in effect, the  
5 coverages, and amounts, or percentages that may be reinsured,  
6 and commission schedules.

7 "(11) The controlled insurer shall provide the  
8 controlling producer with its underwriting standards, rules,  
9 and procedures, and manuals setting forth the rates to be  
10 charged, and the conditions for the acceptance or rejection of  
11 risks. The controlling producer shall adhere to the standards,  
12 rules, procedures, rates, and conditions. The standards,  
13 rules, procedures, rates, and conditions shall be the same as  
14 those applicable to comparable business placed with the  
15 controlled insurer by a producer other than the controlling  
16 producer.

17 "(b) This section shall apply if, in any calendar  
18 year, the aggregate amount of gross written premium on  
19 business placed with a controlled insurer by a controlling  
20 producer is equal to or greater than five percent of the  
21 admitted assets of the controlled insurer, as reported by the  
22 controlled insurer in the quarterly statement filed as of  
23 September 30 of the year immediately preceding.

24 "(c) This section shall not apply if:

25 "(1) The controlling producer:



1           "a. Places insurance only with the controlled  
2 insurer, or only with the controlled insurer and one or more  
3 members of the holding company system of the controlled  
4 insurer, or only with the parent, affiliate, or subsidiary of  
5 the controlled insurer and receives no compensation based upon  
6 the amount of premium written in connection with the  
7 insurance, and

8           "b. Accepts insurance placements only from  
9 non-affiliated subproducers and not directly from insureds,  
10 and

11           "(2) The controlled insurer, except for insurance  
12 business written through a residual market facility such as  
13 the Automobile Assigned Risk Plan, accepts insurance business  
14 only from a controlling producer, a producer controlled by the  
15 controlled insurer, or a producer that is a subsidiary of the  
16 controlled insurer.

17           "~~(e) Each~~ (d) Every controlled insurer shall have an  
18 audit committee of the board of directors composed of  
19 independent directors. The audit committee shall annually meet  
20 with management, the insurer's independent certified public  
21 accountants, and an independent casualty actuary<sup>7</sup> or other  
22 independent loss reserve specialist acceptable to the  
23 commissioner to review the adequacy of the insurer's loss  
24 reserves.

1           "~~(f)~~ (e) The controlled insurer shall report the  
2 following:

3           "(1) In addition to any other required loss reserve  
4 certification, the controlled insurer shall annually, on April  
5 1 of each year, file with the commissioner an opinion of an  
6 independent casualty actuary (or other independent loss  
7 reserve specialist acceptable to the commissioner) reporting  
8 loss ratios for each line of business written and attesting to  
9 the adequacy of loss reserves established for losses incurred  
10 and outstanding as of year-end (including incurred but not  
11 reported) on business placed by the producer.

12           "(2) At least annually, the controlled insurer shall  
13 report to the commissioner, the amount of the commissions to  
14 be paid to the producer, the percentage the amount represents  
15 of the net premiums written, and comparable amounts and  
16 percentage paid to noncontrolling producers for placements of  
17 the same kinds of insurance."

18           Section 5. Section 27-31A-3 of the Code of Alabama  
19 1975, is amended to read as follows:

20           "§27-31A-3.

21           "(a) (1) A risk retention group shall, pursuant to  
22 Title 27, be chartered and licensed to write only liability  
23 insurance pursuant to this chapter and, except as provided  
24 elsewhere in this chapter, shall comply with all of the laws,  
25 rules, regulations, and requirements applicable to the

1 insurers chartered and licensed in this state and with Section  
2 27-31A-4, to the extent the requirements are not a limitation  
3 on laws, rules, regulations, or requirements of this state.

4 "(2) Notwithstanding any other provision to the  
5 contrary, all risk retention groups chartered in this state  
6 shall file with the department and the National Association of  
7 Insurance Commissioners (NAIC) an annual statement in a form  
8 prescribed by the NAIC and, if required by the commissioner,  
9 in electronic format. The statement shall be completed in  
10 accordance with its instructions and the NAIC Accounting  
11 Practices and Procedures Manual.

