

**ALABAMA DEPARTMENT OF INSURANCE  
INSURANCE REGULATION**

**CHAPTER 482-1-060**

**ONLY ADMISSIBLE ASSETS SHALL BE  
REPORTED ON ANNUAL STATEMENTS**

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**ALABAMA INSURANCE REGULATION**  
**Chapter 482-1-060**

**482-1-060-.01 Purpose.** The purpose and intent of this chapter is to prevent certain companies from reflecting values in their annual statements in a manner which produces a less conservative approach than reflected in their last report of examination. Companies will not be allowed to overstate assets or underestimate liabilities in the future by reflecting assets on a higher valuation basis or listing liabilities at amounts smaller than calculated by examiners unless the basis of calculation used by the examiners in the report of examination now produces these different values. For example, the market value of a security as valued under requirements stated in Regulation 98 may later reflect a higher valuation. Nothing in this chapter shall prevent the company from using this higher market value. Any reserve computations which produce different reserve figures may be used if these figures are calculated in accordance with Alabama law, certified by the company's qualified actuary and if an actuary employed by this department has not disallowed this particular basis of computation on a prior examination. No increase in the market value of real estate may be allowed. Nothing in this chapter shall prevent any company from reflecting values on a more conservative basis which produces a smaller surplus as regards policyholders. At any time subsequent to an examination any asset which becomes ineligible for admission through default or any other action must then be reflected on the basis then allowed under applicable statutes.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Alabama 1975, §§ 27-2-17 and 27-3-26

**History:** New February 15, 1977, Effective February 25, 1977; Revised December 22, 2004, Effective January 1, 2005

**482-1-060-.02 Only Admissible Assets Shall Be Reported on Annual Statements.**

1. All annual and quarterly statements filed with the Insurance Department in compliance with Section 27-3-26 et seq. of the Insurance Code shall reflect assets and liabilities that are computed on the same basis as utilized in the last filed report of examination.

2. Assets which are reported on page 2 of annual statement shall only be admitted assets. Admitted assets are those assets allowed by the Insurance Department as value in a determination of the financial condition of an insurer. As stated above, those assets must be computed on the same basis as used by departmental examiners in the last filed report of examination. Assets reported on quarterly statements shall also conform to the requirements set out for assets on annual statements.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Alabama 1975, §§ 27-2-17 and 27-3-26

**History:** New February 15, 1977, Effective February 25, 1977; Revised December 22, 2004, Effective January 1, 2005

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**482-1-060-.03 Liabilities Shall Be Under Same Basis as Last Report of Examination.**

Liabilities reported on page 3 of the annual statement and on corresponding sheets of quarterly statements shall reflect the same basis of computation utilized to compute liabilities in the last filed report of examination.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Alabama 1975, §§ 27-2-17 and 27-3-26

**History:** New February 15, 1977, Effective February 25, 1977; Revised December 22, 2004, Effective January 1, 2005

**482-1-060-.04 Effective Date.** This chapter shall become effective ten (10) days from the date of certification that the properly executed chapter was delivered to the Secretary of State.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Alabama 1975, §§ 27-2-17 and 27-3-26

**History:** New February 15, 1977, Effective February 25, 1977; Revised December 22, 2004, Effective January 1, 2005