HJR220

HGW4G88-1

By Representatives Holk-Jones, Givens, Fidler, Shirey, Pringle, Brown, Stringer, Wilcox, Drummond, Clarke, Bracy, Jones, Baker

RFD: Rules

First Read: 08-Apr-25

HJR___ EXPRESSING THE WILL OF THE ALABAMA LEGISLATURE REGARDING THE STATE OF COMMERCIAL PROPERTY INSURANCE IN COASTAL ALABAMA.

WHEREAS, the economic vitality of Alabama's coastal region remains a cornerstone of the state's financial health, including attracting more than 11 million visitors to the state annually, creating nearly 100,000 related jobs for our citizens, and generating almost $10 billion annually in tourism-related spending; and

WHEREAS, the Alabama Coastal Commercial Insurance Joint Interim Study Commission has underscored the mounting instability in the availability and affordability of commercial property insurance in coastal areas, placing at risk the resilience of businesses, the integrity of the tourism industry, and the economic security of the state as a whole; and

WHEREAS, historical and modeled data demonstrate that the financial exposure of the state to catastrophic weather events is neither speculative nor abstract, but a measurable, recurring, and intensifying fiscal reality, with potential tax revenue losses exceeding $400,000,000 over a two-year, post-storm recovery period; and

WHEREAS, the Legislature acknowledges the necessity of continuing exploration and discussion regarding a range of potential state-level interventions, including, but not limited to, a state-supported reinsurance or risk pooling program that could include evaluating mechanisms to stabilize the coastal commercial insurance market through state-backed reinsurance, risk-sharing agreements, or catastrophe bonds to distribute financial exposure more broadly across the insurance industry; and

WHEREAS, the Legislature and Governor should examine targeted tax credits or grants for businesses that invest in wind-resistant construction, fortified roofing, flood mitigation insurance, and other forms of risk mitigation to reduce overall insurance claims and premium volatility; and

WHEREAS, the Legislature may request that the Governor and the Alabama Department of Insurance review insurance industry practices related to rate setting, claim denials and policy nonrenewals within the coastal zones, and help further ensure transparency and accountability in underwriting decisions that impact Alabama businesses; and

WHEREAS, the Legislature and Governor should assess the feasibility of broadening the coverage scope of the Alabama Insurance Underwriting Association's Wind Pool to try to enhance affordability and help further streamline claims processing for commercial properties; and

WHEREAS, the State of Alabama should further explore using state-administered contingency funds or loan programs to aid businesses in post-disaster recovery, which would help prevent prolonged economic stagnation and massive tax revenue losses; and

WHEREAS, the Legislature should consider strengthening construction standards and zoning policies in high-risk areas to promote resilient development and help minimize future long-term insurance risks; and

WHEREAS, the Governor should extend the scope and work of the Alabama Coastal Commercial Insurance Joint Interim Study Commission to help refine proposed solutions, further engage stakeholders, and provide annual assessments of market conditions and economic impact; now therefore,

BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH HOUSES THEREOF CONCURRING, That the findings of the Alabama Coastal Commercial Insurance Joint Interim Study Commission are acknowledged with great interest, and that this body remains committed to fostering an environment conducive to further study, stakeholder engagement, and prudent policy development aimed at securing the long-term economic and insurance stability of coastal Alabama.

BE IT FURTHER RESOLVED, That a copy of this resolution be provided to the Governor, the Alabama Department of Insurance, and other relevant stakeholders as a formal expression of this body's unwavering attention to this matter.