12 "(b) Before it may offer insurance in any state,  
13 each risk retention group shall also submit for approval to  
14 the Commissioner of Insurance a plan of operation or  
15 feasibility study. The risk retention group shall submit an  
16 appropriate revision in the event of any subsequent material  
17 change in any item of the plan of operation or feasibility  
18 study within 10 days of the change. The group shall not offer  
19 any additional kinds of liability insurance, in this state or  
20 in any other state, until a revision of the plan or study is  
21 approved by the commissioner.

22 "(c) At the time of filing its application for  
23 charter, the risk retention group shall provide to the  
24 commissioner in summary form the following information: the  
25 identity of the initial members of the group, the identity of

1 those individuals who organized the group or who will provide  
2 administrative services, or otherwise influence or control the  
3 activities of the group, the amount and nature of initial  
4 capitalization, the coverages to be afforded, and the states  
5 in which the group intends to operate. Upon receipt of this  
6 information, the commissioner shall forward the information to  
7 the National Association of Insurance Commissioners.

8 Notification to the National Association of Insurance  
9 Commissioners is in addition to and shall not be sufficient to  
10 satisfy the requirements of Section 27-31A-4 or any other  
11 sections of this chapter."

12 Section 6. Section 27-31A-3.1 is added to the Code  
13 of Alabama 1975, to read as follows:

14 §27-31A-3.1.

15 (a) Within a year of the effective date of this act,  
16 existing risk retention groups shall be in compliance with the  
17 governance standards set forth in this section. New risk  
18 retention groups shall be in compliance with these standards  
19 at the time of licensure.

20 (b) The board of directors or board, as used in this  
21 section, means the governing body of the risk retention group  
22 elected by the shareholders or members to establish policy,  
23 elect or appoint officers and committees, and make other  
24 governing decisions. Director, as used in this section, means  
25 a natural person designated in the articles of the risk

1 retention group, or designated, elected, or appointed by any  
2 other manner, name, or title to act as a member of the board  
3 of directors.

4 (c) (1) The board of directors of the risk retention  
5 group shall have a majority of independent directors. If the  
6 risk retention group is a reciprocal, then the  
7 attorney-in-fact would be required to adhere to the same  
8 standards regarding independence of operation and governance  
9 as imposed on the risk retention group's board of  
10 directors/subscribers advisory committee under these  
11 standards; and, to the extent permissible under state law,  
12 service providers of a reciprocal risk retention group should  
13 contract with the risk retention group and not the  
14 attorney-in-fact.

15 (2) No director qualifies as independent unless the  
16 board of directors affirmatively determines that the director  
17 has no material relationship with the risk retention group.  
18 Each risk retention group shall disclose these determinations  
19 to its domestic regulator, at least annually. For this  
20 purpose, any person that is a direct or indirect owner of or  
21 subscriber in the risk retention group (or is an officer,  
22 director, and/or employee of such an owner and insured, unless  
23 some other position of such officer, director, and/or employee  
24 constitutes a material relationship), as contemplated by

1 Section 3901(a)(4)(E)(ii) of the Liability Risk Retention Act,  
2 is considered to be independent.

3 (d) Material relationship of a person with the risk  
4 retention group includes, but is not limited to, the  
5 following:

6 (1) The receipt in any one 12-month period of  
7 compensation or payment of any other item of value by such  
8 person, a member of such person's immediate family, or any  
9 business with which such person is affiliated from the risk  
10 retention group or a consultant or service provider to the  
11 risk retention group is greater than or equal to five percent  
12 of the risk retention group's gross written premium for such  
13 12-month period or two percent of its surplus, whichever is  
14 greater, as measured at the end of any fiscal quarter falling  
15 in such a 12-month period. Such person or immediate family  
16 member of such person is not independent until one year after  
17 his or her compensation from the risk retention group falls  
18 below the threshold.

