



**Annual Report**  
of  
The Alabama Department  
of Insurance  
2010



BOB RILEY  
GOVERNOR

JIM L. RIDLING  
COMMISSIONER

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DEPARTMENT OF INSURANCE  
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CHIEF OF STAFF  
RAGAN INGRAM  
CHIEF EXAMINER  
RICHARD L. FORD  
STATE FIRE MARSHAL  
EDWARD S. PAULK  
GENERAL COUNSEL  
REYN NORMAN

September 29, 2010

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

EQUAL OPPORTUNITY EMPLOYER

# Departmental Revenues/Expenditures

Taxes	\$268,566,828
Fees/Assessments	20,042,622
Penalties	74,583
<b>Total Revenues</b>	<b>\$288,684,033</b>

**Total Expenditures**      **\$21,504,588**

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## Annual Statement Data

Available for inspection at DOI and at [www.aldoi.gov](http://www.aldoi.gov)

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## Examination Overview

No insurers were closed during the year.

No delinquencies were noted.

The Department completed six examinations during the year — five financial, one market conduct, and one combined.

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## Companies Overview

There were 48 domestic insurers licensed, and 1,416 foreign insurers licensed. They paid the \$268,566,828 in applicable taxes.

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## Producer Licensing Overview

There were 101,888 licensed insurance producers — 32,240 resident and 69,648 non-resident.

There were 7,121 licensed business entities — 2,681 resident and 4,440 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. Trip Pittman 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, passing a bill that the Department opposed. Governor Bob Riley vetoed the bill. We expect further efforts to weaken an already weak law. The Department reaffirms its desire to give more teeth to the current law by adding stricter trusting requirements in order to provide greater consumer protection.

There is great uncertainty moving forward as a new Legislature will be elected. One of the insurance committee chairmen will change due to the retirement of Sen. Bobby Denton of Muscle Shoals.

Health care reform issues will be at the front of the Department's legislative package.

## Departmental Operations

After one year under the reorganization initiated by Commissioner Jim Ridling, the Department has made few changes. There was one significant retirement as the Department's senior deputy left after 35 years. His retirement was expected and was one of the factors driving the reorganization.

This retirement lifted one layer out of the organizational chart. While the institutional knowledge cannot be replaced, the Department is confident in its plan moving forward.

A copy of the revised organizational chart is attached.

# ALDOI Organizational Chart

(Effective September 1, 2009)

