



ROBERT
BENTLEY
GOVERNOR

JIM L. RIDLING
COMMISSIONER

STATE OF ALABAMA
DEPARTMENT OF INSURANCE
201 MONROE STREET, SUITE 502
POST OFFICE BOX 303351
MONTGOMERY, ALABAMA 36130-3351
TELEPHONE: (334) 269-3550
FACSIMILE: (334) 241-4192
INTERNET: www.aldoi.gov

DEPUTY COMMISSIONER
CHARLES M. ANGELL (acting)

CHIEF OF STAFF
RAGAN INGRAM
CHIEF EXAMINER
RICHARD L. FORD

STATE FIRE MARSHAL
EDWARD S. PAULK
GENERAL COUNSEL
REYN NORMAN

September 30, 2011

The Honorable Robert Bentley
Governor
State of Alabama
Alabama State Capitol

Dear Governor Bentley:

Please accept this annual report of the Alabama Department of Insurance in compliance with Section 27-2-9, Code of Alabama 1975. Statistical information herein is provided by annual statements from companies without audit or verification, and by the National Association of Insurance Commissioners.

Sincerely,

A handwritten signature in cursive script that reads "Jim L. Ridling".

Jim L. Ridling
Commissioner

JLR:GRI

EQUAL OPPORTUNITY EMPLOYER

Departmental Revenues/Expenditures

Taxes \$256,783,842

Fees/Assessments 21,969,906

Penalties 102,973

Total Revenues \$278,856,721

Total Expenditures \$16,630,155

Annual Statement Data

Available for inspection at DOI and at www.aldoi.gov

Examination Overview

No insurers were closed during the year.

No delinquencies were noted.

The Department completed 16 examinations during the year – 11 financial, four market conduct, and one combined.

Companies Overview

There were 52 domestic insurers licensed, and 1,381 foreign insurers licensed. They paid the \$256,783,842 in applicable taxes.

Producer Licensing Overview

There were 94,855 licensed insurance producers – 26,910 resident and 67,945 non-resident.

There were 7,184 licensed business entities – 2,465 resident and 4,719 non-resident

Legislative Report

Seven bills related to the regulation of insurance passed during the 2011 Regular Session of the Alabama Legislature, making it one of the Department's most successful sessions in history.

Two bills sponsored by Rep. Greg Wren of Montgomery allowed the state to join compacts governing life insurance products approval and surplus lines tax collections. The life insurance products compact was of particular interest to the Department, which had been instrumental in its formation through the National Association of Insurance Commissioners. Historically, Alabama had dealt with weak laws regarding the licensing of independent property adjusters, but under a bill sponsored by Sen. Slade Blackwell of Mountain Brook and former Rep. Greg Canfield of Vestavia Hills, the state will move to the head of the class with a new law requiring prelicensing instruction, examination and continuing education once licensed.

Two bills to help the coastal property insurance market, sponsored by Sen. Ben Brooks of Mobile and the remainder of the Mobile/Baldwin county delegations, were enacted in 2011. The first provides a tax deduction to homeowners who retrofit their primary residences to specific standards. The deduction applies in all counties. The second bill created the framework for a grant program to help citizens retrofit homes. A bill to reform the state's title insurance law was sponsored by Rep. Mike Hill of Columbiana.

The state's motor vehicle liability law was amended to create an online verification system where tag officials and law enforcement can confirm a driver's insurance status immediately, thanks to a bill by Sen. Arthur Orr of Decatur. A study panel is developing the standards that will go into effect in 2013.

Departmental Operations

The Department made no significant change to its organizational structure in 2010. A copy of the current organizational chart follows on the next page.

ALDOI Organizational Chart

(Effective September 1, 2009)

