

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

1 SB26

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4 ENROLLED, An Act,

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

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

16 "§27-3-26.1.

17 "(a) Every property or casualty insurer ~~required to~~  
18 ~~file an annual statement with the commissioner on March 1 of~~  
19 ~~each year preceding, pursuant to Section 27-3-26, doing~~  
20 business in this state, unless otherwise exempted by law or by  
21 the domiciliary commissioner, shall ~~include a statement of a~~  
22 ~~qualified independent loss reserve specialist setting forth~~  
23 ~~his or her~~ annually submit the opinion of an appointed actuary  
24 relating to loss and loss adjustment expense reserves entitled  
25 Statement of Actuarial Opinion. This opinion shall be filed in

1 accordance with the appropriate annual statement instructions  
2 of the National Association of Insurance Commissioners (NAIC).  
3 ~~For the purposes of this section, a qualified independent loss~~  
4 ~~reserve specialist shall mean a person who is not a principal,~~  
5 ~~director, or indirect owner of the insurer and is a member of~~  
6 ~~the Casualty Actuarial Society, or has such other actuarial~~  
7 ~~experience as is acceptable to the commissioner to assure a~~  
8 ~~professional opinion on the adequacy of loss and loss~~  
9 ~~adjustment expense reserves.~~

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

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

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

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB26  
Senate 11-FEB-21  
I hereby certify that the within Act originated in and passed  
the Senate, as amended.

Patrick Harris,  
Secretary.

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House of Representatives  
Passed: 01-APR-21

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By: Senator Shelnutt