

1 SB26  
2 205410-3  
3 By Senator Shelnutt  
4 RFD: Banking and Insurance  
5 First Read: 02-FEB-21  
6 PFD: 12/16/2020

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4 ENGROSSED

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7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

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11 Relating to insurance, to amend Section 27-3-26.1,  
12 Code of Alabama 1975; to provide for an opinion of an  
13 appointed actuary; and to permit an insurer to apply for an  
14 exception to the requirement for property and casualty  
15 insurers to annually file an actuarial opinion based on  
16 exemptions set forth in the annual statement instructions  
17 provided by the National Association of Insurance  
18 Commissioners.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

22 "§27-3-26.1.

23 "(a) Every property or casualty insurer ~~required to~~  
24 ~~file an annual statement with the commissioner on March 1 of~~  
25 ~~each year preceding, pursuant to Section 27-3-26, doing~~  
26 business in this state, unless otherwise exempted by law or by  
27 the domiciliary commissioner, shall ~~include a statement of a~~

1 ~~qualified independent loss reserve specialist setting forth~~  
2 ~~his or her~~ annually submit the opinion of an appointed actuary  
3 ~~relating to loss and loss adjustment expense reserves entitled~~  
4 Statement of Actuarial Opinion. This opinion shall be filed in  
5 accordance with the appropriate annual statement instructions  
6 of the National Association of Insurance Commissioners (NAIC).  
7 ~~For the purposes of this section, a qualified independent loss~~  
8 ~~reserve specialist shall mean a person who is not a principal,~~  
9 ~~director, or indirect owner of the insurer and is a member of~~  
10 ~~the Casualty Actuarial Society, or has such other actuarial~~  
11 ~~experience as is acceptable to the commissioner to assure a~~  
12 ~~professional opinion on the adequacy of loss and loss~~  
13 ~~adjustment expense reserves.~~

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

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

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

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Senate

Read for the first time and referred to the Senate  
committee on Banking and Insurance..... 02-FEB-21

Read for the second time and placed on the calen-  
dar 1 amendment..... 10-FEB-21

Read for the third time and passed as amended .... 11-FEB-21

Yeas 27  
Nays 0

Patrick Harris,  
Secretary.