



Annual Report
of
The Alabama Department of
Insurance
2013

Jim L. Ridling
Commissioner



ROBERT BENTLEY
GOVERNOR

JIM L. RIDLING
COMMISSIONER

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August 13, 2014

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,

Jim L. Ridling
Commissioner

JLR:rmf

Departmental Revenues/Expenditures

| | |
|---------------------------|----------------------|
| Taxes | \$279,446,581 |
| Fees/Assessments | \$22,154,417 |
| Penalties | \$2,730,489 |
| Other Revenues | \$1,977,987 |
| Total Revenues | \$306,309,474 |
| Total Expenditures | \$16,249,893 |

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 12 examinations during the year — 3 captive financial, one organizational, one state insurance fund and eight combined financial/market conduct.

Companies Overview

There were 39 domestic insurers licensed, and 1,386 foreign insurers licensed. They paid the \$293,730,022 in applicable taxes.

Producer Licensing Overview

There were 98,547 licensed individual insurance producers — 23,259 resident and 75,288 non-resident.

There were 7,715 licensed business entity producers — 1,969 resident and 5,746 non-resident.

Legislative Report

The Department of Insurance, once again, had one of its most successful sessions in its history. Among other issues, legislation passed in the 2013 Regular Legislative Session regarding risk based capital, diversity of investments and credit for reinsurance. Five bills requested by the Department passed during the session. Five additional bills relating to the regulation of insurance passed. The Department served as a technical or information resource to legislative leaders on each of these bills.

Bills that became law are as follows:

- ❑ Department of Insurance Bills:
 - ✓ **HB113** by Rep. Mike Hill (R-Columbiana) – Risk Based Capital Trend Test – **Act No. 2013-194**
 - ✓ **HB142** by Rep. Mike Hill (R-Columbiana) – Technical Corrections to Definition of Insurance Fraud and Domestic Investments – **Act No. 2013-397**
 - ✓ **HB 199** by Rep. Mike Hill (R-Columbiana) – Credit for Reinsurance – **Act No. 2013-209**
 - ✓ **HB 225** by Rep. David Sessions (R-Grand Bay) – Cash Equivalents for Diversity of Investments – **Act No. 2013-197**
 - ✓ **ALDOI Amendment to SB 143** by Sen. Arthur Orr (R-Decatur), the General Fund Budget, Authorizing Transfer of Oakwood Cemetery Annex – **Act No. 2013-263**

- ❑ Other Insurance Legislation:
 - ✓ **HB 489** by Rep. Greg Wren (R-Montgomery) – Travel Insurance, Limited Line Definition & Producer Responsibilities – **Act No. 2013-213**
 - ✓ **HB 192** by Rep. Greg Wren (R-Montgomery) – Insurers Match to Death Master File; Unclaimed Property – **Act No. 2013-195**
 - ✓ **SB 199** by Sen. Tammy Irons (D-Florence) – Uniform Transfers to Minors – **Act No. 2013-250**
 - ✓ **HB 91** by Rep. Alan Baker (R-Brewton) – Local School Boards; Red Alert Safety Plan – **Act No. 2013-329**
 - ✓ **HB 109** by Rep. Mike Ball (R-Madison) – Establish a Health Care Compact – **Act No. 2013-420**

Department Operations

The Department of Insurance made no significant change to its organizational structure in 2013. A copy of the current organizational chart follows on the next page.

ALDOI Organizational Chart

