

1 SB230
2 125366-3
3 By Senators Brooks, Pittman, Glover, Keahey and Figures
4 RFD: Banking and Insurance
5 First Read: 07-FEB-12

1 SB230

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4 ENROLLED, An Act,

5 To provide an incentive to encourage private
6 homeowner insurance carriers to write homeowners insurance
7 policies with wind coverage in areas covered by the Alabama
8 Insurance Underwriting Association by providing certain
9 insurance premium tax credits against insurance premium taxes
10 otherwise due by private homeowner insurance carriers who
11 write homeowners insurance policies which include wind
12 coverage in the counties of Alabama which are contiguous to
13 the Gulf of Mexico and Mobile Bay, but only where at the time
14 of the writing the property was insured under the Alabama
15 Insurance Underwriting Association, in an amount of 20 percent
16 of the insurance premium tax otherwise due in Zone 4 and 35
17 percent of the tax otherwise due in Zones 1, 2, and 3.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. (a) Insurance carriers providing full
20 property and casualty coverage, to specifically include wind
21 and hail coverage, to property owners within the areas defined
22 in Section 27-1-24, Code of Alabama 1975, including any
23 portion of the area as it may be expanded from time to time
24 pursuant to Section 27-1-27, Code of Alabama 1975, but only on
25 properties that as of the time of writing are insured for wind

1 coverage through the Alabama Insurance Underwriting
2 Association, may claim as a nonrefundable credit against the
3 insurance premium tax imposed by Chapter 4A, Title 27 of the
4 Code of Alabama 1975, in an amount equal to 20 percent of the
5 insurance premium tax otherwise due on the premium written for
6 the property owners for the taxable year in Zone 4; and 35
7 percent of the insurance premium tax otherwise due on the
8 premium written for the property owners for the taxable year
9 in Zones 1, 2, and 3.

10 (b) The credit allowed by this section is available
11 only to an insurer licensed or authorized to do business in
12 this state with respect to a property and casualty insurance
13 policy providing full coverage as defined in subsection (a).

14 (c) A licensed insurer who claims the credit allowed
15 by this section shall provide information required by the
16 Department of Insurance to demonstrate that the taxpayer is
17 eligible for the credit and that the amount paid for premiums
18 for which the credit is claimed was not excluded from the
19 licensed insurer's gross income for the taxable year.

20 (d) The tax credit allowed under this section for a
21 taxable year may be claimed only once for any one structure,
22 regardless of the number of policies written on the structure.

23 (e) The department shall take the action necessary
24 to monitor and examine the use of the credit claims under this
25 section.

1 (f) This section applies to all new policies issued
2 with an effective date after the effective date of this act.

3 (g) In order to qualify for the credits contemplated
4 in this act, an insurance carrier shall provide the homeowner
5 a premium payment that is at a minimum twelve percent (12%)
6 less than the premium amount paid by the homeowner under the
7 Alabama Wind Pool Plan.

8 Section 2. This act shall become effective on the
9 first day of the third month following its passage and
10 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB230
Senate 24-APR-12
I hereby certify that the within Act originated in and passed
the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Passed: 24-APR-12

By: Senator Brooks