19 (2) A relationship with an auditor as follows: A  
20 director or an immediate family member of a director who is  
21 affiliated with or employed in a professional capacity by a  
22 present or former internal or external auditor of the risk  
23 retention group is not independent until one year after the  
24 end of the affiliation, employment, or auditing relationship.

1 (3) A relationship with a related entity as follows:

2 A director or immediate family member of a director who is  
3 employed as an executive officer of another company where any  
4 of the risk retention group's present executives serve on that  
5 other company's board of directors is not independent until  
6 one year after the end of such service or the employment  
7 relationship.

8 (e)(1) The term of any material service provider  
9 contract with the risk retention group shall not exceed five  
10 years. Any such contract, or its renewal, shall require the  
11 approval of the majority of the risk retention group's  
12 independent directors. The risk retention group's board of  
13 directors shall have the right to terminate any service  
14 provider, audit, or actuarial contracts at any time for cause  
15 after providing adequate notice as defined in the contract.  
16 The service provider contract is deemed material if the amount  
17 to be paid for such contract is greater than or equal to five  
18 percent of the risk retention group's annual gross written  
19 premium or two percent of its surplus, whichever is greater.

20 (2) For purposes of this standard, service providers  
21 shall include captive managers, auditors, accountants,  
22 actuaries, investment advisors, lawyers, managing general  
23 underwriters, or other party responsible for underwriting,  
24 determination of rates, collection of premium, adjusting and  
25 settling claims, and/or the preparation of financial

1 statements. Any reference to lawyers in the prior sentences  
2 does not include defense counsel retained by the risk  
3 retention group to defend claims, unless the amount of fees  
4 paid to such lawyers are material as referenced in subsection  
5 (d).

6 (3) No service provider contract meeting the  
7 definition of material relationship contained in subsection  
8 (d) shall be entered into unless the risk retention group has  
9 notified the commissioner in writing of its intention to enter  
10 into such transaction at least 30 days prior thereto and the  
11 commissioner has not disapproved it within such period.

12 (f) The risk retention group's board of directors  
13 shall adopt a written policy in the plan of operation as  
14 approved by the board that requires the board to do all of the  
15 following:

16 (1) Assure that all owner/insureds of the risk  
17 retention group receive evidence of ownership interest.

18 (2) Develop a set of governance standards applicable  
19 to the risk retention group.

20 (3) Oversee the evaluation of the risk retention  
21 group's management including, but not limited to, the  
22 performance of the captive manager, managing general  
23 underwriter, or other party or parties responsible for  
24 underwriting, determination of rates, collection of premium,



1 adjusting or settling claims, or the preparation of financial  
2 statements.

3 (4) Review and approve the amount to be paid for all  
4 material service providers.

5 (5) Review and approve, at least annually, all of  
6 the following:

7 a. Risk retention group's goals and objectives  
8 relevant to the compensation of officers and service  
9 providers.

10 b. The officers' and service providers' performance  
11 in light of those goals and objectives.

12 c. The continued engagement of the officers and  
13 material service providers.

14 (g) The risk retention group shall have an audit  
15 committee composed of at least three independent board members  
16 as defined in Section 27-31A-2. A non-independent board  
17 member may participate in the activities of the audit  
18 committee, if invited by the members, but cannot be a member  
19 of the committee.

20 (h) The audit committee shall have a written charter  
21 that defines the committee's purpose, which, at a minimum,  
22 must be to do all of the following:

23 (1) Assist in board oversight of the integrity of  
24 the financial statements, the compliance with legal and

1 regulatory requirements, and the qualifications, independence,  
2 and performance of the independent auditor and actuary.

3 (2) Discuss the annual audited financial statements  
4 and quarterly financial statements with management.

5 (3) Discuss the annual audited financial statements  
6 with its independent auditor and, if advisable, discuss the  
7 quarterly financial statements with its independent auditor.

