

1 SB231
2 125367-1
3 By Senators Brooks, Pittman, Glover, Keahey and Figures
4 RFD: Banking and Insurance
5 First Read: 07-FEB-12

2
3
4
5
6
7
8 SYNOPSIS: This bill would require property insurers
9 to clearly notify their insureds at the application
10 process and at renewal of the range of premium
11 discounts, credits, differentials, reduced
12 deductibles, or other policy savings available on
13 properties having fixtures or construction
14 techniques demonstrated to help reduce windstorm
15 damage.

16 Insurers of commercial properties would be
17 required to notify applicants and policyholders
18 that a premium reduction may be available if steps
19 have been taken to reduce windstorm damage, and to
20 contact the agent for further information.

21
22 A BILL
23 TO BE ENTITLED
24 AN ACT
25

1 Relating to residential property insurance
2 providers; to require insurers at application and renewal to
3 clearly notify the applicant and policyholder of the
4 availability of each premium discount, credit, rate
5 differential, lower deductible, or policy premium cost saving
6 for properties having fixtures or construction techniques
7 demonstrated to reduce the amount of loss or damage in a
8 windstorm; and to require commercial property insurers to
9 notify applicants and policyholders of the possibility of
10 premium reductions for improvements for windstorm resistance.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. (a) All insurers, at the issuance of a
13 new policy and at each renewal, shall clearly notify the
14 applicant or policyholder of a residential property insurance
15 policy of the availability and the range of each premium
16 discount, credit, other rate differential, reduction in
17 deductibles, or other premium cost reduction for properties on
18 which fixtures or construction techniques demonstrated to
19 reduce the amount of loss in a windstorm have been installed
20 or implemented. The notice must describe generally what
21 measures the policyholders may take to reduce their windstorm
22 premium.

23 (b) All insurers, at the issuance of a new policy
24 and at each renewal of a commercial property insurance policy,
25 shall include a notice that advises the policyholder that a
26 reduction in premium may be available if the policyholder has

1 taken steps to prevent or reduce damage from windstorm and
2 that the policyholder may contact its agent, broker, or
3 insurer for additional information.

4 (c) This section applies to policies issued or
5 renewed after the effective date of this act.

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