

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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1 119474-3:n:03/09/2010:KMS/mfp LRS2010-1589R2

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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 and commercial properties
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 and commercial properties
risk and other related
24 data.

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26 A BILL

27 TO BE ENTITLED

Page 1

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 and commercial properties ;

8 insurance policies and the total dollar amount of
9 premiums
10 collected and claims ~~pending~~ incurred or paid
11 representing the total of
12 every insurance company doing business in the state; to
13 require the department to post on the department website
14 a
15 comprehensive description of the actuarial model used by
16 the
17 department for homeowner's (and commercial properties)
18 risk and other related data; and to
19 provide penalties for insurance company noncompliance.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

23 Section 2. (a) Each insurance company transacting
24 business in the State of Alabama shall annually submit
25 to the

26 Alabama Department of Insurance, on or before October 1,
27 the

28 total annual amount of homeowners' and commercial
29 properties paid and incurred claims, ~~pending or paid~~, in
30 dollar amounts, of the company and the number of
31 homeowners' and commercial properties
32 policies ~~held by~~ written and earned the company and the
33 dollar amount of

34 homeowners' and commercial properties premiums
35 collected. ~~The~~ Aggregated totals shall be arranged
36 by county and Zip Code.

37 (b) Based upon all submitted company reports, and
38 other information submitted to or otherwise gathered by
39 the

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41 department, the department shall compile and maintain a
42 statewide database and shall post on the department
43 website an

44 aggregate total of homeowner's and commercial properties
45 insurance premiums and claims,

46 ~~pending~~ incurred or paid, and the number of policies, by
47 county and Zip

48 Code, on or before January 15, 2011.

49 (c) The aggregate information compiled from the
50 statewide database, and posted on the department website,
51 shall be updated annually. The posted information shall
52 include the aggregate of total homeowners' and commercial
53 properties policies, premiums,

10 and claims, ~~pending and paid~~, paid and incurred 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. (????)

(6) Wind-driven water

18 Section 3. (a) The department shall also post on the
19 department website (. period) ~~a comprehensive~~ The
entire rate-making formula, including the hurricane model,
the written description of the
20 specific actuarial model, or blending of models, and all
21 relevant data used ~~by the department~~ for calculating
rates approval

22 of each category of homeowners' and commercial
properties 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

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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. (This possible deletion has not been discussed by
HHII)

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.

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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.

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