

1 SB336  
2 136077-1  
3 By Senator Smitherman  
4 RFD: Banking and Insurance  
5 First Read: 14-MAR-13

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8 SYNOPSIS: To repeal portions of Title 27 of the Code  
9 of Alabama 1975.

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11 A BILL  
12 TO BE ENTITLED  
13 AN ACT

14  
15 Relating to the Alabama Insurance Code, to repeal  
16 the following:

17 27-3-17 To apply for an original certificate of  
18 authority an insurer shall file with the commissioner its  
19 application therefor, accompanied by the applicable fees as  
20 specified in Section 27-4-2, showing its name, location of its  
21 home office or, if an alien insurer, principal office in the  
22 United States, kinds of insurance to be transacted, state or  
23 country of domicile and such additional information as the  
24 commissioner may reasonably require, together with the  
25 following documents, as applicable: (1) A copy of its  
26 corporate charter, articles of incorporation or other charter  
27 documents with all amendments thereto, certified by the public

1 officer with whom the originals are on file in the state or  
2 country of domicile; (2) If a mutual insurer, a copy of its  
3 bylaws, as amended, certified by its secretary or other  
4 officer having custody thereof; (3) If a foreign reciprocal  
5 insurer, copies of the power of attorney of its  
6 attorney-in-fact or its subscribers' agreement, certified by  
7 its attorney-in-fact, and if a domestic reciprocal insurer,  
8 the declaration provided for by Section 27-31-7; (4) A copy  
9 of its financial statement as of December 31, next preceding,  
10 on the "convention" form as then currently in general use for  
11 similar insurers, sworn to by at least two executive officers  
12 of the insurer or certified by the public insurance  
13 supervisory official of the insurer's state of domicile or of  
14 entry into the United States; (5) Copy of report of last  
15 examination, if any, made of the insurer, certified by the  
16 insurance supervisory official of its state of domicile or of  
17 entry into the United States; (6) Appointment of the  
18 commissioner pursuant to Section 27-3-24 as its attorney to  
19 receive service of legal process; (7) If a foreign or alien  
20 insurer, a certificate of the public official having  
21 supervision of insurance in its state, or state of entry into  
22 the United States or country of domicile showing that it is  
23 legally organized and is authorized to transact the kinds of  
24 insurance proposed to be transacted in this state; (8) If an  
25 alien insurer, a copy of the appointment and authority of its  
26 United States manager, certified by its officer having custody  
27 of its records; (9) Evidence satisfactory to the commissioner

1 of any deposit required under Sections 27-3-11, 27-3-12,  
2 27-3-13, or 27-3-14; and (10) If other than a life insurer,  
3 the affidavit, on a form furnished by the commissioner, of the  
4 insurer's president or other chief officer that it has not  
5 violated any of the provisions of Section 27-3-27 during the  
6 preceding 12 months and an agreement that the insurer accepts  
7 the terms and the obligations of such section as part of the  
8 consideration for authority to transact insurance in this  
9 state.

10 27-3-18 (a) If upon completion of the application  
11 for a certificate of authority the commissioner finds that the  
12 insurer has met the requirements for and is entitled thereto  
13 under this title, he shall issue to the insurer a proper  
14 certificate of authority; if he does not so find, the  
15 commissioner shall issue his order refusing such certificate.  
16 The commissioner shall act upon an application for a  
17 certificate of authority within a reasonable period after its  
18 completion. (b) The certificate, if issued, shall specify the  
19 kind, or kinds, of insurance the insurer is authorized to  
20 transact in this state. At the insurer's request, the  
21 commissioner may issue a certificate of authority limited to  
22 particular types of insurance or insurance coverages within  
23 the scope of a kind of insurance as defined in Chapter 5 of  
24 this title. (c) Although issued to the insurer, the  
25 certificate of authority is at all times the property of the  
26 State of Alabama. Upon any expiration, suspension, or

1 termination thereof, the insurer shall promptly deliver the  
2 certificate of authority to the commissioner.

3 27-3-19 (a) Certificates of authority issued or  
4 renewed under this title shall continue in force as long as  
5 the insurer is entitled thereto under this title and until  
6 suspended, revoked or terminated at the request of the  
7 insurer; subject, however, to continuance of the certificate  
8 by the insurer each year by: (1) Payment prior to March 1 of  
9 the continuation fee provided in Section 27-4-2; and (2) Due  
10 filing by the insurer of its annual statement for the calendar  
11 year preceding as required under Section 27-3-26. (b) If not  
12 so continued by the insurer, its certificate of authority  
13 shall expire at midnight on the May 31, next following, such  
14 failure of the insurer so to continue it in force. The  
15 commissioner shall promptly notify the insurer of the  
16 occurrence of any such failure resulting in impending  
17 expiration of its certificate of authority. (c) The  
18 commissioner may, in his discretion, reinstate a certificate  
19 of authority which the insurer has inadvertently permitted to  
20 expire, after the insurer has fully cured all its failures  
21 which resulted in such expiration and upon payment by the  
22 insurer of the fee for reinstatement, in addition to the  
23 current continuation fee, in the amounts provided in Section  
24 27-4-2. Otherwise, the insurer shall be granted another  
25 certificate of authority only after filing application  
26 therefor and meeting all other requirements as for an original  
27 certificate of authority in this state. (d) The commissioner

1 may amend a certificate of authority at any time to accord  
2 with changes in the insurer's charter or insuring powers.

3 27-3-20 (a) The commissioner shall suspend or revoke  
4 an insurer's certificate of authority: (1) If such action is  
5 required by any provision of this title; (2) If the insurer  
6 no longer meets the requirements for the authority originally  
7 granted on account of deficiency of assets or otherwise; or  
8 (3) If the insurer's authority to transact insurance is  
9 suspended or revoked by its state of domicile or state of  
10 entry into the United States if an alien insurer. (b) Except  
11 in cases of insolvency or impairment of required capital or  
12 surplus or suspension or revocation by another state as  
13 referred to in subdivision (a) (3) of this section, the  
14 commissioner shall give the insurer at least 10 days' notice  
15 in advance of any such suspension or revocation under this  
16 section and of the particulars of the reasons therefor. If the  
17 insurer requests a hearing thereon within such 10 days, such  
18 request shall automatically stay the commissioner's proposed  
19 action until his order is made on such hearing.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. Sections 27-3-17 to 27-3-20, Code of  
22 Alabama 1975, are repealed.

23 Section 2. This act shall become effective  
24 immediately following its passage and approval by the  
25 Governor, or its otherwise becoming law.