

1 SB118  
2 197592-1  
3 By Senators Williams and Sessions  
4 RFD: Banking and Insurance  
5 First Read: 19-MAR-19

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8 SYNOPSIS: Under existing law, insurance companies are  
9 required to provide a premium discount or insurance  
10 rate reduction for insurable properties that meet  
11 certain fortified building standards.

12 This bill would require all insurance  
13 companies writing homeowners insurance policies to  
14 offer an endorsement that upgrades a home to a  
15 fortified standard adopted by the Institute for  
16 Business and Home Safety (IBHS) when the insured  
17 incurs roof damage covered by the policy that will  
18 require a roof to be replaced.

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20 A BILL  
21 TO BE ENTITLED  
22 AN ACT

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24 Relating to insurance; to add Section 27-31D-4 to  
25 the Code of Alabama 1975; to require all insurance companies  
26 writing homeowners insurance to offer an endorsement that  
27 upgrades a home to a fortified standard adopted by the

1 Institute for Business and Home Safety (IBHS) when the insured  
2 incurs damage covered by the policy that will require the roof  
3 to be replaced; to specify when the endorsement offer shall be  
4 made; to require insurance companies to file the endorsement  
5 form and accompanying rates at least 90 days before the  
6 effective date of this bill; to authorize the Commissioner of  
7 Insurance to adopt rules to implement this bill; and to  
8 provide an effective date.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Section 27-31D-4 is added to the Code of  
11 Alabama 1975, to read as follows:

12 §27-31D-4.

13 (a) Insurance companies writing homeowners insurance  
14 shall offer a fortified bronze roof endorsement to upgrade a  
15 non-fortified home, which is otherwise eligible for a  
16 fortified standard, to a fortified standard identified in  
17 Section 27-31D-2, when the insured incurs damage covered by  
18 the policy requiring the roof to be replaced. The endorsement  
19 shall upgrade the nonfortified home consistent with the  
20 fortified requirements for the geographic area in which the  
21 nonfortified home is located.

22 (b) The endorsement offer shall be made at the time  
23 of writing a new policy on a nonfortified home and at the time  
24 of first renewal of an existing policy on a nonfortified home  
25 following the effective date of this section.

26 (c) Insurance companies shall file their endorsement  
27 form and accompanying rates for approval by the Department of

1 Insurance at least 90 days before the effective date of this  
2 section.

3 (d) The commissioner may adopt rules as necessary  
4 for the implementation of this section.

5 Section 2. This act shall become effective January  
6 1, 2020, following its passage and approval by the Governor,  
7 or its otherwise becoming law.