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SYNOPSIS: This bill would create the Property
Insurance Clarity Act.

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

 This bill would require the department to
provide, on the department website, aggregate
information for homeowners insurance policies
pertaining to the number of policies written, the
direct earned premiums, and the direct incurred
losses representing the total of every insurance
company doing business in Alabama.

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

 A BILL
 TO BE ENTITLED
 AN ACT

1
2 Creating the Property Insurance Clarity Act; to
3 require insurance companies transacting business in the state
4 to provide policy and premium information to the department;
5 to require the department to provide on the department website
6 aggregate information for homeowners insurance policies,
7 pertaining to the number of policies written, the direct
8 earned premiums, and the direct incurred losses representing
9 the total of every insurance company doing business in the
10 state; to require the department to post on the department
11 website a comprehensive description of the actuarial model
12 used by the department for homeowner's properties risk and
13 other related data; and to provide penalties for insurance
14 company noncompliance.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. This act shall be known and may be cited
17 as the Property Insurance Clarity Act.

18 Section 2. (a) Each insurance company transacting
19 homeowner's insurance business in the State of Alabama shall
20 annually submit to the Alabama Department of Insurance, on or
21 before October 1, for homeowners insurance policies,
22 computations of the total amount of direct incurred losses,
23 the number of policies written, and the direct earned premiums
24 for the prior calendar year. If such information is not
25 readily available to the department through other reports or
26 filings by the insurance company, the insurance company shall
27 report the computations to the department by zip code. The
28 information received by the department shall be aggregated
29 across all insurance companies collectively and the aggregated

1 totals shall be arranged by zip code. Homeowners insurance
2 shall also include condominium insurance, dwelling fire
3 policies, renters/tenants insurance, and mobile
4 home/manufactured housing property insurance. Creditor-placed
5 property insurance and condominium association insurance are
6 excluded from this act.

7 (b) Based upon the information submitted to or
8 otherwise gathered by the department, the department shall
9 compile and post on the department website for homeowners
10 insurance policies, the aggregated total of the estimates
11 provided in subsection (a) by zip code for the prior calendar
12 year.

13 (c) Each insurance company transacting business in
14 the state shall annually submit to the department, on or
15 before October 1, for homeowners insurance policies, estimates
16 of the direct incurred losses, the number of policies written,
17 and direct earned premiums, by zip code, by calendar year for
18 the prior calendar year, for each of the following perils:

19 (1) Fire.

20 (2) Non-catastrophe wind/hail.

21 (3) Catastrophe wind/hail per data call by the
22 department.

23 (4) Other perils.

24 Section 3. The department shall also post on the
25 department website a general description of the rate-making
26 methodology that the department allows insurance companies to
27 use in establishing their homeowner's rates.

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

1 by this act, relating to the total losses premiums and
2 policies in each county by zip code, and their dollar value,
3 by year, commencing with January 1, 2007. Based upon the
4 submitted information, the department shall compile aggregate
5 totals, pursuant to Section 1, by year, commencing with 2007,
6 and post those aggregate totals, by zip code, on the
7 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 month, 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 Section 6. This act shall become effective on the
24 first day of the third month following its passage and
25 approval by the Governor, or its otherwise becoming law.