

1 SB341
2 136073-1
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 27-2B-10 (a) The provisions of this chapter are
18 supplemental to any other provisions of the laws of this
19 state, and shall not preclude or limit any other powers or
20 duties of the commissioner under other laws, including, but
21 not limited to, Chapter 32, and Section 27-2-33. (b) The
22 commissioner may adopt reasonable rules necessary for the
23 implementation of this chapter. (c) The commissioner may
24 exempt from the application of this chapter any domestic
25 property and casualty insurer that meets all of the following
26 criteria: (1) Writes direct business only in this state. (2)
27 Writes direct annual premiums of two million dollars

1 (\$2,000,000) or less. (3) Assumes no reinsurance in excess of
2 five percent of direct premium written.

3 27-2B-11 (a) Any foreign insurer shall, upon the
4 written request of the commissioner, submit to the
5 commissioner an RBC report, as of the end of the calendar year
6 just ended, the later of either: (1) The date an RBC report
7 would be required to be filed by a domestic insurer under this
8 chapter. (2) Fifteen days after the request is received by
9 the foreign insurer. Any foreign insurer shall, at the
10 written request of the commissioner, promptly submit to the
11 commissioner a copy of any RBC plan that is filed with the
12 insurance commissioner of any other state. (b) In the event
13 of a company action level event, regulatory action level
14 event, or authorized control level event with respect to any
15 foreign insurer, as determined under the RBC statute
16 applicable in the state of domicile of the insurer or, if no
17 RBC statute is in force in that state, pursuant to this
18 chapter, or if the insurance commissioner of the state of
19 domicile of the foreign insurer fails to require the foreign
20 insurer to file an RBC plan, in the manner specified under
21 that state's RBC statute or, if no RBC statute is in force in
22 that state, under Section 27-2B-4, the commissioner may
23 require the foreign insurer to file an RBC plan with the
24 commissioner. In that event, the failure of the foreign
25 insurer to file an RBC plan with the commissioner shall be
26 grounds to order the insurer to cease and desist from writing
27 new insurance business in this state. (c) In the event of a

1 mandatory control level event with respect to any foreign
2 insurer, if no domiciliary receiver has been appointed with
3 respect to the foreign insurer under the rehabilitation and
4 liquidation statute applicable in the state of domicile of the
5 foreign insurer, the commissioner may make application to the
6 circuit court permitted under Chapter 32, with respect to the
7 liquidation of property of foreign insurers found in this
8 state. The occurrence of the mandatory control level event
9 shall be considered adequate grounds for the application.

10 27-2B-12 There shall be no liability on the part of,
11 and no cause of action shall arise against, the commissioner
12 or the Department of Insurance, or its employees or agents for
13 any action taken by them in the performance of their powers
14 and duties pursuant to this chapter.

15 27-2B-13 All notices by the commissioner to an
16 insurer that may result in regulatory action pursuant to this
17 chapter, shall be effective upon dispatch if transmitted by
18 registered or certified mail, or in the case of any other
19 transmission shall be effective upon the insurer's receipt of
20 the notice.

21 27-2B-14 (a) For RBC reports required to be filed by
22 life insurers with respect to 1996, the following requirements
23 shall apply in lieu of the provisions of Sections 27-2B-4,
24 27-2B-5, 27-2B-6, and 27-2B-7 as follows: (1) In the event of
25 a company action level event, with respect to a domestic
26 insurer, the commissioner shall take no regulatory action
27 hereunder. (2) In the event of a regulatory action level

1 event under subdivisions (1), (2), or (3) of subsection (a) of
2 Section 27-2B-5, the commissioner shall take the actions
3 required under Section 27-2B-4. (3) In the event of a
4 regulatory action level event under subdivisions (4), (5),
5 (6), (7), (8), or (9) of subsection (a) of Section 27-2B-5, or
6 an authorized control level event, the commissioner shall take
7 the actions required under Section 27-2B-5 with respect to the
8 insurer. (4) In the event of a mandatory control level event
9 with respect to an insurer, the commissioner shall take the
10 actions required under Section 27-2B-6. (b) For RBC reports
11 required to be filed by property and casualty insurers with
12 respect to 1996, the following requirements shall apply in
13 lieu of the provisions of Sections 27-2B-4, 27-2B-5, 27-2B-6,
14 and 27-2B-7: (1) In the event of a company action level event
15 with respect to a domestic insurer, the commissioner shall
16 take no regulatory action hereunder. (2) In the event of a
17 regulatory action level event under subdivisions (1), (2), or
18 (3) of subsection (a) of Section 27-2B-5, the commissioner
19 shall take the actions required under Section 27-2B-4. (3) In
20 the event of a regulatory action level event under
21 subdivisions (4), (5), (6), (7), (8), or (9) of subsection (a)
22 of Section 27-2B-5, or an authorized control level event, the
23 commissioner shall take the actions required under Section
24 27-2B-5 with respect to the insurer. (4) In the event of a
25 mandatory control level event with respect to an insurer, the
26 commissioner shall take the actions required under Section
27 27-2B-6.

1 27-3-1 (a) No person shall act as an insurer and no
2 insurer shall transact insurance in this state unless so
3 authorized by a subsisting certificate of authority issued to
4 it by the commissioner, except as to such transactions as are
5 expressly otherwise provided for in this title. (b) No
6 insurer shall from offices or by personnel or facilities
7 located in this state solicit insurance applications or
8 otherwise transact insurance in another state or country
9 unless it holds a subsisting certificate of authority issued
10 to it by the commissioner authorizing it to transact the same
11 kind or kinds of insurance in this state.

12 27-3-2 A certificate of authority shall not be
13 required of an insurer with respect to the following: (1)
14 Transactions relative to its policies lawfully written in this
15 state or liquidation of assets and liabilities of the insurer,
16 other than collection of new premiums, all as resulting from
17 its former authorized operations in this state; (2)
18 Transactions thereunder subsequent to issuance of a policy
19 covering only subjects of insurance not resident, located, or
20 expressly to be performed in this state at time of issuance
21 and lawfully solicited, written, or delivered outside this
22 state; (3) Transactions pursuant to surplus lines coverages
23 lawfully written under Chapter 10 of this title; and (4)
24 Reinsurance.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. Sections 27-2B-10 to 27-3-2, Code of
27 Alabama 1975, are repealed.

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