

1 HB470
2 138284-1
3 By Representatives Davis, McMillan, Sessions and Shiver
4 RFD: Insurance
5 First Read: 01-MAR-12

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8 SYNOPSIS: This bill would allow any domestic insurer
9 who signs an agreement with the state to remove
10 wind policies from the Alabama Insurance
11 Underwriters Association (AIUA) to be eligible for
12 \$2,500,000 in economic incentives from the state
13 and would provide for exceptions.

14
15 A BILL
16 TO BE ENTITLED
17 AN ACT

18
19 Relating to insurance; to allow a domestic insurer
20 who removes wind policies from the Alabama Insurance
21 Underwriters Association to be eligible for \$2,500,000 in
22 economic incentives; and would provide exceptions.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Any domestic insurer who signs an
25 agreement with the state to remove residential wind policies
26 from the Alabama Insurance Underwriters Association,
27 hereinafter "AIUA," shall be eligible for two million five

1 hundred thousand dollars (\$2,500,000) in economic incentives
2 from the State of Alabama.

3 Section 2. A domestic company with assets in excess
4 of one hundred million dollars (\$100,000,000) shall be
5 eligible for a one-time lump sum payment of two million five
6 hundred thousand dollars (\$2,500,000) if the company signs an
7 agreement to acquire at least 1,000 policies from the AIUA in
8 the ensuing 12-month period. Failure to acquire the policies
9 shall result in repayment of 50 percent of the funds if
10 acquisition exceeds 50 percent of the total number of policies
11 agreed upon, or all of the funds if acquisition is less than
12 50 percent at the end of the 12-month period. In order to
13 qualify, at least 15 percent of the policies acquired must
14 derive from each of the four zones in the AIUA.

15 Section 3. A domestic company with less than one
16 hundred million dollars (\$100,000,000) in assets shall be
17 eligible for a one-time lump sum payment of two million five
18 hundred thousand dollars (\$2,500,000) if the company signs an
19 agreement to acquire at least 300 policies from the AIUA in
20 the ensuing 12-month period. Failure to acquire the policies
21 shall result in repayment of 50 percent of the funds if
22 acquisition exceeds 50 percent of the total number of policies
23 agreed upon, or all of the funds if acquisition is less than
24 50 percent at the end of the 12-month period. In order to
25 qualify, at least 15 percent of the policies acquired must
26 derive from each of the four zones in the AIUA

1 Section 4. The Commissioner of Insurance shall
2 submit a report to the Governor and the Legislature of Alabama
3 30 days before the 2013 legislative session detailing the
4 success of the program and recommending future action,
5 including, but not limited to, the expansion of the program to
6 non-domestic companies, or the extension of the program for an
7 additional period of time, or both.

8 Section 5. 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.