

1 SJR22
2 156173-5
3 By Senators Hightower, Pittman and Glover
4 RFD: Rules
5 First Read: 21-JAN-14

1 SJR22

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4 ENROLLED, SJR22,

5 URGING THE STUDY AND CONSIDERATION OF AN INTERSTATE
6 REINSURANCE COASTAL BAND TO LOWER FLOOD INSURANCE COSTS.

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8 WHEREAS, in Alabama's two coastal counties, property
9 insurance premiums have escalated at an unprecedented rate
10 since 2005, thousands of residents of Baldwin and Mobile
11 Counties have been dropped by their property insurance
12 companies, the economic health of the coastal counties and
13 even the State of Alabama have been negatively impacted; and

14 WHEREAS, nearly all Gulf and Atlantic coastal
15 counties have been adversely impacted by these escalating
16 premiums; and

17 WHEREAS, the federal Biggert-Watters Act of 2012
18 will further raise the cost of federal flood insurance
19 throughout Alabama as historical grandfathering discounts are
20 being phased-out; and

21 WHEREAS, FEMA is in the process of introducing new
22 flood maps across the nation, which increase federal flood
23 insurance costs, increasing the geographic and flood-prone
24 areas, and therefore, claiming an increased risk to all
25 residents located near designated flood-prone areas, not just

1 in Mobile and Baldwin Counties, but throughout all of Alabama;
2 and

3 WHEREAS, the Alabama Affordable Homeowners Insurance
4 Commission, established by Governor Bentley, recommended in
5 its report in August of 2012 the exploration of a multi-state
6 compact which would serve to spread homeowners' insurance
7 risks, and therefore potentially reduce rates for Alabama's
8 homeowners; and

9 WHEREAS, the most significant cost component of
10 insurance companies, which serve the State of Alabama and
11 other states, is the cost of reinsurance to those companies;
12 and

13 WHEREAS, a coastal band concept would be funded by
14 premiums, not taxes, and would impact Alabama's coastal
15 counties, not inland Alabama constituencies; and

16 WHEREAS, a coalition of Alabama's coastal
17 legislators, cities, the Baldwin County Commission, Baldwin
18 County municipalities, businesses, and the Homeowners
19 Hurricane Insurance Initiative, along with legislators and
20 non-profit organizations in eight of the 17 Gulf and Atlantic
21 coastal states are aggressively exploring the formation of
22 this Interstate Re-Insurance Coastal Band; and

23 WHEREAS, municipal governments throughout this
24 coastal band share common interests in fixing this crisis; and

1 WHEREAS, resolutions of support by counties,
2 parishes, commonwealths, and municipalities for exploring
3 formation of this Interstate Re-Insurance Coastal Band do not
4 commit counties, parishes, commonwealths, and municipalities
5 to support final findings or financial expenditures; now
6 therefore,

7 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
8 HOUSES THEREOF CONCURRING, That we urge the Gulf Coast
9 counties in Alabama, Alabama's Department of Insurance, and
10 the Alabama Executive Office to explore and consider the
11 formation of an Interstate Re-Insurance Coastal Band and/or
12 re-insurance entity.

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

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SJR22

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Senate 11-FEB-14

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I hereby certify that the within Senate Joint Resolution
originated in and was adopted by the Senate.

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Patrick Harris
Secretary

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House of Representatives

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Adopted: 19-MAR-14

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By: Senator Hightower