

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance\*

Rule No. Rule 482-1-098-.02

Rule Title: Purpose and Scope.

New  Amend  Repeal  Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? N/A\*

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? N/A\*

Is there another, less restrictive method of regulation available that could adequately protect the public? N/A\*

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? N/A\*

Is the increase in costs, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A\*

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? N/A\*

\*\*\*\*\*

Does the proposed rule have an economic impact? N/A\*

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Sections 27-2-17 and 27-7-43, Code of Alabama 1975, and that it complies with all applicable filing requirements of the Alabama Insurance Code.\*

Signature of certifying officer Jim A. Ridling  
Jim A. Ridling  
Commissioner of Insurance

Date: September 20, 2016

\*Note: *The Alabama Department of Insurance is exempt from the Alabama Administrative Procedures Act pursuant to Section 41-22-2(e), Code of Alabama 1975.*

Alabama Department of Insurance

**NOTICE OF INTENDED ACTION**

**AGENCY NAME:** Alabama Department of Insurance

**RULE NO. & TITLE:** Rule 482-1-098-.02: Purpose and Scope.

**INTENDED ACTION:** Amend rule.

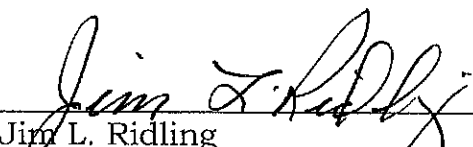
**SUBSTANCE OF PROPOSED ACTION:** The Commissioner of Insurance is proposing to amend the rule setting the purpose and scope of the chapter regarding the valuation of securities and other invested assets owned by an insurer. The amendments revised the outdated references to the NAIC's Securities Valuation Office, the predecessor of the NAIC's Capital Markets and Investment Analysis Office, and to the NAIC's Financial Condition (EX4) Subcommittee, the predecessor of the NAIC's Financial Condition (E) Committee. The amendments will become effective November 20, 2016.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** Interested persons may submit data, views, or arguments in writing at any time prior to November 7, 2016, to the Alabama Department of Insurance, Attention: Legal Division, Post Office Box 303351, Montgomery, Alabama 36130-3351, or orally by appearing at the public hearing, Suite 502, RSA Tower, 201 Monroe Street, Montgomery, Alabama, beginning at 10:30 AM, on November 10, 2016.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**

November 7, 2016

**CONTACT PERSON AT AGENCY:** Reyn Norman  
General Counsel

  
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Jim L. Ridling  
Commissioner of Insurance

1 **482-1-098-.02 Purpose and Scope.**

2 (1) All securities owned by an insurer shall be valued in  
3 accordance with those standards promulgated by the NAIC  
4 ~~Securities Valuation Office (SVO)~~ Capital Markets and  
5 Investment Analysis Office (CMIAO). Any security owned by an  
6 insurer that has not been valued by the ~~SVO~~ CMIAO shall be  
7 submitted to the ~~SVO~~ CMIAO for valuation in accordance with  
8 the procedures of the ~~SVO~~ CMIAO.

9 (2) Other invested assets, not otherwise valued by  
10 statute, shall be valued in accordance with the procedures  
11 promulgated by the NAIC's Financial Condition ~~(EX4)~~  
12 ~~Subcommittee~~ (E) Committee.

13 (3) Any security not valued in accordance with this rule  
14 shall be carried as a non-admitted asset on all financial  
15 statements of the insurer until such time as the insurer has  
16 complied with Paragraph (1) or (2) of this rule.

17 **Author:** Commissioner of Insurance

18 **Statutory Authority:** Code of Alabama 1975, § 27-2-17

19 **History:** New July 5, 1994, Effective July 15, 1994; Revised  
20 \_\_\_\_\_, 2016, Effective \_\_\_\_\_, 2016