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**BEFORE THE COMMISSIONER OF INSURANCE
FOR THE STATE OF ALABAMA**

IN THE MATTER OF:

**ADOPTION OF INSURANCE AND
STATE FIRE MARSHAL REGULATIONS**

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Case No. R-2010-195FM

**ORDER ADOPTING INSURANCE REGULATION 150 [482-1-150],
AMENDING STATE FIRE MARSHAL REGULATION 101 [482-2-101], AND
AMENDING STATE FIRE MARSHAL REGULATION 103 [482-2-103]**

Pursuant to the provisions of Ala. Code § 27-2-17, a public hearing on (i) the adoption of new Insurance Regulation 150 [Chapter 482-1-150], amendments to State Fire Marshal Regulation 101 [Chapter 482-2-101], and amendments to State Fire Marshal Regulation 103 [Chapter 482-2-103] was held before an appointed hearing officer commencing at 10:00 a.m. on November 9, 2010, in the offices of the Alabama Department of Insurance, RSA Tower Suite 502, 201 Monroe Street, Montgomery, Alabama.

Notice of the hearing was given by publication on the Department's Internet web-site, by publication on the web-site of the Alabama Secretary of State, and by newspaper publication in *The Birmingham News* and *Mobile Press-Register* for four (4) consecutive weeks (October 12, 19, and 25, and November 2, 2010). Notice of intended action was given in the Alabama Administrative Monthly on September 30, 2010. Said notices afforded all interested parties the opportunity to submit written and/or oral testimony.

Insurance Regulation 150 [482-1-150]

As proposed, new Regulation 150 will require insurers authorized to provide dwelling coverage (essentially defined as private residential homeowner coverage) in the State to have in effect and adhere to a methodology for periodically calculating or changing the coverage limit (known as Coverage A) that meets certain requirements expressed in the regulation. The Department, through Acting Deputy Commissioner Charles M. Angell, described the need for the regulation and noted that insurers having the largest combined market share of the type of coverage that will be affected by the regulation had participated in the process used to devise the regulation.

One written (e-mail) comment from a representative of State Farm was received [Hearing Exhibit 18] suggesting that Rule 482-1-150-.01 within Regulation 150 be amended to add the following sentence at the end of the existing text: "This chapter shall not be interpreted as creating an obligation, or duty, on behalf of insurers to select Dwelling Coverage limits for the insured." The Department does not object to this addition and recommends that the rule be revised accordingly.

No other written comments concerning Regulation 150 were received and no one appeared at the hearing in opposition to the regulation.

State Fire Marshal Regulation 101 [482-2-101]

As proposed, existing State Fire Marshal Regulation 101 [482-2-101] will be amended: to change some language concerning the National Fire Codes® (2003 ed.) that currently appears in Rule 482-2-101-.01; to adopt the International Fire Code® (2009 ed.) with exceptions; to adopt the International Building Code® (2009 ed.) with exceptions; to delete existing rules adopting the Standard Fire Prevention Code (1994 ed.) and the Standard Existing Buildings Code (1988 ed.); and to permit the State Fire Marshal discretion to allow use of later editions of fire or building codes. State Fire Marshal Edward S. Paulk described the desirability of adopting the 2009 editions of the International Fire Code® and the International Building Code® to achieve consistency with other authorities having code adoption and enforcement authority (chiefly, the State Building Commission) and to modernize the codes.

Attending the hearing in support of the proposed changes were a representative of the International Code Council®, a representative of the Central Alabama Fire Chiefs Association, and representatives of the State Building Commission. No written comments concerning the proposed changes were received and no one appeared at the hearing in opposition to the changes.

State Fire Marshal Regulation 103 [482-2-103]

As proposed, existing State Fire Marshal Regulation 103 [482-2-103] concerning fire protection sprinkler systems will be amended to delete reference to a \$200 "reinstatement fee" for a lapsed fire protection sprinkler system contractor permit and to provide that, in the event of permit lapse, the contractor must submit a new application and pay an initial application fee of \$100.

The Department expressed that these are technical changes resulting from previous requests by the State Examiners of Public Accounts to conform the fee structure to the requirements of the Fire Protection Sprinkler System Act, Ala. Code §§ 34-33-1 *et seq.* No written comments concerning the proposed changes were received and no one appeared at the hearing in opposition to the changes.

Order

Having considered the proposals, the Commissioner of Insurance finds it to be in the best interest of the public of this State to adopt Insurance Regulation 150 and to amend State Fire Marshal Regulations 101 and 103, all as proposed by the Department.

It is, therefore, ORDERED as follows

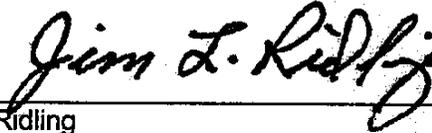
(A) Rule 482-1-150-.01 within Regulation 150 is hereby amended to add the following sentence at the end of the existing text: "This chapter shall not be interpreted as

creating an obligation, or duty, on behalf of insurers to select Dwelling Coverage limits for the insured." As so amended, Regulation 150 [482-1-150] is hereby adopted as a regulation of the Commissioner of Insurance, to become effective upon having been on file as a public document in the office of the Secretary of State for ten (10) days and subject to the specific implementation provision of Rule 482-1-150-.07 within the regulation.

(B) The proposed amendments to State Fire Marshal Regulation 101 [482-2-101] are hereby adopted as a regulation of the Commissioner of Insurance and for purposes of Ala. Code § 36-19-9, to become effective upon having been on file as a public document in the office of the Secretary of State for ten (10) days and subject to the specific project applicability provisions of Rules 482-2-101-.02(1) and 482-2-101-.03(1) within the regulation.

(C) The proposed amendments to State Fire Marshal Regulation 103 [482-2-103] are hereby adopted as a regulation of the Commissioner of Insurance and for purposes of Ala. Code § 34-33-2, to become effective upon having been on file as a public document in the office of the Secretary of State for ten (10) days.

So ordered on this 9th day of November, 2010, in the City of Montgomery, State of Alabama.



Jim L. Ridling
Commissioner of Insurance

