

1 SB394
2 125367-1
3 By Senators Brooks and Pittman
4 RFD: Rules
5 First Read: 14-APR-11

SYNOPSIS: This bill would require property insurers to clearly notify their insureds at the application process and at renewal of the range of premium discounts, credits, differentials, reduced deductibles, or other policy savings available on properties having fixtures or construction techniques demonstrated to help reduce windstorm damage.

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

A BILL
TO BE ENTITLED
AN ACT

Relating to residential property insurance providers; to require insurers at application and renewal to

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

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

21 (b) All insurers, at the issuance of a new policy
22 and at each renewal of a commercial property insurance policy,
23 shall include a notice that advises the policyholder that a
24 reduction in premium may be available if the policyholder has
25 taken steps to prevent or reduce damage from windstorm and
26 that the policyholder may contact its agent, broker, or
27 insurer for additional information.

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

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