

HJR291 INTRODUCED



1 HJR291
2 9L6KMBP-1
3 By Representative Holk-Jones
4 RFD:
5 First Read: 09-May-24



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HJR___ CREATING THE ALABAMA COASTAL COMMERCIAL INSURANCE
JOINT INTERIM STUDY COMMISSION.

WHEREAS, wind insurance for coastal commercial and multifamily properties has seen a substantial increase in costs over the past two years; and

WHEREAS, the increase of costs in coastal commercial and multifamily properties is attributable to the supply of wind coverage in the coastal area; and

WHEREAS, coastal commercial and multifamily properties are becoming underinsured or not insured at all, posing a risk to Alabama's overall economy after a significant storm; and

WHEREAS, this state needs to evaluate the current risk exposure to the state and explore potential programs to provide some relief to the increasing costs of insurance on coastal commercial and multifamily properties and to study the means to provide for insuring the sustainability of any proposed program; now therefore,

BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH HOUSES THEREOF CONCURRING, That there is created the Alabama Coastal Commercial Insurance Joint Interim Study Commission to examine and review the current increases in the cost of wind insurance on coastal commercial and multifamily properties, the availability of wind insurance for coastal



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29 commercial and multifamily properties, current programs
30 available to coastal commercial and multifamily properties,
31 and other programs not currently utilized by coastal
32 commercial and multifamily properties to reduce the burden
33 and risk exposure while ensuring any proposed programs to
34 assist with coastal commercial and multifamily properties
35 are sustainable.

36 (a) The study commission shall be comprised of the
37 following members:

38 (1) The Commissioner of the Alabama Department of
39 Insurance, or his or her designee.

40 (2) The State Finance Director, or his or her
41 designee.

42 (3) One member of the Senate representing Baldwin
43 County or Mobile County, appointed by the President Pro
44 Tempore of the Senate.

45 (4) One member of the House of Representatives
46 representing Baldwin County or Mobile County, appointed by
47 the Speaker of the House of Representatives.

48 (5) The Chair of the Senate Banking and Insurance
49 Committee, or his or her designee.

50 (6) The Chair of the House Insurance Committee, or
51 his or her designee.

52 (7) The Chair of the Senate Finance and Taxation
53 General Fund Committee, or his or her designee.

54 (8) The Chair of the Senate Finance and Taxation
55 Education Committee, or his or her designee.



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56 (9) The Chair of the House Ways and Means General
57 Fund Committee, or his or her designee.

58 (10) The Chair of the House Ways and Means Education
59 Committee, or his or her designee.

60 (11) One representative from the Center for Risk and
61 Insurance Research at the University of Alabama.

62 (12) Two representatives of the property and casualty
63 insurance industry, one of whom shall represent a domestic
64 insurer appointed by the Commissioner of Insurance.

65 (b) The appointing authorities shall coordinate their
66 appointments to assure the commission membership is
67 inclusive and reflects the racial, gender, geographic,
68 urban, rural, and economic diversity of the state.

69 (c) The Chair of the Senate Banking and Insurance
70 Committee and the Chair of the House Insurance Committee
71 shall serve as cochairs of the commission. The commission
72 shall meet as soon as practical at a time and place set by
73 the chairs. Notice of the meetings of the commission shall
74 be provided in a manner consistent with the rules of the
75 Legislature pertaining to interim committees.

76 (d) In addition to reviewing the current availability
77 of insurance and programs to coastal commercial and
78 multifamily properties, the commission shall do all of the
79 following:

80 (1) Compare Alabama's coastal commercial and
81 multifamily properties wind coverage pricing and coverage in
82 the surrounding southeastern states.



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83 (2) Perform an in-depth analysis of the fiscal
84 ramifications of coastal commercial and multifamily
85 properties not having adequate wind coverage.

86 (3) Review alternatives to wind coverage to aid in
87 reduction of risk exposure in the event of future storms.

88 (4) Examine the ability of the state to sustain any
89 proposed programs designed to assist coastal commercial and
90 multifamily properties in the event of future storms.

91 (e) The Clerk of the House and the Legislative
92 Services Agency shall provide the necessary staff and
93 support to the commission to perform its duties.

94 (f) (1) The legislative members of the commission
95 shall be entitled to their legislative compensation, per
96 diem, and travel expenses for each day they attend a meeting
97 of the commission in accordance with Section 49 of the
98 Constitution of Alabama of 2022.

99 (2) Other members of the commission shall serve
100 without compensation but may be reimbursed for necessary
101 expenses in attending meetings of the commission according
102 to the policies and procedures of their respective
103 appointing authorities.

104 (g) The commission shall report its findings to the
105 Legislature, along with any proposed legislation, not later
106 than January 1, 2025, at which time the commission shall
107 stand dissolved and discharged of any future duties and
108 liabilities.

109 (h) Pursuant to Section 36-14-17.1, Code of Alabama
110 1975, the commission shall provide to the Secretary of State



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111 a notice of all meetings, the name of each member serving on
112 the commission, and a copy of the final report and other
113 documents produced throughout the duration of the
114 commission.