

1 HB34
2 205410-2
3 By Representatives Rich and Ellis
4 RFD: Insurance
5 First Read: 02-FEB-21
6 PFD: 10/29/2020

SYNOPSIS: Under existing law, property and casualty insurers are required to annually file a statement of a qualified independent loss reserve specialist setting forth an opinion relating to loss and loss adjustment expense reserves.

This bill would provide for an opinion of an appointed actuary and authorize insurers to allow for an exception from the requirement to annually file an actuarial opinion based on exemptions set forth in the annual statement instructions provided by the National Association of Insurance Commissioners.

A BILL
TO BE ENTITLED
AN ACT

Relating to insurance, to amend Section 27-3-26.1, Code of Alabama 1975; to provide for an opinion of an appointed actuary; and to permit an insurer to apply for an

1 exception to the requirement for property and casualty
2 insurers to annually file an actuarial opinion based on
3 exemptions set forth in the annual statement instructions
4 provided by the National Association of Insurance
5 Commissioners.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Section 27-3-26.1, Code of Alabama 1975,
8 is amended to read as follows:

9 "§27-3-26.1.

10 "(a) Every property or casualty insurer required to
11 file an annual statement with the commissioner on March 1 of
12 each year preceding, pursuant to Section 27-3-26, doing
13 business in this state, unless otherwise exempted by the
14 domiciliary commissioner, shall include a statement of a
15 qualified independent loss reserve specialist setting forth
16 his or her annually submit the opinion of an appointed actuary
17 relating to loss and loss adjustment expense reserves entitled
18 Statement of Actuarial Opinion. This opinion shall be filed in
19 accordance with the appropriate annual statement instructions
20 of the National Association of Insurance Commissioners (NAIC).
21 For the purposes of this section, a qualified independent loss
22 reserve specialist shall mean a person who is not a principal,
23 director, or indirect owner of the insurer and is a member of
24 the Casualty Actuarial Society, or has such other actuarial
25 experience as is acceptable to the commissioner to assure a
26 professional opinion on the adequacy of loss and loss
27 adjustment expense reserves.

1 "(b) An insurer may apply for an exemption from this
2 requirement with its domiciliary commissioner, as provided in
3 the appropriate NAIC annual statement instruction or as those
4 instructions may change from time to time.

5 "(c) For purposes of this section "domiciliary
6 commissioner" means the chief insurance regulator for the
7 jurisdiction in which the insurer is domiciled."

8 Section 2. This act shall become effective on the
9 first day of the third month following its passage and
10 approval by the Governor, or its otherwise becoming law.