8 (4) Discuss policies with respect to risk assessment  
9 and risk management.

10 (5) Meet separately and periodically, either  
11 directly or through a designated representative of the  
12 committee, with management and independent auditors.

13 (6) Review with the independent auditor any audit  
14 problems or difficulties and management's response.

15 (7) Set clear hiring policies of the risk retention  
16 group as to the hiring of employees or former employees of the  
17 independent auditor.

18 (8) Require the external auditor to rotate the lead  
19 or coordinating audit partner having primary responsibility  
20 for the risk retention group's audit as well as the audit  
21 partner responsible for reviewing that audit so that neither  
22 individual performs audit services for more than five  
23 consecutive fiscal years.

24 (9) Report regularly to the board of directors.

1           (i) The domestic regulator may waive the requirement  
2 to establish an audit committee composed of independent board  
3 members if the risk retention group is able to demonstrate to  
4 the domestic regulator that it is impracticable to do so and  
5 the risk retention group's board of directors itself is  
6 otherwise able to accomplish the purposes of an audit  
7 committee, as described in subsection (h).

8           (j) The board of directors shall adopt and disclose  
9 governance standards, where disclose means making such  
10 information available through electronic (e.g., posting such  
11 information on the risk retention group's website) or other  
12 means, and providing such information to members/insureds upon  
13 request, which shall include all of the following:

14           (1) A process by which the directors are elected by  
15 the owner/insureds.

16           (2) Director qualification standards.

17           (3) Director responsibilities.

18           (4) Director access to management and, as necessary  
19 and appropriate, independent advisors.

20           (5) Director compensation.

21           (6) Director orientation and continuing education.

22           (7) The policies and procedures that are followed  
23 for management succession.

24           (8) The policies and procedures that are followed  
25 for annual performance evaluation of the board.

1           (k) The board of directors shall adopt and disclose  
2 a code of business conduct and ethics for directors, officers,  
3 and employees and promptly disclose to the board of directors  
4 any waivers of the code for directors or executive officers,  
5 which should include all of the following topics:

6           (1) Conflicts of interest.

7           (2) Matters covered under the corporate  
8 opportunities doctrine under the state of domicile.

9           (3) Confidentiality.

10          (4) Fair dealing.

11          (5) Protection and proper use of risk retention  
12 group assets.

13          (6) Compliance with all applicable laws, rules, and  
14 regulations.

15          (7) Requiring the reporting of any illegal or  
16 unethical behavior which affects the operation of the risk  
17 retention group.

18           (1) The captive manager, president, or chief  
19 executive officer of the risk retention group shall promptly  
20 notify the domestic regulator in writing if either of them  
21 becomes aware of any material non-compliance with any of these  
22 governance standards.

23           Section 7. Sections 10A-20-6.16, and 27-21A-23, and  
24 Section 22-21-374, Code of Alabama 1975, are amended to read  
25 as follows:

1           "§10A-20-6.16.

2           "(a) No statute of this state applying to insurance  
3 companies shall be applicable to any corporation organized  
4 under this article and amendments thereto or to any contract  
5 made by the corporation ~~unless expressly mentioned in this~~  
6 ~~article and made applicable; except as follows~~ the corporation  
7 shall be subject to all of the following:

8           "(1) ~~The corporation shall be subject to the~~  
9 provisions regarding annual premium tax to be paid by insurers  
10 on insurance premiums.

11           "(2) ~~The corporation shall be subject to the~~  
12 ~~provisions of~~ Chapter 55~~7~~, of Title 27, regarding the  
13 prohibition of unfair discriminatory acts by insurers on the  
14 basis of an applicant's or insured's abuse status.

15           "(3) ~~The corporation shall be subject to the~~  
16 ~~provisions regarding~~ Medicare Supplement Minimum Standards set  
17 forth in Article 2 of Chapter 19 of Title 27, and Long-Term  
18 Care Insurance Policy Minimum Standards set forth in Article 3  
19 of Chapter 19 of Title 27.

