

1 SB352
2 136080-1
3 By Senator Smitherman
4 RFD: Banking and Insurance
5 First Read: 14-MAR-13

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8 SYNOPSIS: To repeal portions of Title 27 of the Code
9 of Alabama 1975.

10
11 A BILL
12 TO BE ENTITLED
13 AN ACT
14

15 Relating to the Alabama Insurance Code, to repeal
16 the following:

17 27-3-30 Any insurer which is organized under the
18 laws of any other state and is admitted to do business in this
19 state for the purpose of writing insurance may become a
20 domestic insurer by complying with all of the requirements of
21 law relative to the organization and licensing of a domestic
22 insurer of the same type and by designating its principal
23 place of business at a place in this state. Said domestic
24 insurer will be entitled to like certificates and licenses to
25 transact business in this state and shall be subject to the
26 authority and jurisdiction of this state. Articles of
27 incorporation of such domestic insurer may be amended to

1 provide that the corporation is a continuation of the
2 corporate existence of the original foreign corporation
3 through adoption of this state as its corporate domicile and
4 that the original date of incorporation in its original
5 domiciliary state is the date of incorporation of such
6 domestic insurer.

7 27-3-31 Any domestic insurer may, upon the approval
8 of the Commissioner of Insurance, transfer its domicile to any
9 other state in which it is admitted to transact the business
10 of insurance, and upon such a transfer shall cease to be a
11 domestic insurer, and shall be admitted to this state if
12 qualified as a foreign insurer. The Commissioner of Insurance
13 shall approve any such proposed transfer unless he shall
14 determine such transfer is not in the interest of the
15 policyholders of this state.

16 27-3-32 The certificate of authority, agents
17 appointments and licenses, rates, and other items which the
18 Commissioner of Insurance allows, in his discretion, which are
19 in existence at the time any insurer licensed to transact the
20 business of insurance in this state transfers its corporate
21 domicile to this or any other state by merger, consolidation
22 or any other lawful method shall continue in full force and
23 effect upon such transfer if such insurer remains duly
24 qualified to transact the business of insurance in this state.
25 All outstanding policies of any transferring insurer shall
26 remain in full force and effect and need not be endorsed as to
27 the new name of the company or its new location unless so

1 ordered by the Commissioner of Insurance. Every transferring
2 insurer shall file new policy forms with the Commissioner of
3 Insurance on or before the effective date of the transfer, but
4 may use existing policy forms with appropriate endorsements if
5 allowed by and under such conditions as approved by the
6 Commissioner of Insurance. However, every such transferring
7 insurer shall notify the Commissioner of Insurance of the
8 details of the proposed transfer, and shall file promptly any
9 resulting amendments to corporate documents filed or required
10 to be filed in accordance with Sections 10-2A-90 through
11 10-2A-284, 27-3-17, 27-27-5 and 27-27-22.

12 27-3-33 The Commissioner of Insurance of this state
13 may promulgate necessary rules and regulations to carry out
14 the purposes of Sections 27-3-30 through 27-3-32.

15 27-3A-1 This chapter may be cited as the "Health
16 Care Service Utilization Review Act."

17 27-3A-2 The purposes of this chapter are to: (1)
18 Promote the delivery of quality health care in a
19 cost-effective manner. (2) Assure that utilization review
20 agents adhere to reasonable standards for conducting
21 utilization review. (3) Foster greater coordination and
22 cooperation between health care providers and utilization
23 review agents. (4) Improve communications and knowledge of
24 benefit plan requirements among all parties concerned before
25 expenses are incurred. (5) Ensure that utilization review
26 agents maintain the confidentiality of medical records in
27 accordance with applicable laws.

1 27-3A-3 As used in this chapter, the following words
2 and phrases shall have the following meanings: (1)
3 DEPARTMENT. The Alabama Department of Public Health. (2)
4 ENROLLEE. An individual who has contracted for or who
5 participates in coverage under an insurance policy, a health
6 maintenance organization contract, a health service
7 corporation contract, an employee welfare benefit plan, a
8 hospital or medical services plan, or any other benefit
9 program providing payment, reimbursement, or indemnification
10 for health care costs for the individual or the eligible
11 dependents of the individual. (3) PROVIDER. A health care
12 provider duly licensed or certified by the State of Alabama.
13 (4) UTILIZATION REVIEW. A system for prospective and
14 concurrent review of the necessity and appropriateness in the
15 allocation of health care resources and services given or
16 proposed to be given to an individual within this state. The
17 term does not include elective requests for clarification of
18 coverage. (5) UTILIZATION REVIEW AGENT. Any person or entity,
19 including the State of Alabama, performing a utilization
20 review, except the following: a. An agency of the federal
21 government. b. An agent acting on behalf of the federal
22 government, but only to the extent that the agent is providing
23 services to the federal government. c. The internal quality
24 assurance program of a hospital. d. An employee of a
25 utilization review agent. e. Health maintenance organizations
26 licensed and regulated by the state, but only to the extent of
27 providing a utilization review to their own members. f. Any

1 entity that has a current accreditation from the Utilization
2 Review Accreditation Commission (URAC). However, entities with
3 current URAC accreditation shall file a URAC certification
4 with the department annually. g. An entity performing
5 utilization reviews or bill audits, or both, exclusively for
6 workers' compensation claims pursuant to Section 25-5-312. If
7 an entity also performs services for claims other than
8 workers' compensation, it shall be considered a private review
9 agent subject to this chapter for those claims. h. An entity
10 performing utilization reviews or bill audits, or both,
11 exclusively for the Medicaid Agency. i. A person performing
12 utilization reviews or bill audits, or both, exclusively for
13 their company's health plan, independent of a utilization
14 review company. j. An insurance company licensed by the State
15 of Alabama performing utilization reviews or bill audits, or
16 both, exclusively for their company's health plan, independent
17 of a utilization review company. k. The Peer Review Committee
18 of the Alabama State Chiropractic Association.

19 27-3A-4 (a) Utilization review agents shall adhere
20 to the minimum standards set forth in Section 27-3A-5. (b) On
21 or after July 1, 1994, a utilization review agent shall not
22 conduct a utilization review in this state unless the agent
23 has certified to the department in writing that the agent is
24 in compliance with Section 27-3A-5. Certification shall be
25 made annually on or before July 1 of each calendar year. In
26 addition, a utilization review agent shall file the following
27 information: (1) The name, address, telephone number, and

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Sections 27-3-30 to 27-3A-4, Code of
3 Alabama 1975, are repealed.

4 Section 2. This act shall become effective
5 immediately following its passage and approval by the
6 Governor, or its otherwise becoming law.