

**ALABAMA DEPARTMENT OF INSURANCE  
INSURANCE REGULATION**

**CHAPTER 482-1-063**

**MINIMUM SURPLUS REQUIRED TO ISSUE POLICIES OF INSURANCE**

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**482-1-063-.01 Companies Affected.** The following chapter shall not be applicable to and the following types and kinds of insurance shall not be affected in any manner by this chapter.

(1) Mutual Aid Associations under the provisions of Chapter 30, Title 27, Code of Alabama 1975.

(2) Reciprocal insurers under the provisions of Chapter 31, Title 27, above.

(3) Fraternalists under the provisions of Chapter 34, Title 27, above.

(4) Automobile Clubs under the provisions of Chapter 39, Title 27 above.

**Author:** Commissioner of Insurance

**Statutory Authority:** Section 27-2-17, Code of Alabama 1975

**History:** New March 24, 1977, effective April 3, 1977; Revised December 22, 2004, effective January 1, 2005

**482-1-063-.02 Minimum Surplus Required Before Policies of Insurance May Be Issued.**

(1) When the total surplus (to include both paid in and contributed and unassigned surplus) of a stock insurer falls below \$100,000.00 and the surplus of a mutual insurer falls below \$200,000.00, the concerned insurer must immediately notify the Insurance Department of such fact. The insurer is given 60 days from the time of determination that its surplus falls below the above minimum to make good any deficit.

(2) An insurer whose surplus is below the minimum set forth in Rule 482-1-063-.02(1) above and who has failed to make good the deficit within the 60 day period must, at the conclusion of the 60 day period, immediately cease issuing new policies of insurance and notify its agents to cease writing and accepting contracts of insurance.

(3) The above requirement shall not forbid the insurer whose surplus is below the minimum from servicing existing business to include collecting premiums and the payment of claims.

**Author:** Commissioner of Insurance

**Statutory Authority:** Section 27-2-17, Code of Alabama 1975

**History:** New March 24, 1977, effective April 3, 1977; Revised December 22, 2004, effective January 1, 2005

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**482-1-063-.03 Minimum Surplus Denotes Hazardous Operation.** A determination that an insurer's surplus is below the minimum set forth in Rule 482-1-063-.02 (1) above will also be considered evidence that the insurer is in unsound condition or is in such condition as to render its further transaction of insurance in the state hazardous to its policyholders or to the public under the provisions of Section 27-3-20, Code of Alabama 1975 above.

**Author:** Commissioner of Insurance

**Statutory Authority:** Section 27-2-17, Code of Alabama 1975

**History:** New March 24, 1977, effective April 3, 1977; Revised December 22, 2004, effective January 1, 2005

**482-1-063-.04 Effective Date.** This chapter shall become effective ten (10) days from the date of certification that the properly executed chapter was delivered to the Secretary of State.

**Author:** Commissioner of Insurance

**Statutory Authority:** Section 27-2-17, Code of Alabama 1975

**History:** New March 24, 1977, effective April 3, 1977; Revised December 22, 2004, effective January 1, 2005