

1 HB283
2 197592-1
3 By Representatives Brown (C), Simpson, Stringer, McMillan,
4 Drummond, Jones (S) and Clarke
5 RFD: Insurance
6 First Read: 21-MAR-19

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8 SYNOPSIS: Under existing law, insurance companies are
9 required to provide a premium discount or insurance
10 rate reduction for insurable properties that meet
11 certain fortified building standards.

12 This bill would require all insurance
13 companies writing homeowners insurance policies to
14 offer an endorsement that upgrades a home to a
15 fortified standard adopted by the Institute for
16 Business and Home Safety (IBHS) when the insured
17 incurs roof damage covered by the policy that will
18 require a roof to be replaced.

19
20 A BILL
21 TO BE ENTITLED
22 AN ACT

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24 Relating to insurance; to add Section 27-31D-4 to
25 the Code of Alabama 1975; to require all insurance companies
26 writing homeowners insurance to offer an endorsement that
27 upgrades a home to a fortified standard adopted by the

1 Institute for Business and Home Safety (IBHS) when the insured
2 incurs damage covered by the policy that will require the roof
3 to be replaced; to specify when the endorsement offer shall be
4 made; to require insurance companies to file the endorsement
5 form and accompanying rates at least 90 days before the
6 effective date of this bill; to authorize the Commissioner of
7 Insurance to adopt rules to implement this bill; and to
8 provide an effective date.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Section 27-31D-4 is added to the Code of
11 Alabama 1975, to read as follows:

12 §27-31D-4.

13 (a) Insurance companies writing homeowners insurance
14 shall offer a fortified bronze roof endorsement to upgrade a
15 non-fortified home, which is otherwise eligible for a
16 fortified standard, to a fortified standard identified in
17 Section 27-31D-2, when the insured incurs damage covered by
18 the policy requiring the roof to be replaced. The endorsement
19 shall upgrade the nonfortified home consistent with the
20 fortified requirements for the geographic area in which the
21 nonfortified home is located.

22 (b) The endorsement offer shall be made at the time
23 of writing a new policy on a nonfortified home and at the time
24 of first renewal of an existing policy on a nonfortified home
25 following the effective date of this section.

26 (c) Insurance companies shall file their endorsement
27 form and accompanying rates for approval by the Department of

1 Insurance at least 90 days before the effective date of this
2 section.

3 (d) The commissioner may adopt rules as necessary
4 for the implementation of this section.

5 Section 2. This act shall become effective January
6 1, 2020, following its passage and approval by the Governor,
7 or its otherwise becoming law.