

1 HB713
2 119474-3
3 By Representatives Faust, Buskey, Gordon, Barton, Gaston,
4 Fincher, McMillan and Davis
5 RFD: Banking and Insurance
6 First Read: 11-MAR-10

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8 SYNOPSIS: This bill would create the Department of
9 Insurance Transparency Act.

10 This bill would require insurance companies
11 transacting business in the state to provide policy
12 and premium information to the Department of
13 Insurance.

14 This bill would require the department to
15 provide on the department website aggregate data of
16 the number of homeowner's insurance policies and
17 the total dollar amount of premiums collected and
18 claims pending or paid representing the total of
19 every insurance company doing business in Alabama.

20 This bill would also require the department
21 to post on the department website a comprehensive
22 description of the actuarial model used by the
23 department for homeowner's risk and other related
24 data.

25
26 A BILL
27 TO BE ENTITLED

1 AN ACT

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3 Creating the Department of Insurance Transparency
4 Act; to require insurance companies transacting business in
5 the state to provide policy and premium information to the
6 department; to require the department to provide on the
7 department website aggregate data of the number of homeowner's
8 insurance policies and the total dollar amount of premiums
9 collected and claims pending or paid representing the total of
10 every insurance company doing business in the state; to
11 require the department to post on the department website a
12 comprehensive description of the actuarial model used by the
13 department for homeowner's risk and other related data; and to
14 provide penalties for insurance company noncompliance.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. This bill shall be known and may be cited
17 as the Department of Insurance Transparency Act.

18 Section 2. (a) Each insurance company transacting
19 business in the State of Alabama shall annually submit to the
20 Alabama Department of Insurance, on or before October 1, the
21 total annual amount of homeowners' claims, pending or paid, in
22 dollar amounts, of the company and the number of homeowners'
23 policies held by the company and the dollar amount of
24 homeowners' premiums collected. The totals shall be arranged
25 by county and Zip Code.

26 (b) Based upon all submitted company reports, and
27 other information submitted to or otherwise gathered by the

1 department, the department shall compile and maintain a
2 statewide database and shall post on the department website an
3 aggregate total of homeowner's insurance premiums and claims,
4 pending or paid, and the number of policies, by county and Zip
5 Code, on or before January 15, 2011.

6 (c) The aggregate information compiled from the
7 statewide database, and posted on the department website,
8 shall be updated annually. The posted information shall
9 include the aggregate of total homeowners' policies, premiums,
10 and claims, pending and paid, in dollar amounts, by county and
11 Zip Code, for each of the following perils:

12 (1) Fire.

13 (2) Hail.

14 (3) Tornado.

15 (4) Named storms, including systems that are
16 remnants of named storms.

17 (5) Flood.

18 Section 3. (a) The department shall also post on the
19 department website a comprehensive written description of the
20 specific actuarial model, or blending of models, and all
21 relevant data used by the department for calculating approval
22 of each category of homeowners' insurance premium.

23 (b) The actuarial information shall be provided by
24 Zip Code for each county or set of counties if more than one
25 county is included in a single actuarial calculation.

26 Section 4. Each insurance company transacting
27 business in this state shall provide the information required

1 by this act, relating to the total number of claims, premiums,
2 and policies in each county by Zip Code, and their dollar
3 value, by year, commencing with January 1, 1990. Based upon
4 the submitted information, the department shall compile
5 aggregate totals, pursuant to Section 1, by year, commencing
6 with 1990, and post those aggregate totals, by county and Zip
7 Code, on the department website.

8 Section 5. (a) The commissioner and employees of the
9 department shall incur no liability and no cause of action of
10 any nature shall lie against the commissioner or any employee
11 of the department for any action taken pursuant to this act.

12 (b) Upon written request of an insurance company,
13 the commissioner may waive, or extend for up to an additional
14 90 days, the October 1 reporting requirement imposed by this
15 act. The request shall demonstrate a reasonable cause for
16 waiving or extending the deadline.

17 (c) Any insurance company granted a 90-day extension
18 that fails to comply on or before the 90th day shall be fined
19 two thousand five hundred dollars (\$2,500) per day, by the
20 department until the date of compliance. Any funds collected
21 pursuant to this subsection shall be deposited into the State
22 General Fund.

23 (d) Any insurance company failing to comply for more
24 than 30 days after extension shall immediately be suspended
25 from selling new policies of insurance of any kind in this
26 state until such time as the insurance company is in
27 compliance.

1 Section 6. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.