

1 SB296
2 97581-2
3 By Senator Bedford
4 RFD: Banking and Insurance
5 First Read: 07-FEB-08

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To codify the insurance plan known as the Alabama
12 Insurance Underwriting Association.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. Every insurer authorized to write and
15 engaged in writing, on a direct basis, fire and extended
16 coverage insurance in Alabama shall be and remain a member of
17 the Alabama Insurance Underwriting Association, an
18 unincorporated nonprofit joint underwriting association
19 organized in 1970 and in continuous existence from 1970
20 through the effective date of this act. Every such insurer
21 shall be and remain a member of the Association so long as the
22 Association is in existence as a condition of such insurer's
23 authority to continue to transact the business of insurance in
24 Alabama. An insurer that ceases to be a member of the
25 Association due to withdrawal from the business of insurance
26 in Alabama or its withdrawal from writing fire and extended
27 coverage insurance in Alabama remains liable to the

1 Association as to contracts entered into during the insurer's
2 membership in the Association to the same extent and effect as
3 if the insurer's membership in the Association had not been
4 terminated. For the purposes of this act, the term "licensed
5 insurer" shall not include counties, municipalities, municipal
6 corporations, political subdivisions of the state,
7 instrumentalities of counties, municipalities, municipal
8 corporations, or the State of Alabama, or corporations or
9 associations owned solely by counties, municipalities, or the
10 State of Alabama so long as such entities continue to offer
11 coverage in the geographic area covered by this act.

12 Section 2. An insurer that becomes authorized and is
13 engaged in writing insurance that requires the insurer to be a
14 member of the Association after the effective date of this act
15 shall become a member of the Association on the November 1
16 following the effective date of the insurer's authorization.

17 Section 3. The Association's plan of operation and
18 articles of agreement or any revisions thereto shall have been
19 submitted to and approved by the Commissioner before the
20 effective date thereof. A copy of the approved plan of
21 operation and articles of agreement, together with a copy of
22 any approved revisions thereto, will be maintained for public
23 inspection in the Department of Insurance.

24 Section 4. This act shall become effective on the
25 first day of the third month following its passage and
26 approval by the Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Banking and Insurance 07-FEB-08

Read for the second time and placed on the calen-
dar 28-FEB-08

Read for the third time and passed as amended ... 01-MAY-08

Yeas 30
Nays 0

McDowell Lee
Secretary