

1 HB92
2 164037-1
3 By Representatives Hill (M) and Clouse
4 RFD: Insurance
5 First Read: 03-MAR-15

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8 SYNOPSIS: Under existing law, the Commissioner of
9 Insurance collects certain fees, licenses, and
10 miscellaneous charges for various purposes.

11 This bill, effective January 1, 2016, would
12 increase certain of those fees, licenses, and
13 miscellaneous charges.

14 This bill, for the fiscal year ending
15 September 30, 2016, would make an appropriation
16 from the Insurance Department Fund, would authorize
17 the transfer of a portion of the appropriation to
18 the Strengthen Alabama Homes Fund, and would make
19 an appropriation from the Strengthen Alabama Homes
20 Fund.

21
22 A BILL

23 TO BE ENTITLED

24 AN ACT

25
26 Relating to the State Insurance Department and
27 insurance regulation by the department; to amend Section

1 27-4-2, as amended by Act 2014-346 of the 2014 Regular
2 Session, and Section 27-8A-9 of the Code of Alabama 1975, to
3 provide for an increase in certain fees, licenses, and
4 miscellaneous charges collected by the Commissioner of
5 Insurance; and, for the fiscal year ending September 30, 2016,
6 to make an appropriation from the Insurance Department Fund,
7 to authorize the transfer of a portion of the appropriation to
8 the Strengthen Alabama Homes Fund, and to make an
9 appropriation from the Strengthen Alabama Homes Fund.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Section 27-4-2, as amended by Act
12 2014-346 of the 2014 Regular Session, and Section 27-8A-9 of
13 the Code of Alabama 1975, are amended to read as follows:

14 "§27-4-2.

15 "(a) The Commissioner of Insurance shall collect in
16 advance fees, licenses, and miscellaneous charges as follows:

17 "(1) Certificate of authority:

18 "a. Initial application for original certificate of
19 authority, including the filing with the commissioner of all
20 documents incidental thereto \$500

21 "b. Issuance of original certificate of authority
22 500

23 "c. Annual continuation or renewal fee 500

24 "d. Reinstatement fee 500

25 "(2) Charter documents, filing with the commissioner
26 amendment to articles of incorporation or of association, or
27 of other charter documents or to bylaws 25

1 "(3) Solicitation permit, filing application and
2 issuance 250

3 "(4) Annual statement of insurer, except when filed
4 as part of application for original certificate of authority,
5 filing 25

6 "(5) Producer ~~licenses~~ license (resident or
7 nonresident):

8 "a. Individuals:

9 "1. Application fee (For filing of initial
10 application for license) ~~20~~ 30

11 "2. License fee (For issuance of original license)
12 ~~40~~ 50

13 "b. Business entities:

14 "1. Application fee (For filing of initial
15 application for license) ~~20~~ 30

16 "2. License fee (For original license and each
17 biennial renewal) 100

18 "c. Examination ~~fees~~ fee (For producer examination
19 or reexamination, each classification of examination), an
20 amount set by the commissioner not to exceed ~~50~~ 100

21 "(6) Producer appointment fee:

22 "a. Filing notice of appointment ~~30~~ 40

23 "b. Annual continuation of appointment ~~10~~ 25

24 "c. Late fee, for failing to timely pay annual
25 appointment continuation invoice 250, plus an
26 additional 250 for each additional month late

27 "(7) Reinsurance intermediary license:

1	"a. Filing application for license	30
2	"b. Issuance of initial license	140
3	"c. Annual continuation of license	100
4	"(8) Managing general agent license:	
5	"a. Application fee (For filing of initial	
6	application for license, each insurer)	30
7	"b. Issuance of initial license, each insurer	
8	125	
9	"c. Annual continuation of license, each insurer	
10	75
11	"(9) Service representative's <u>representative</u>	
12	license:	
13	"a. Application fee (For filing of initial	
14	application for license, each insurer)	20 <u>30</u>
15	"b. Appointment fee, property and casualty, each	
16	insurer (For original appointment and each annual renewal)	
17	30 <u>40</u>
18	"(10) Surplus line broker:	
19	"a. Application fee (For filing of initial	
20	application for license)	20 <u>30</u>
21	"b. License fee (For original license and each	
22	annual renewal):	
23	"1. Individual licensees <u>Individuals</u>	200
24	"2. Business entity licensees <u>Entities</u>	500
25	"(11) Adjusters (resident or nonresident):	

