ACT NO. 2012-373

SB210
140899-3
By Senators Pittman, Brooks, Keahey, Figures, Blackwell,
Glover and Marsh
RFD: Banking and Insurance
First Read: 07-FEB-12
SB210

ENROLLED, An Act,

Creating the Property Insurance Clarity Act; to require insurance companies authorized to transact homeowners insurance business in the state to provide policy and premium information to the department; to require the department to provide on the department website aggregate information for homeowners insurance policies, pertaining to the number of policies in force and the direct incurred losses representing the total of every insurance company doing business in the state; to require the department to post on the department website a comprehensive description of the actuarial model used by the department for homeowners properties risk and other related data; and to provide penalties for insurance company noncompliance.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

Section 2. (a) Each insurance company authorized to transact homeowners insurance business in the State of Alabama shall annually submit to the Alabama Department of Insurance, commencing on or before October 1, 2013, for homeowners insurance policies, computations of the total amount of direct
incurred losses, the number of policies in force, and the
direct earned premiums for the prior calendar year. The
insurance company shall report the computations to the
department by zip code. The information received by the
department shall be aggregated across all insurance companies
collectively and the aggregated totals shall be arranged by
zip code. Homeowners insurance shall also include condominium
insurance, dwelling fire policies, renters/tenants insurance,
and mobile home/manufactured housing property insurance.
Creditor-placed property insurance, condominium association
insurance, and commercial insurance are excluded from this
act.

(b) Based upon the information submitted to or
otherwise gathered by the department, the department shall
compile and post on the department website the aggregated
total of the computations provided in subsection (a) by zip
code for the prior calendar year.

(c) Each insurance company authorized to transact
homeowners insurance business in the state shall annually
submit to the department, commencing on or before October 1,
2013, computations of the direct incurred losses and the
number of policies in force, by zip code, by calendar year for
the prior calendar year, for each of the following perils:

(1) Fire.

(2) All wind/hail.
(3) All other perils.

(d) Each insurance company authorized to transact homeowners insurance business in the state shall submit to the department catastrophe wind/hail information pursuant to a data call by the department based on a specific catastrophic event.

Section 3. The department shall also post on the department website a general description of the rate-making methodology that the department allows insurance companies to use in establishing their homeowners rates.

Section 4. Commencing on October 1, 2013, each insurance company authorized to transact homeowners insurance business in this state shall provide the information required pursuant to subsection (a) of Section 2, commencing with the calendar year 2007. Voluntary submissions of the information required by subsection (a) of Section 2 for calendar years prior to 2007, may be submitted and shall be compiled and posted by the department in the same manner. Based upon the submitted information, the department shall compile aggregate totals, commencing with 2007, and post those aggregate totals on the department website pursuant to subsection (b) of Section 2.

Section 5. (a) Upon written request of an insurance company, the commissioner may waive, modify, or extend for an additional time period, for good cause shown, the reporting
requirements imposed by this act. The request shall demonstrate good cause for waiving, modifying, or extending the reporting requirements. Good cause may include, but is not limited to, the insurance company's limited percentage of the total homeowners insurance market in this state, or the undue burden of compiling and reporting the computations, data, and other information required by this act due to the manner, format, or method in which the insurance company has stored the computations, data, or other information required.

(b) Any insurance company that fails to timely comply with the reporting requirements imposed by this act shall be given notice by the department of such failure and provided 90 days within which to comply. Any insurance company that fails to comply on or before the 90th day shall be fined two thousand five hundred dollars ($2,500) per month, by the department until the date of compliance. Any funds collected pursuant to this subsection shall be deposited into the State General Fund.

(c) The commissioner shall waive or modify the reporting requirements imposed by this act under Section 4 if an insurance company does not store the computations, data, or other information required; must materially upgrade, modify, redevise, or reprogram computer systems to provide the computations, data, or other information; or must
significantly divert limited resources to provide the
computations, data, or other information.

Section 6. Any information reported to the
department by an insurer pursuant to this act is considered a
commercially valuable trade secret as defined in Section
However once the information from all of the insurers is
aggregated, then the department may provide such information
in accordance with this act. The department, absent a court
order, shall not release this confidential information. Notice
of at least 10 business days shall be given to the applicable
entity if such information is ordered to be provided by the
department.

Section 7. This act shall become effective on the
first day of the third month following its passage and
approval by the Governor, or its otherwise becoming law.
SB210

President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB210
Senate 24-APR-12
I hereby certify that the within Act originated in and passed
the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Passed: 08-MAY-12

By: Senator Pittman

APPROVED May 14, 2012
5:05 p.m.
Robert Bentley
GOVERNOR

Alabama Secretary Of State
Act Num....: 2012-373
Bill Num....: S-210
Recvd 05/16/12  08:40amSLF
I hereby certify that the Resolution as required in Section C of Act No. 81-899 was adopted and is attached to the Bill, SB 210.

YEAS 26 NAYS 5 ABSTAIN

PATRICK HARRIS,
Secretary

I hereby certify that the notice & proof is attached to the Bill, SB 210, as required in the General Acts of Alabama, 1975 Act No. 919.

PATRICK HARRIS,
Secretary

REPORT OF STANDING COMMITTEE
This bill having been referred by the House to its standing committee on Insurance was acted upon by such committee in session, and returned therefrom to the House with the recommendation that it be passed. A written(s) wasub
This 25th day of May 2012
Chairperson

CONFERENCE COMMITTEE
Senate Conferes

DATE: 5-1 2012
RF
RD 2 CAL

DATE: 20
RE-REFERRED RE-COMMITTED
Committee

I hereby certify that the Resolution as required in Section C of Act No. 81-899 was adopted and is attached to the Bill, SB 210.

YEAS 43 NAYS 6

GREG PAPPAS,
Clerk

FURTHER HOUSE ACTION (OVER)