ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION
ADMINISTRATIVE CODE

CHAPTER 482-1-136
NOTICE REQUIREMENTS FOR COVERAGE RESTRICTIONS OF EXISTING POLICIES AT RENEWAL AND FOR NON-RENEWAL OF COVERAGE

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482-1-136-.01 Authority.

This chapter is adopted pursuant to Section 27-2-17, Code of Ala. 1975.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §27-2-17.
History: New Rule: December 21, 2005; effective December 31, 2005. Filed with LRS December 21, 2005. Rule is not subject to the Alabama Administrative Procedure Act. **Amended:** March 30, 2007; effective April 9, 2007. Filed with LRS March 30, 2007. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-136-.02 Purpose.

The purpose of this chapter is to require insurers, under certain circumstances, to provide notice of a proposed coverage restriction to be imposed at renewal, or a non-renewal of coverage, as defined herein, so that policyholders have time to shop for alternative coverage if so desired.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §27-2-17.
History: New Rule: December 21, 2005; effective December 31, 2005. Filed with LRS December 21, 2005. Rule is not subject to the Alabama Administrative Procedure Act. **Amended:** March 30, 2007; effective April 9, 2007. Filed with LRS March 30, 2007. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-136-.03 Applicability And Scope.

This chapter applies to all authorized insurers providing property insurance in the state of Alabama for residential and/or commercial properties.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §27-2-17.
History: **New Rule:** December 21, 2005; effective December 31, 2005. Filed with LRS December 21, 2005. Rule is not subject to the Alabama Administrative Procedure Act. **Amended:** March 30, 2007; effective April 9, 2007. Filed with LRS March 30, 2007. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-136-.04 Definitions.

As used in this chapter, these words and terms have the following meanings, unless the context clearly indicates otherwise.

(a) COMMISSIONER. The Alabama Commissioner of Insurance.

(b) COVERAGE RESTRICTION. Any imposition of a wind exclusion or hurricane deductible, or increasing an existing hurricane deductible, where the restriction applies to a category or group of existing insureds at renewal and is not a result of prior claims history.

(c) INSURER. An insurer, as defined in Section 27-1-2, authorized to provide property insurance on risks located in the state of Alabama.

(d) NON-RENEWAL OF COVERAGE. The decision by an insurer to non-renew coverage to a category or group of existing insureds based upon the insurer's desire to reduce its exposure to a potential catastrophic event, including but not limited to a hurricane.

Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §27-2-17.
History: **New Rule:** December 21, 2005; effective December 31, 2005. Filed with LRS December 21, 2005. Rule is not subject to the Alabama Administrative Procedure Act. **Amended:** March 30, 2007; effective April 9, 2007. Filed with LRS March 30, 2007. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-136-.05 Notice Requirements.

(1) Every insurer shall provide written notice of a coverage restriction and of a non-renewal of coverage, as defined herein, to the Commissioner no less than one hundred and fifty (150) days prior to the effective date of the proposed coverage restriction or non-renewal of coverage. The notice shall include the types of policies, the type of restriction or restrictions, whether the policies in their entirety are being non-renewed, the category or group of policyholders to be affected, the number of policyholders to be affected, and the names of the Alabama counties in which policyholders to be affected reside.

(2) Every insurer shall provide written notice of a coverage restriction, as defined herein, to the named insured on a policy receiving a coverage restriction no less than one hundred and twenty (120) days prior to the date of renewal and written notice of a non-renewal of coverage, as defined herein, no less than one hundred and twenty (120) days prior to the date the policy is set to expire.

(3) The notice requirements set forth in paragraphs (1) and (2) of this section apply each time an insurer makes a decision to impose a coverage restriction and/or non-renew coverage to a separate and/or additional category or group of existing insureds pursuant to this Chapter.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §27-2-17.
History: New Rule: December 21, 2005; effective December 31, 2005. Filed with LRS December 21, 2005. Rule is not subject to the Alabama Administrative Procedure Act. **Amended:** March 30, 2007; effective April 9, 2007. Filed with LRS March 30, 2007. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-136-.06 Severability.

If any portion of this chapter or its applicability to any person or circumstance is held invalid by a court, the remainder of the chapter or the applicability of the provision to other persons or circumstances shall not be affected.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §27-2-17.
History: New Rule: December 21, 2005; effective December 31, 2005. Filed with LRS December 21, 2005. Rule is not subject to the Alabama Administrative Procedure Act. **Amended:** March 30, 2007; effective April 9, 2007. Filed with LRS March 30, 2007. Rule is not subject to the Alabama Administrative Procedure Act.

482-1-136-.07 Effective Date.

This chapter shall be effective upon its approval by the Commissioner of Insurance and upon its having been on file as a public document in the office of the Secretary of State for ten days.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §27-2-17.
History: **New Rule:** December 21, 2005; effective December 31, 2005. Filed with LRS December 21, 2005. Rule is not subject to the Alabama Administrative Procedure Act. **Amended:** March 30, 2007; effective April 9, 2007. Filed with LRS March 30, 2007. Rule is not subject to the Alabama Administrative Procedure Act.