

# HB615 INTRODUCED



1 HB615  
2 KHI3LA5-1  
3 By Representative Robbins  
4 RFD: Financial Services  
5 First Read: 12-Mar-26



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SYNOPSIS:

Under existing law, catastrophe savings accounts cover insurance deductibles and other uninsured portions of risks of loss from windstorm events to owners of residential property.

This bill would require catastrophe savings accounts to be held in Alabama banks, credit unions, or veterans financial institutions.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to catastrophe savings accounts; to amend Section 40-18-310, as amended by Act 2026-100, 2026 Regular Session, Code of Alabama 1975; to require accounts to be held in Alabama banks, credit unions, or veterans financial institutions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-18-310, as amended by Act 2026-100, 2026 Regular Session, Code of Alabama 1975, is amended to read as follows:

"§40-18-310

As used in this article, the following terms ~~shall~~ have



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29 the following meanings:

30 (1) CATASTROPHE SAVINGS ACCOUNT. A regular savings  
31 account or money market account, established in a bank or  
32 credit union with a brick and mortar location in Alabama or a  
33 veteran-related financial institution, by an insurance  
34 policyholder who is a state income taxpayer for residential  
35 property in this state to cover: (i) an insurance deductible  
36 under an insurance policy for one residential property owned  
37 by a taxpayer that covers hurricane, rising floodwaters, or  
38 other catastrophic windstorm event damage or by an individual  
39 to cover self-insured losses for the taxpayer's residential  
40 property from a hurricane, rising floodwaters, or other  
41 catastrophic windstorm event; (ii) the annual cost of a  
42 FORTIFIED endorsement to supplement an insurance policy; or  
43 (iii) the cost of mitigation actions that would reduce the  
44 risk of hurricane, rising floodwaters, or other catastrophic  
45 windstorm event damage, including, but not limited to, costs  
46 associated with reroofing and obtaining evaluation services to  
47 qualify for a FORTIFIED designation, collectively, "Qualified  
48 Catastrophe Expenses." The account must be labeled as a  
49 catastrophe savings account in order to qualify as a  
50 catastrophe savings account as defined in this article. A  
51 taxpayer may establish only one catastrophe savings account  
52 and shall specify that the purpose of the account is to cover  
53 the Qualified Catastrophe Expenses.

54 (2) WINDSTORM EVENT. Windstorms, cyclones, hurricanes,  
55 tornadoes, high winds, ~~and~~ hail, and similar perils not  
56 normally among those covered under most property casualty



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57 insurance policies but obtainable through the purchase of  
58 wind, wind and hail, storm or windstorm coverage, or all."

59 Section 2. This act applies to tax years beginning on  
60 or after January 1, 2027.

61 Section 3. This act shall become effective on October  
62 1, 2026.