20           "(4) ~~The corporation shall be subject to~~ Section  
21 27-1-17, requiring insurers and health plans to pay health  
22 care providers in a timely manner.

23           "(5) ~~The corporation shall be subject to the~~  
24 ~~provisions of~~ Chapter 56 of Title 27, regarding the Access to  
25 Eye Care Act.

1           ~~"(6) The corporation shall be subject to the~~  
2 ~~regulations~~ Rules promulgated by the Commissioner of Insurance  
3 pursuant to Sections 27-7-43 and 27-7-44.

4           ~~"(7) The corporation shall be subject to the~~  
5 ~~provisions of~~ Chapter 54 of Title 27.

6           ~~"(8) The corporation shall be subject to the~~  
7 ~~provisions of~~ Chapter 57 of Title 27, requiring coverage to be  
8 offered for the payment of colorectal cancer examinations for  
9 covered persons who are 50 years of age or older, or for  
10 covered persons who are less than 50 years of age and at high  
11 risk for colorectal cancer according to current American  
12 Cancer Society colorectal cancer screening guidelines.

13           ~~"(9) The corporation shall be subject to~~ Chapter 58  
14 of Title 27, requiring that policies and contracts including  
15 coverage for prostate cancer early detection be offered,  
16 together with identification of associated costs.

17           ~~"(10) The corporation shall be subject to~~ Chapter 59  
18 of Title 27, l requiring that policies and contracts including  
19 coverage for chiropractic be offered, together with  
20 identification of associated costs.

21           ~~"(11) The corporation shall be subject to~~ Chapter  
22 54A of Title 27, l requiring that policies and contracts to  
23 offer coverage for certain treatment for Autism Spectrum  
24 Disorder under certain conditions.

1           "~~(12) The corporation shall be subject to Chapter~~  
2 12A of Title 27.

3           "(13) Chapter 2B of Title 27.

4           "(b) The provisions in subsection (a) that require  
5 specific types of coverage to be offered or provided shall not  
6 apply when the corporation is administering a self-funded  
7 benefit plan or similar plan, fund, or program that it does  
8 not insure.

9           "§22-21-374

10          "(a) A dental service corporation will pay the  
11 prescribed fees and taxes required of a disability insurer.

12          "(b) The following provisions of the insurance laws  
13 of this state apply to dental service corporations authorized  
14 by this article, to the extent that they are not inconsistent  
15 with the provisions herein:

16          "~~(1) Title 27, Chapters 1 and 2, Administration and~~  
17 ~~General Provisions~~.

18          "(2) Title 27, Chapter 2B, Risk-Based Capital for  
19 Insurers.

20          "~~(2)~~ (3) Title 27, Chapter 4, Fees and Taxes.

21          "~~(3)~~ (4) Title 27, Chapter 6, Administration of  
22 Deposits.

23          "~~(4)~~ (5) Title 27, Chapter 12, Unfair Trade  
24 Practices.

1           "~~(5)~~(6) Title 27, Chapter 32, Insurer Insolvency;  
2 Rehabilitation and Liquidation.

3           "(c) The commissioner may by rule modify or waive  
4 any requirements referred to in subsection (b) for dental  
5 service corporations if that is necessary to avoid  
6 unreasonable hardship, expense, or inconvenience and if the  
7 interests of subscribers continue to be adequately protected.

8           "§27-21A-23.

9           "(a) Except as otherwise provided in this chapter,  
10 provisions of the insurance law and provisions of health care  
11 service plan laws shall not be applicable to any health  
12 maintenance organization granted a certificate of authority  
13 under this chapter. This provision shall not apply to an  
14 insurer or health care service plan licensed and regulated  
15 pursuant to the insurance law or the health care service plan  
16 laws of this state except with respect to its health  
17 maintenance organization activities authorized and regulated  
18 pursuant to this chapter.

