HB92

164037-2

By Representatives Hill (M) and Clouse

RFD: Insurance

First Read: 03-MAR-15
ENROLLED, An Act,

Relating to the State Insurance Department and insurance regulation by the department; to amend Section 27-4-2, as amended by Act 2014-346 of the 2014 Regular Session, and Section 27-8A-9 of the Code of Alabama 1975, to provide for an increase in certain fees, licenses, and miscellaneous charges collected by the Commissioner of Insurance; and, for the fiscal year ending September 30, 2016, to make an appropriation from the Insurance Department Fund, to authorize the transfer of a portion of the appropriation to the Strengthen Alabama Homes Fund, and to make an appropriation from the Strengthen Alabama Homes Fund.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 27-4-2, as amended by Act 2014-346 of the 2014 Regular Session, and Section 27-8A-9 of the Code of Alabama 1975, are amended to read as follows:

"§27-4-2.

"(a) The Commissioner of Insurance shall collect in advance fees, licenses, and miscellaneous charges as follows:

"(1) Certificate of authority:

"a. Initial application for original certificate of authority, including the filing with the commissioner of all documents incidental thereto ..... $500
"b. Issuance of original certificate of authority .... 500

c. Annual continuation or renewal fee .... 500

d. Reinstatement fee .... 500

(2) Charter documents, filing with the commissioner amendment to articles of incorporation or of association, or of other charter documents or to bylaws .... 25

(3) Solicitation permit, filing application and issuance .... 250

(4) Annual statement of insurer, except when filed as part of application for original certificate of authority, filing .... 25

(5) Producer licenses license (resident or nonresident):

a. Individuals:

1. Application fee (For filing of initial application for license) .... 20 30

2. License fee (For issuance of original license) .... 40 50

b. Business entities:

1. Application fee (For filing of initial application for license) .... 20 30

2. License fee (For original license and each biennial renewal) .... 100
"c. Examination fee (For producer examination or reexamination, each classification of examination), an amount set by the commissioner not to exceed $50-$100

"(6) Producer appointment fee:
"a. Filing notice of appointment $30-$40
"b. Annual continuation of appointment $10-$25
"c. Late fee, for failing to timely pay annual appointment continuation invoice $250, plus an additional $250 for each additional month late

"(7) Reinsurance intermediary license:
"a. Filing application for license $30
"b. Issuance of initial license $140
"c. Annual continuation of license $100

"(8) Managing general agent license:
"a. Application fee (For filing of initial application for license, each insurer) $30
"b. Issuance of initial license, each insurer $125
"c. Annual continuation of license, each insurer $75

"(9) Service representative's license:
"a. Application fee (For filing of initial application for license, each insurer) $30
"b. Appointment fee, property and casualty, each insurer (For original appointment and each annual renewal) ..... $0 40

"(10) Surplus line broker:

"a. Application fee (For filing of initial application for license) ..... $0 30

"b. License fee (For original license and each annual renewal):

"1. Individual licensees Individuals ..... 200

"2. Business entity licensees Entities ..... 500

"(11) Adjusters (resident or nonresident):

"a. Application fee (For filing of initial application for license; individuals and business entities) ..... $0 30

"b. License fee (For original license and each biennial continuation):

"1. Individual licensees Individuals ..... 80

"2. Business entity licensees Entities ..... 200

"c. Examination fee, an amount set by the commissioner not to exceed ..... 100

"(12) Miscellaneous services:

"a. For copies of documents, records on file in Insurance Department, per page ..... 1

"b. For each certificate under seal of the commissioner, other than licenses ..... 5
(13) The commissioner shall collect a fee of fifty dollars ($50) when, in acting as agent for service of process for any insurance company, fraternal benefit society, mutual aid association, nonresident producer, nonresident independent adjuster, or nonresident surplus line broker, he or she accepts the service of legal process as provided by the laws of this state. The commissioner shall refuse to receive and file or serve any process unless the process is accompanied by the aforementioned fee, which shall be taxed as costs in the action.

(b) The fees and licenses specified in subsection (a) shall be deposited in the State Treasury with 50 percent credited to the General Fund and 50 percent credited to the Insurance Department Fund.


(a) The commissioner shall collect the following fees in the administration and enforcement of this chapter:

(1) License renewal fees paid in connection with the biennial application for license renewal by producers and service representatives........... $40 $70.

(2) Late filing fee, to be paid by each producer and service representative failing to make a timely filing of the compliance form renew a license........... $50.

(3) Provider authority initial filing fee, a one-time fee to be paid by each education course provider for
authority to offer continuing education courses in this state........... $300.

"(4) Provider authority annual renewal fee, to be paid by each education course provider for continuation of authority to offer continuing education courses in this state........... $100.

"(5) Course approval filing fee, to be paid by the provider for the approval of each education course or program to be offered in this state (one-time fee per course, with no need for renewal)........... $50.

"(b) The fees collected pursuant to this section shall be deposited in the State Treasury to the credit of the Insurance Department Fund."

Section 2. There is appropriated from the Insurance Department Fund in the State Treasury to the Department of Insurance the sum of five million dollars ($5,000,000) for the fiscal year ending September 30, 2016. Of this amount, for the fiscal years ending September 30, 2016, September 30, 2017, and September 30, 2018, up to two million five hundred thousand dollars ($2,500,000) may be transferred from the Insurance Department Fund by the Commissioner of Insurance to the Strengthen Alabama Homes Fund established pursuant to Section 27-31E-2, Code of Alabama 1975. The appropriation made in this section is in addition to any and all other funds
Section 3. There is appropriated from the Strengthen
Alabama Homes Fund in the State Treasury established pursuant
to Section 27-31E-2, Code of Alabama 1975, to the Department
of Insurance the sum of two million five hundred thousand
dollars ($2,500,000) for the fiscal year ending September 30,
2016. The appropriation made in this section is in addition to
any and all other funds heretofore or hereafter appropriated
to the Department of Insurance.

Section 4. This act shall be effective January 1,
2016.
Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives
I hereby certify that the within Act originated in
and was passed by the House 02-APR-15.

Jeff Woodard
Clerk

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