

1 SB210
2 140899-3
3 By Senators Pittman, Brooks, Keahey, Figures, Blackwell,
4 Glover and Marsh
5 RFD: Banking and Insurance
6 First Read: 07-FEB-12

1 SB210

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4 ENROLLED, An Act,

5 Creating the Property Insurance Clarity Act; to
6 require insurance companies authorized to transact homeowners
7 insurance business in the state to provide policy and premium
8 information to the department; to require the department to
9 provide on the department website aggregate information for
10 homeowners insurance policies, pertaining to the number of
11 policies in force and the direct incurred losses representing
12 the total of every insurance company doing business in the
13 state; to require the department to post on the department
14 website a comprehensive description of the actuarial model
15 used by the department for homeowners properties risk and
16 other related data; and to provide penalties for insurance
17 company noncompliance.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

21 Section 2. (a) Each insurance company authorized to
22 transact homeowners insurance business in the State of Alabama
23 shall annually submit to the Alabama Department of Insurance,
24 commencing on or before October 1, 2013, for homeowners
25 insurance policies, computations of the total amount of direct

1 incurred losses, the number of policies in force, and the
2 direct earned premiums for the prior calendar year. The
3 insurance company shall report the computations to the
4 department by zip code. The information received by the
5 department shall be aggregated across all insurance companies
6 collectively and the aggregated totals shall be arranged by
7 zip code. Homeowners insurance shall also include condominium
8 insurance, dwelling fire policies, renters/tenants insurance,
9 and mobile home/manufactured housing property insurance.
10 Creditor-placed property insurance, condominium association
11 insurance, and commercial insurance are excluded from this
12 act.

13 (b) Based upon the information submitted to or
14 otherwise gathered by the department, the department shall
15 compile and post on the department website the aggregated
16 total of the computations provided in subsection (a) by zip
17 code for the prior calendar year.

18 (c) Each insurance company authorized to transact
19 homeowners insurance business in the state shall annually
20 submit to the department, commencing on or before October 1,
21 2013, computations of the direct incurred losses and the
22 number of policies in force, by zip code, by calendar year for
23 the prior calendar year, for each of the following perils:

24 (1) Fire.

25 (2) All wind/hail.

1 (3) All other perils.

2 (d) Each insurance company authorized to transact
3 homeowners insurance business in the state shall submit to the
4 department catastrophe wind/hail information pursuant to a
5 data call by the department based on a specific catastrophic
6 event.

7 Section 3. The department shall also post on the
8 department website a general description of the rate-making
9 methodology that the department allows insurance companies to
10 use in establishing their homeowners rates.

11 Section 4. Commencing on October 1, 2013, each
12 insurance company authorized to transact homeowners insurance
13 business in this state shall provide the information required
14 pursuant to subsection (a) of Section 2, commencing with the
15 calendar year 2007. Voluntary submissions of the information
16 required by subsection (a) of Section 2 for calendar years
17 prior to 2007, may be submitted and shall be compiled and
18 posted by the department in the same manner. Based upon the
19 submitted information, the department shall compile aggregate
20 totals, commencing with 2007, and post those aggregate totals
21 on the department website pursuant to subsection (b) of
22 Section 2.

23 Section 5. (a) Upon written request of an insurance
24 company, the commissioner may waive, modify, or extend for an
25 additional time period, for good cause shown, the reporting

1 requirements imposed by this act. The request shall
2 demonstrate good cause for waiving, modifying, or extending
3 the reporting requirements. Good cause may include, but is not
4 limited to, the insurance company's limited percentage of the
5 total homeowners insurance market in this state, or the undue
6 burden of compiling and reporting the computations, data, and
7 other information required by this act due to the manner,
8 format, or method in which the insurance company has stored
9 the computations, data, or other information required.

10 (b) Any insurance company that fails to timely
11 comply with the reporting requirements imposed by this act
12 shall be given notice by the department of such failure and
13 provided 90 days within which to comply. Any insurance company
14 that fails to comply on or before the 90th day shall be fined
15 two thousand five hundred dollars (\$2,500) per month, by the
16 department until the date of compliance. Any funds collected
17 pursuant to this subsection shall be deposited into the State
18 General Fund.

19 (c) The commissioner shall waive or modify the
20 reporting requirements imposed by this act under Section 4 if
21 an insurance company does not store the computations, data, or
22 other information required; must materially upgrade, modify,
23 redesign, or reprogram computer systems to provide the
24 computations, data, or other information; or must

1 significantly divert limited resources to provide the
2 computations, data, or other information.

3 Section 6. Any information reported to the
4 department by an insurer pursuant to this act is considered a
5 commercially valuable trade secret as defined in Section
6 8-27-2, Code of Alabama 1975, and shall be confidential.
7 However once the information from all of the insurers is
8 aggregated, then the department may provide such information
9 in accordance with this act. The department, absent a court
10 order, shall not release this confidential information. Notice
11 of at least 10 business days shall be given to the applicable
12 entity if such information is ordered to be provided by the
13 department.

14 Section 7. This act shall become effective on the
15 first day of the third month following its passage and
16 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB210

Senate 24-APR-12

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris
Secretary

House of Representatives

Passed: 08-MAY-12

By: Senator Pittman