



Annual Report
of
The Alabama Department
of Insurance
2009



BOB RILEY
GOVERNOR

JIM L. RIDLING
COMMISSIONER

STATE OF ALABAMA
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September 28, 2009

The Honorable Bob Riley
Governor
State of Alabama
Alabama State Capitol

Dear Governor Riley:

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

Departmental Revenues/Expenditures

Taxes	\$292,805,043
Fees/Assessments	19,630,915
Penalties	645,163
Total Revenues	\$313,081,121

Total Expenditures **\$19,416,919**

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 — one financial, one market conduct, and 14 combined.

Companies Overview

There were 44 domestic insurers licensed, and 1,503 foreign insurers licensed. They paid the \$292,805,043 in applicable taxes.

Producer Licensing Overview

There were 107,299 licensed insurance producers — 38,398 resident and 68,901 non-resident.

There were 6,116 licensed business entities — 2,551 resident and 3,565 non-resident

Legislative Report

A flurry of bills to attempt to address the coastal insurance market situation were introduced in the regular session. Only one passed: a measure by Sen. Ben Brooks to mandate that insurers offer discounts off premiums if consumers took certain mitigation steps to strengthen their homes against potential tropical storm and hurricane damages.

The Department was disappointed that a bill to provide more capacity to the market by amending the state's surplus laws insurer law failed.

In future sessions, there will be further attempts to bring changes to the coastal insurance market — some positive, some negative.

The Legislature again considered changes to the Pre-Need law, but did not enact legislation. The Department reconfirms its desire to give more teeth to the current law by adding stricter trusting requirements in order to provide greater consumer protection.

Departmental Operations

After a year long study, Commissioner Ridling instituted a reorganization of the Department to streamline operations. It is his belief that the new alignment of staff will help put divisions of like mission in the same “pods” of operation.

The reorganization also reduces the number of “direct reports” to the Commissioner, which should limit the impact of the changing of commissioners to a limited number of employees. The reorganization should also help the Department with a succession plan for the future as several key employees near retirement age.

A copy of the new organizational chart is attached.

ALDOI Organizational Chart

(Effective September 1, 2009)

