

**HB373 INTRODUCED**



1 2T8JSI-1  
2 By Representative Pringle  
3 RFD: Insurance  
4 First Read: 20-Apr-23  
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SYNOPSIS:

Under existing law there is no limit to the number of times that an insurer may apply a separate deductible to a homeowner's or commercial property owner's named storm or hurricane insurance policy.

This bill would limit an insurer's ability to apply a separate deductible for a named storm or hurricane insurance policy to one time per hurricane season.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to insurance; to limit the number of times an insurer may apply a separate deductible to a homeowner's or a commercial property owner's named storm or hurricane insurance policy.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) For purposes of this section, the following terms have the following meanings:

(1) HURRICANE. A storm system that has been declared a hurricane by the National Hurricane Center of the United States National Weather Service.



## HB373 INTRODUCED

29           (2) NAMED STORM. A storm system that has been declared  
30 a named storm by the National Hurricane Center of the United  
31 States National Weather Service.

32           (3) SEPARATE DEDUCTIBLE. A deductible that applies to  
33 damage incurred during a specified weather event and may be  
34 expressed as a percentage of the insured value of the property  
35 or as a specific dollar amount. The term includes hurricane  
36 and named storm.

37           (b) For all homeowners' insurance policies or other  
38 policies insuring a one- or two-family owner occupied premises  
39 for fire and allied lines, issued or renewed by insurers on or  
40 after October 1, 2023, any separate deductible that applies in  
41 place of any other deductible to loss or damage resulting from  
42 a named storm or hurricane shall be applied one time on an  
43 annual basis to all named storm or hurricane losses that are  
44 subject to the separate deductible during that calendar year.

45           (c) For all commercial property insurance policies and  
46 commercial multi-peril insurance policies issued or renewed by  
47 an authorized insurer on or after October 1, 2023, any  
48 separate deductible that applies in place of any other  
49 deductible to direct physical loss or damage resulting from a  
50 named storm or hurricane may only be applied one time on an  
51 annual basis to all named storm or hurricane losses that are  
52 subject to the separate deductible during that calendar year.

53           (d) If an insured homeowner or commercial property  
54 owner incurs named storm or hurricane losses from more than  
55 one named storm or hurricane during a single calendar year,  
56 and the losses that are subject to the separate deductible



## HB373 INTRODUCED

57 referred to in subsection (b) or (c), the insurer may apply a  
58 deductible to the succeeding named storms or hurricanes that  
59 is equal to the remaining amount of the separate deductible,  
60 if any, or to the amount of the deductible that applies to all  
61 perils other than a named storm or hurricane, whichever is  
62 greater. Insurers may require policyholders to maintain  
63 receipts or other records of such losses in order to apply  
64 such losses to subsequent named storm or hurricane claims.

65 Section 2. This act shall become effective immediately  
66 following its passage and approval by the Governor, or its  
67 otherwise becoming law.