19           "(b) Solicitation of enrollees by a health  
20 maintenance organization granted a certificate of authority  
21 shall not be construed to violate any provision of law  
22 relating to solicitation or advertising by health  
23 professionals.

24           "(c) Any health maintenance organization authorized  
25 under this chapter shall not be deemed to be practicing



1 medicine and shall be exempt from the provisions of Section  
2 34-24-310, et seq., relating to the practice of medicine.

3 "(d) No person participating in the arrangements of  
4 a health maintenance organization other than the actual  
5 provider of health care services or supplies directly to  
6 enrollees and their families shall be liable for negligence,  
7 misfeasance, nonfeasance, or malpractice in connection with  
8 the furnishing of such services and supplies.

9 "(e) Nothing in this chapter shall be construed in  
10 any way to repeal or conflict with any provision of the  
11 certificate of need law.

12 "(f) Notwithstanding the provisions of subsection  
13 (a), a health maintenance organization shall be subject to all  
14 of the following:

15 "(1) Section 27-1-17.

16 "(2) ~~(g) Notwithstanding the provisions of subsection~~  
17 ~~(a), a health maintenance organization shall be subject to the~~  
18 ~~provisions of Chapter 56 of this title, regarding the Access~~  
19 ~~to Eye Care Act.~~

20 "(3) ~~(h) Notwithstanding the provisions of subsection~~  
21 ~~(a), a health maintenance organization shall be subject to the~~  
22 ~~provisions of Chapter 54 of this title.~~

23 "(4) ~~(i) Notwithstanding the provisions of subsection~~  
24 ~~(a), a health maintenance organization shall be subject to the~~  
25 ~~provisions of Chapter 57 of this title, requiring coverage to~~

1 be offered for the payment of colorectal cancer examinations  
2 for covered persons who are 50 years of age or older, or for  
3 covered persons who are less than 50 years of age and at high  
4 risk for colorectal cancer according to current American  
5 Cancer Society colorectal cancer screening guidelines.

6 "~~(5) (j) Notwithstanding the provisions of subsection~~  
7 ~~(a), a health maintenance organization shall be subject to~~  
8 ~~Chapter 58 of Title 27, requiring that policies and contracts~~  
9 ~~including coverage for prostate cancer early detection be~~  
10 ~~offered, together with identification of associated costs.~~

11 "~~(6) (k) Notwithstanding the provisions of subsection~~  
12 ~~(a), a health maintenance organization shall be subject to~~  
13 ~~Chapter 59 of this title, requiring that policies and~~  
14 ~~contracts including coverage for chiropractic be offered,~~  
15 ~~together with identification of associated costs.~~

16 "~~(7) (l) Notwithstanding the provisions of subsection~~  
17 ~~(a), a health maintenance organization shall be subject to~~  
18 ~~regulations Rules promulgated by the Commissioner of Insurance~~  
19 ~~pursuant to Sections 27-7-43 and 27-7-44.~~

20 "~~(8) (m) Notwithstanding the provisions of subsection~~  
21 ~~(a), a health maintenance organization shall be subject to~~  
22 ~~Chapter 12A.~~

23 "~~(9) (n) Notwithstanding the provisions of subsection~~  
24 ~~(a), a health maintenance organization shall be subject to~~  
25 ~~Chapter 54A, of this title requiring policies and contracts to~~

1 offer coverage for certain treatment for Autism Spectrum  
2 Disorder under certain conditions.

3 "(10) Chapter 2B, regarding risk-based capital."

4 Section 8. This act shall become effective on the  
5 first day of January next following its passage and approval  
6 by the Governor, or its otherwise becoming law.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

---

President and Presiding Officer of the Senate

---

Speaker of the House of Representatives

SB45  
Senate 28-JAN-14  
I hereby certify that the within Act originated in and passed  
the Senate.

Patrick Harris  
Secretary

---

House of Representatives  
Passed: 01-APR-14

---

By: Senator Blackwell