

Ala. insurance special session possible in January

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The special legislative session that Gov. Robert Bentley has promised on the affordability and availability of homeowners insurance could come in early 2012.

The governor and the chairman of his insurance commission said a special session is possible in January before the Legislature's regular session begins Feb. 7 or it could be called within the regular session.

"We have not made a final decision on that yet," Bentley said.

While the timetable is flexible, Bentley said his goal is not.

"We need to lower the cost of homeowners insurance in this state, whether it's at the coast or wherever it may be in the state of Alabama," he said in an interview.

The Republican governor, who owns a coastal vacation home near Fort Morgan, promised during his 2010 campaign to address the rising cost and declining availability of homeowners insurance in Alabama's two coastal counties. Insurance rates had been a hot issue in the southwest Alabama counties since the double whammy of Hurricane Ivan in 2004 and Hurricane Katrina in 2005.

Bentley kept his campaign promise on April 6, when he announced he was creating the Governor's Coastal Insurance Commission to study the issue and make recommendations. At the time, he was talking about calling the Legislature into special session in the fall to address the commission's recommendations.

But Bentley hadn't even named all the commission members when deadly tornadoes hit Alabama on April 15 and April 27, killing more than 250 people. One-fifth of those died in Bentley's hometown of Tuscaloosa.

Insurance industry estimates pegged the insured losses in Alabama at more than \$2.45 billion, an all-time high that topped the \$2 billion from Hurricane Ivan.

After the deaths and destruction, Bentley changed the name of his panel to the Alabama Affordable Homeowners Insurance Commission, added members from throughout the state, and told the panel to look at insurance issues statewide because the tornadoes caused some companies to raise rates and restrict coverage.

"There were about 13,000 people in the state who lost their coverage," Bentley said.

Bentley's commission has held three listening sessions. The one in Mobile attracted a standing-room-only crowd of more than 700. Sessions in Dothan and Tuscaloosa attracted a few dozen.

Bentley and commission members said inland residents hadn't yet seen the impact of the tornadoes on their rates, which may partly account for the difference in attendance.

"It will ultimately affect everyone in the state," Bentley predicted.

Some of the ideas tossed around at those hearings include toughening building codes and requiring insurance companies to release more information about how they set their premiums and calculate their risks.

The commission's chairman, Baldwin County Probate Judge Tim Russell, said the panel plans two more listening sessions: Guntersville City Hall at 6 p.m. on Sept. 26 and Decatur City Hall and Convention Center at 6 p.m. on Oct. 17.

Russell said he hopes attendance improves at those meetings because he anticipates inland residents will soon experience the same thing that happened to some of his Baldwin County neighbors - insurance costs on a \$200,000 home quadrupling to as much as \$7,000 annually.

"The coverage has gotten so high that it's a major factor in buying and selling homes," he said.

The last two listening sessions will be followed by at least three meetings in Montgomery for the commission to hear from various experts, ranging from insurance actuaries to building code officials. Then the commission will work on proposed bills for the Legislature and possibly regulations for the insurance commissioner to consider.

Russell said the commission would like to have those to the governor in early January. That would leave the governor time to call legislators to Montgomery to focus on the insurance issue before their regular session, when the state budgets and hundreds of other bills would compete for attention. A special session within the regular session would require lawmakers to set aside all other bills for a week or two to work on insurance issues.

"We are all thinking special session, but it gets tight, time-wise," Russell said.

The chairman of the commission's legislative subcommittee, Republican Sen. Ben Brooks of Mobile, said a special session in late January looks doable.

Brooks has been working on insurance legislation for five years and has been around state government long enough to have seen some commissions' reports become nothing more than dusty relics on a shelf somewhere in the Capitol. He said having the governor make homeowners insurance a priority means the commission's proposals will generate legislative debate rather than die from inattention.

"He understands people are deeply hurting. I've never had a question that the governor is committed," Brooks said.

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