

HJR291 ENROLLED



1 HJR291
2 9L6KMBP-2
3 By Representative Holk-Jones
4 RFD:
5 First Read: 09-May-24



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1 Enrolled, An Act,

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3 CREATING THE ALABAMA COASTAL COMMERCIAL INSURANCE

4 JOINT INTERIM STUDY COMMISSION.

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6 WHEREAS, wind insurance for coastal commercial and
7 multifamily properties has seen a substantial increase in
8 costs over the past two years; and

9 WHEREAS, the increase of costs in coastal commercial
10 and multifamily properties is attributable to the supply of
11 wind coverage in the coastal area; and

12 WHEREAS, coastal commercial and multifamily
13 properties are becoming underinsured or not insured at all,
14 posing a risk to Alabama's overall economy after a
15 significant storm; and

16 WHEREAS, this state needs to evaluate the current
17 risk exposure to the state and explore potential programs to
18 provide some relief to the increasing costs of insurance on
19 coastal commercial and multifamily properties and to study
20 the means to provide for insuring the sustainability of any
21 proposed program; now therefore,

22 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
23 HOUSES THEREOF CONCURRING, That there is created the Alabama
24 Coastal Commercial Insurance Joint Interim Study Commission
25 to examine and review the current increases in the cost of
26 wind insurance on coastal commercial and multifamily
27 properties, the availability of wind insurance for coastal
28 commercial and multifamily properties, current programs



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29 available to coastal commercial and multifamily properties,
30 and other programs not currently utilized by coastal
31 commercial and multifamily properties to reduce the burden
32 and risk exposure while ensuring any proposed programs to
33 assist with coastal commercial and multifamily properties
34 are sustainable.

35 (a) The study commission shall be comprised of the
36 following members:

37 (1) The Commissioner of the Alabama Department of
38 Insurance, or his or her designee.

39 (2) The State Finance Director, or his or her
40 designee.

41 (3) One member of the Senate representing Baldwin
42 County or Mobile County, appointed by the President Pro
43 Tempore of the Senate.

44 (4) One member of the House of Representatives
45 representing Baldwin County or Mobile County, appointed by
46 the Speaker of the House of Representatives.

47 (5) The Chair of the Senate Banking and Insurance
48 Committee, or his or her designee.

49 (6) The Chair of the House Insurance Committee, or
50 his or her designee.

51 (7) The Chair of the Senate Finance and Taxation
52 General Fund Committee, or his or her designee.

53 (8) The Chair of the Senate Finance and Taxation
54 Education Committee, or his or her designee.

55 (9) The Chair of the House Ways and Means General
56 Fund Committee, or his or her designee.



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57 (10) The Chair of the House Ways and Means Education
58 Committee, or his or her designee.

59 (11) One representative from the Center for Risk and
60 Insurance Research at the University of Alabama.

61 (12) Two representatives of the property and casualty
62 insurance industry, one of whom shall represent a domestic
63 insurer appointed by the Commissioner of Insurance.

64 (b) The appointing authorities shall coordinate their
65 appointments to assure the commission membership is
66 inclusive and reflects the racial, gender, geographic,
67 urban, rural, and economic diversity of the state.

68 (c) The Chair of the Senate Banking and Insurance
69 Committee and the Chair of the House Insurance Committee
70 shall serve as cochairs of the commission. The commission
71 shall meet as soon as practical at a time and place set by
72 the chairs. Notice of the meetings of the commission shall
73 be provided in a manner consistent with the rules of the
74 Legislature pertaining to interim committees.

75 (d) In addition to reviewing the current availability
76 of insurance and programs to coastal commercial and
77 multifamily properties, the commission shall do all of the
78 following:

79 (1) Compare Alabama's coastal commercial and
80 multifamily properties wind coverage pricing and coverage in
81 the surrounding southeastern states.

82 (2) Perform an in-depth analysis of the fiscal
83 ramifications of coastal commercial and multifamily
84 properties not having adequate wind coverage.



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85 (3) Review alternatives to wind coverage to aid in
86 reduction of risk exposure in the event of future storms.

87 (4) Examine the ability of the state to sustain any
88 proposed programs designed to assist coastal commercial and
89 multifamily properties in the event of future storms.

90 (e) The Clerk of the House and the Legislative
91 Services Agency shall provide the necessary staff and
92 support to the commission to perform its duties.

93 (f) (1) The legislative members of the commission
94 shall be entitled to their legislative compensation, per
95 diem, and travel expenses for each day they attend a meeting
96 of the commission in accordance with Section 49 of the
97 Constitution of Alabama of 2022.

98 (2) Other members of the commission shall serve
99 without compensation but may be reimbursed for necessary
100 expenses in attending meetings of the commission according
101 to the policies and procedures of their respective
102 appointing authorities.

103 (g) The commission shall report its findings to the
104 Legislature, along with any proposed legislation, not later
105 than January 1, 2025, at which time the commission shall
106 stand dissolved and discharged of any future duties and
107 liabilities.

108 (h) Pursuant to Section 36-14-17.1, Code of Alabama
109 1975, the commission shall provide to the Secretary of State
110 a notice of all meetings, the name of each member serving on
111 the commission, and a copy of the final report and other



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112 documents produced throughout the duration of the
113 commission.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 09-May-24.

John Treadwell
Clerk

Senate

09-May-24

Adopted