1 "a. Application fee (For filing of initial
2 application for license; individuals and business entities)
3 ~~20~~ 30

4 "b. License fee (For original license and each
5 biennial continuation):

6 "1. ~~Individual licensees~~ Individuals 80

7 "2. Business ~~entity licensees~~ Entities 200

8 "c. Examination fee, an amount set by the
9 commissioner not to exceed 100

10 "(12) Miscellaneous services:

11 "a. For copies of documents, records on file in
12 Insurance Department, per page 1

13 "b. For each certificate under seal of the
14 commissioner, other than licenses 5

15 "(13) The commissioner shall collect a fee of fifty
16 dollars (\$50) when, in acting as agent for service of process
17 for any insurance company, fraternal benefit society, mutual
18 aid association, nonresident producer, nonresident independent
19 adjuster, or nonresident surplus line broker, he or she
20 accepts the service of legal process as provided by the laws
21 of this state. The commissioner shall refuse to receive and
22 file or serve any process unless the process is accompanied by
23 the aforementioned fee, which shall be taxed as costs in the
24 action.

25 "(b) The fees and licenses specified in subsection
26 (a) shall be deposited in the State Treasury with 50 percent

1 credited to the General Fund and 50 percent credited to the
2 Insurance Department Fund.

3 "§27-8A-9.

4 "(a) The commissioner shall collect the following
5 fees in the administration and enforcement of this chapter:

6 "(1) License renewal fees paid in connection with
7 the biennial application for license renewal by producers and
8 service representatives..... ~~\$40~~ \$70.

9 "(2) Late filing fee, to be paid by each producer
10 and service representative failing to make a timely filing of
11 the compliance form renew a license..... \$50.

12 "(3) Provider authority initial filing fee, a
13 one-time fee to be paid by each education course provider for
14 authority to offer continuing education courses in this
15 state..... \$300.

16 "(4) Provider authority annual renewal fee, to be
17 paid by each education course provider for continuation of
18 authority to offer continuing education courses in this
19 state..... \$100.

20 "(5) Course approval filing fee, to be paid by the
21 provider for the approval of each education course or program
22 to be offered in this state (one-time fee per course, with no
23 need for renewal)..... \$50.

24 "(b) The fees collected pursuant to this section
25 shall be deposited in the State Treasury to the credit of the
26 Insurance Department Fund."

1 Section 2. There is appropriated from the Insurance
2 Department Fund in the State Treasury to the Department of
3 Insurance the sum of five million dollars (\$5,000,000) for the
4 fiscal year ending September 30, 2016. Of this amount, up to
5 two million five hundred thousand dollars (\$2,500,000) may be
6 transferred by the Commissioner of Insurance to the Strengthen
7 Alabama Homes Fund established pursuant to Section 27-31E-2,
8 Code of Alabama 1975. The appropriation made in this section
9 is in addition to any and all other funds heretofore or
10 hereafter appropriated to the Department of Insurance.

11 Section 3. There is appropriated from the Strengthen
12 Alabama Homes Fund in the State Treasury established pursuant
13 to Section 27-31E-2, Code of Alabama 1975, to the Department
14 of Insurance the sum of two million five hundred thousand
15 dollars (\$2,500,000) for the fiscal year ending September 30,
16 2016. The appropriation made in this section is in addition to
17 any and all other funds heretofore or hereafter appropriated
18 to the Department of Insurance.

19 Section 4. This act shall be effective January 1,
20 2016.