

HB275 INTRODUCED



1 HB275
2 QKCC151-1
3 By Representatives Butler, Harrison
4 RFD: Insurance
5 First Read: 13-Feb-25



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SYNOPSIS:

Under existing rules of the Department of Insurance, "replacement cost" is defined as the estimated cost to rebuild the dwelling using like materials and construction at current labor and material costs, and possibly including, but not limited to, the cost of debris removal, building permits, architect fees, and compliance with building ordinances or laws.

This bill would establish a statutory definition of "replacement cost" that includes quality factors which must be used during the determination of cost.

A BILL
TO BE ENTITLED
AN ACT

Relating to insurance; to establish a statutory definition for the term "replacement cost."

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) For purposes of rules adopted by the Commissioner of Insurance under Alabama Administrative Code Chapter 482-1-150, relating to dwelling coverage, "replacement cost" shall be defined as the amount it would take to replace



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29 or rebuild the dwelling or to repair damages with materials of
30 similar kind and quality, where the quality encompasses
31 reliability, durability, performance, safety, and conformance
32 to specifications of the damaged materials being replaced.

33 (b) No later than January 1, 2026, the commissioner
34 shall revise the rules of the department as necessary to
35 comply with subsection (a).

36 Section 2. This act shall become effective on July 1,
37 2025.