

1 HJR1042
2 121983-1
3 By Representatives Faust, Shiver, Gaston, McMillan, Fincher
4 and Davis
5 RFD: Rules
6 First Read: 21-APR-10

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8 ESTABLISHING THE ALABAMA CHAPTER OF THE MULTI-STATE
9 CITIZENS' COMMISSION ON HOMEOWNERS INSURANCE.
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11 WHEREAS, Alabama's widows, working poor, affluent,
12 and business community are all deeply and unfairly affected by
13 homeowners insurance practices, with the numbers of the
14 functionally uninsured, meaning individuals who do not have
15 ready access to the funds to remit a deductible, estimated in
16 the thousands; over 52,000 families have had their insurance
17 cancelled and many elderly individuals and families on fixed
18 incomes are facing foreclosure or resorting to reverse
19 mortgages in order to solve housing problems; and

20 WHEREAS, "worst case" scenario projections indicate
21 that the next decade could mimic the previous one and that
22 Alabama will suffer from three major hurricanes over the next
23 six years; the uncertainty creates an environment where
24 Alabama and other states must be prepared to this existential
25 threat to the best of their ability; and

26 WHEREAS, businesses in Mobile and Baldwin Counties
27 are paying insurance premiums in excess of the state average

1 and losing at least \$150 million per year doing so; tax
2 collections in Baldwin County alone provide roughly 30 per
3 cent of the total revenue directed to the State General Fund;
4 Alabama cannot afford further erosion of the tax base in these
5 South Alabama counties as a result of undue economic stress in
6 the region; now therefore,

7 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF
8 THE LEGISLATURE OF ALABAMA, That the Alabama Chapter of the
9 Multi-State Citizens' Commission on Homeowners Insurance is
10 hereby created. The Commission shall be composed as follows:
11 One member of the House of Representatives appointed by the
12 Speaker of the House of Representatives; one member of the
13 Senate appointed by the President Pro Tempore of the Senate;
14 two South Alabama consumers appointed by the Lieutenant
15 Governor; and three South Alabama consumers appointed by the
16 Governor; the presiding officer of the Mobile County
17 Commission, and the presiding officer of the Baldwin County
18 Commission. The appointed membership of the Commission shall
19 be inclusive and reflect the racial, gender, geographic, urban
20 and rural, and economic diversity of the state. The Commission
21 shall report to the Legislature no later than the second
22 legislative day of the 2011 Regular Session the extent to
23 which it has complied with the diversity provisions provided
24 for in this resolution. The chair and vice chair of the
25 Commission shall be elected at the first meeting by the
26 members of the Commission. The Commission shall study all

1 facets of the ongoing homeowners insurance crisis in South
2 Alabama.

3 Upon the request of the chair, the Secretary of the
4 Senate and the Clerk of the House of Representatives shall
5 provide necessary clerical assistance for the work of the
6 Commission. The Commission shall report its findings,
7 conclusions, and recommendations to the Legislature not later
8 than the fifth legislative day of the 2011 Regular Session,
9 whereupon the Commission shall stand dissolved and discharged
10 of any further duties and liabilities. Each member of the
11 Commission shall be entitled to his or her regular legislative
12 compensation, his or her per diem, and travel expenses for
13 each day he or she attends a meeting of the Commission. Upon
14 requisitions signed by the chair of the Commission, these
15 payments shall be paid out of any funds appropriated to the
16 use of the Legislature by means of warrants drawn by the
17 Comptroller on the State Treasury. Notwithstanding the
18 foregoing, no member shall receive additional legislative
19 compensation or per diem when the Legislature is in session or
20 if a member is being paid any other payments on the same dates
21 for attendance on other state business. The Commission shall
22 not meet more than six times. The total expenditures of the
23 Commission shall not exceed \$5,000.