

1 SB230

2 125366-2

3 By Senators Brooks, Pittman, Glover, Keahen and Figures

4 RFD: Banking and Insurance

5 First Read: 07-FEB-12

1 SB230
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4 ENGROSSED
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7 A BILL
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9 TO BE ENTITLED
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11 AN ACT
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13 To provide an incentive to encourage private
14 homeowner insurance carriers to write homeowners insurance
15 policies with wind coverage in areas covered by the Alabama
16 Insurance Underwriting Association by providing certain
17 insurance premium tax credits against insurance premium taxes
18 otherwise due by private homeowner insurance carriers who
19 write homeowners insurance policies which include wind
20 coverage in the counties of Alabama which are contiguous to
21 the Gulf of Mexico and Mobile Bay, but only where at the time
22 of the writing the property was insured under the Alabama
23 Insurance Underwriting Association, in an amount of 20 percent
24 of the insurance premium tax otherwise due in Zone 4 and 35
25 percent of the tax otherwise due in Zones 1, 2, and 3.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

27 Section 1. (a) Insurance carriers providing full
28 property and casualty coverage, to specifically include wind

1 and hail coverage, to property owners within the areas defined
2 in Section 27-1-24, Code of Alabama 1975, including any
3 portion of the area as it may be expanded from time to time
4 pursuant to Section 27-1-27, Code of Alabama 1975, but only on
5 properties that as of the time of writing are insured for wind
6 coverage through the Alabama Insurance Underwriting
7 Association, may claim as a nonrefundable credit against the
8 insurance premium tax imposed by Chapter 4A, Title 27 of the
9 Code of Alabama 1975, in an amount equal to 20 percent of the
10 insurance premium tax otherwise due on the premium written for
11 the property owners for the taxable year in Zone 4; and 35
12 percent of the insurance premium tax otherwise due on the
13 premium written for the property owners for the taxable year
14 in Zones 1, 2, and 3.

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

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

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

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

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

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

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

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Senate

0.7-FEB-12

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7 Read for the second time and placed on the calen-
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1.6-FEB-12

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10 Read for the third time and passed as amended 24-APR-12

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Patrick Harris
Secretary