

1 SB349
2 136089-1
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 27-4A-4 Every insurer failing to comply with the
18 requirements of this chapter shall be subject to a penalty of
19 not less than \$1,000 nor exceeding \$10,000, recoverable in an
20 action brought by the Attorney General for the commissioner.
21 Upon any violation, the commissioner may suspend or revoke the
22 insurer's certificate of authority. Penalties recovered under
23 this section shall be paid to the State Treasury to the credit
24 of the State General Fund.

25 27-4A-5 The premium tax levied by this chapter is
26 exclusive and shall be in lieu of all other and additional
27 taxes and licenses of the state or county imposed on, based

1 upon or measured by premiums received by the insurer for
2 business done in this state. No license or privilege tax shall
3 be charged any insurer paying the premium tax levied by this
4 chapter by or on behalf of any county.

5 27-4A-6 Nothing in this chapter shall be construed
6 to repeal any existing laws or statutes which exempt or
7 exclude insurers from the payment of fees, taxes, or licenses
8 other than the tax imposed by this chapter. Without limiting
9 the generality of the preceding sentence, insurers upon which
10 this section imposes a tax upon their premium income or in
11 lieu thereof, shall be exempt from income taxes imposed by the
12 State of Alabama under the provisions of Chapter 18 of Title
13 40, or any other similar law.

14 27-4A-7 Mutual aid associations shall be subject to
15 the provisions of this chapter and subject to the annual
16 premium tax to be paid by insurers on insurance premiums.

17 27-5-1 (a) It is intended that certain insurance
18 coverages may come within the definitions of two or more kinds
19 of insurance as defined in this chapter, and the inclusion of
20 such coverage within one definition shall not exclude it as to
21 any other kind of insurance within the definition of which
22 such coverage is likewise reasonably includable. (b) The
23 definitions contained in this chapter shall not be applicable
24 to the construction of Sections 11-51-120 and 11-51-121.

25 27-5-2 "Life insurance" is insurance on human lives.
26 The transaction of life insurance includes also the granting
27 of endowment benefits, additional benefits in event of death

1 or dismemberment by accident or accidental means, additional
2 benefits in event of the insured's disability, burial
3 insurance, and optional modes of settlement of proceeds of
4 life insurance. Life insurance does not include workmen's
5 compensation coverages.

6 27-5-3 For the purpose of this title, an "annuity"
7 is a contract under which obligations are assumed with respect
8 to periodic payments for a specific term, or terms, or where
9 the making or continuance of all or of some of such payments
10 or the amount of any such payment is dependent upon the
11 continuance of human life, except payments made pursuant to
12 optional modes of settlement under the authority of Section
13 27-5-2. Such a contract, which includes extra benefits of the
14 kinds set forth in Sections 27-5-2 and 27-5-3, shall,
15 nevertheless, be deemed to be an annuity if such extra
16 benefits constitute a subsidiary or incidental part of the
17 entire contract.

18 27-5-4 "Disability insurance" is insurance of human
19 beings against bodily injury, disablement or death by accident
20 or accidental means, or the expense thereof, or against
21 disablement or expense resulting from sickness and every
22 insurance appertaining thereto. Disability insurance does not
23 include workmen's compensation coverages.

24 27-5-5 "Property insurance" is insurance on real or
25 personal property of every kind and of every interest therein,
26 whether on land, water, or in the air, against loss or damage
27 from any and every hazard or cause and against loss

1 consequential upon such loss or damage other than
2 noncontractual legal liability for any such loss or damage.

3 27-5-6 (a) "Casualty insurance" includes: (1)
4 VEHICLE INSURANCE. Insurance against loss of, or damage to,
5 any land vehicle or aircraft, or any draft or riding animal or
6 to property while contained therein or thereon or being loaded
7 or unloaded therein or therefrom from any hazard or cause and
8 against any loss, liability, or expense resulting from, or
9 incidental to, ownership, maintenance or use of any such
10 vehicle, aircraft or animal, together with insurance against
11 accidental death or accidental injury to individuals,
12 including the named insured, while in, entering, alighting
13 from, adjusting, repairing, cranking or caused by being struck
14 by a vehicle, aircraft or draft or riding animal, if such
15 insurance is issued as an incidental part of insurance on the
16 vehicle, aircraft or draft or riding animal; (2) LIABILITY
17 INSURANCE. Insurance against legal liability for the death,
18 injury or disability of any human being or for damage to
19 property, and provision of medical, hospital, surgical and
20 disability benefits to injured persons, and funeral and death
21 benefits to dependents, beneficiaries, or personal
22 representatives of persons killed, irrespective of legal
23 liability of the insured, when issued as an incidental
24 coverage with, or supplemental to, liability insurance; (3)
25 WORKMEN'S COMPENSATION AND EMPLOYER'S LIABILITY. Insurance of
26 the obligations accepted by, imposed upon or assumed by
27 employers under law for death, disablement, or injury of

1 employees; (4) BURGLARY AND THEFT. Insurance against loss or
2 damage by burglary, theft, larceny, robbery, forgery, fraud,
3 vandalism, malicious mischief, confiscation, or wrongful
4 conversion, disposal or concealment, or from any attempt at
5 any of the foregoing, including supplemental coverage for
6 medical, hospital, surgical and funeral expense incurred by
7 the named insured or any other person as a result of bodily
8 injury during the commission of a burglary, robbery or theft
9 by another; also, insurance against loss of or damage to
10 moneys, coins, bullion, securities, notes, drafts,
11 acceptances, or any other valuable papers and documents
12 resulting from any cause; (5) PERSONAL PROPERTY FLOATER.
13 Insurance upon personal effects against loss or damage from
14 any cause under a personal property floater; (6) GLASS.
15 Insurance against loss or damage to glass, including its
16 lettering, ornamentation and fittings; (7) BOILER AND
17 MACHINERY. Insurance against any liability and loss, or damage
18 to, property or interest resulting from accidents to, or
19 explosions of, boilers, pipes, pressure containers, machinery
20 or apparatus and to make inspection of and issue certificates
21 of inspection upon boilers, machinery, and apparatus of any
22 kind, whether or not insured; (8) LEAKAGE AND FIRE
23 EXTINGUISHING EQUIPMENT. Insurance against loss or damage to
24 any property or interest caused by the breakage or leakage of
25 sprinklers, hoses, pumps, and other fire-extinguishing
26 equipment or apparatus, water pipes or containers or by water
27 entering through leaks or openings in buildings

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Sections 27-4A-4 to 27-5-6, Code of
3 Alabama 1975, are repealed.

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