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SYNOPSIS: This bill would create the Property Insurance Clarity Act.

This bill would require insurance companies transacting business in the state to provide policy and premium information to the Department of Insurance.

This bill would require the department to provide on the department website aggregate data, separately for homeowners and commercial property insurance policies, of the number of policies written, the direct earned premiums, and the direct incurred losses representing the total of every insurance company doing business in Alabama.

This bill would also require the department to post on the department website a comprehensive description of the actuarial model used by the department for homeowner's and commercial properties risk and other related data.

A BILL

1 TO BE ENTITLED

2 AN ACT

3  
4 Creating the Property Insurance Clarity Act; to  
5 require insurance companies transacting business in the state  
6 to provide policy and premium information to the department;  
7 to require the department to provide on the department website  
8 aggregate data, separately for homeowners and commercial  
9 property insurance policies, of the number of policies  
10 written, the direct earned premiums, and the direct incurred  
11 losses representing the total of every insurance company doing  
12 business in the state; to require the department to post on  
13 the department website a comprehensive description of the  
14 actuarial model used by the department for homeowner's and  
15 commercial properties risk and other related data; and to  
16 provide penalties for insurance company noncompliance.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. This act shall be known and may be cited  
19 as the Property Insurance Clarity Act.

20 Section 2. (a) Each insurance company transacting  
21 business in the State of Alabama shall annually submit to the  
22 Alabama Department of Insurance, on or before October 1,  
23 separately for homeowners and commercial property insurance  
24 policies, the total amount of direct incurred losses, the  
25 number of policies written, and the direct earned premiums for  
26 the prior calendar year. Aggregated totals shall be arranged  
27 by county and zip code.

1           (b) Based upon all submitted company reports, and  
2 other information submitted to or otherwise gathered by the  
3 department, the department shall compile and maintain a  
4 statewide database and shall post on the department website  
5 separately for homeowners and commercial property insurance  
6 policies, the aggregate amount of direct incurred losses, the  
7 number of policies written, and the direct earned premiums, by  
8 county and zip code, by calendar year, on or before January  
9 15, 2012.

10           (c) The aggregate information compiled from the  
11 statewide database, and posted on the department website,  
12 shall be updated annually. The posted information shall  
13 include, separately for homeowner's and commercial property  
14 insurance policies, the aggregate amount of direct incurred  
15 losses, the number of policies written, and the direct earned  
16 premiums, by county and zip code, by calendar year, on or  
17 before January 15, 2012, for each of the following perils:

- 18           (1) Fire.
- 19           (2) Non-catastrophe wind/hail.
- 20           (3) Catastrophe wind/hail.
- 21           (4) Water.
- 22           (5) Theft.
- 23           (6) Liability.
- 24           (7) Tornado.
- 25           (8) Wind-driven water.

26           Section 3. The department shall also post on the  
27 department website a general description of the rate-making

1 methodology that the department allows insurance companies to  
2 use in establishing their homeowner's and commercial property  
3 rates.

4 Section 4. Each insurance company transacting  
5 business in this state shall provide the information required  
6 by this act, relating to the total losses premiums and  
7 policies in each county by zip code, and their dollar value,  
8 by year, commencing with January 1, 1990. Based upon the  
9 submitted information, the department shall compile aggregate  
10 totals, pursuant to Section 1, by year, commencing with 1990,  
11 and post those aggregate totals, by county and zip code, on  
12 the department website.

13 Section 5. (a) The commissioner and employees of the  
14 department shall incur no liability and no cause of action of  
15 any nature shall lie against the commissioner or any employee  
16 of the department for any action taken pursuant to this act.

17 (b) Upon written request of an insurance company,  
18 the commissioner may waive, or extend for up to an additional  
19 90 days, the October 1 reporting requirement imposed by this  
20 act. The request shall demonstrate a reasonable cause for  
21 waiving or extending the deadline.

22 (c) Any insurance company granted a 90-day extension  
23 that fails to comply on or before the 90th day shall be fined  
24 two thousand five hundred dollars (\$2,500) per day, by the  
25 department until the date of compliance. Any funds collected  
26 pursuant to this subsection shall be deposited into the State  
27 General Fund.

1                   (d) Any insurance company failing to comply for more  
2 than 30 days after extension shall immediately be suspended  
3 from selling new policies of insurance of any kind in this  
4 state until such time as the insurance company is in  
5 compliance.

6                   Section 6. This act shall become effective on the  
7 first day of the third month following its passage and  
8 approval by the Governor, or its otherwise becoming law.