

City of Fairhope Resolution of Support of Exploration of the Interstate Re-insurance Coastal Band

WHEREAS, in Alabama's two coastal counties, property insurance premiums have escalated at an unprecedented rate since 2005, thousands of residents of Baldwin County have been dropped by their property insurance companies, the economic health of the coastal counties and even the state of Alabama have been negatively impacted;

WHEREAS, nearly all Gulf and Atlantic coastal counties have been adversely impacted by these escalating premiums;

WHEREAS, \$48 to \$120 billion of wind insurance premiums have been siphoned out of a "Coastal Band" bounded by Alabama, Gulf and Atlantic coastal counties since 2006, most of which has been sent to overseas reinsurance companies;

WHEREAS, an estimated \$8 to \$20 billion continues to be siphoned out of these counties each year;

WHEREAS, less than an estimated \$15 billion has been returned to the Alabama, Gulf and Atlantic coastal counties in hurricane wind claims;

WHEREAS, overseas re-insurance companies are not regulated by Alabama or US laws;

WHEREAS, premiums could be cut dramatically if these same funds were properly managed exclusively for community recovery after storms;

WHEREAS, the band would be funded by premiums, not taxes, and would impact Alabama's coastal counties, not inland Alabama constituencies;

WHEREAS, domestic insurance companies would flock back to Alabama, Gulf and Atlantic coastal counties if they were protected from hurricane risk;

WHEREAS, a coalition of Alabama's coastal legislators, cities, the Baldwin Commission, Baldwin County municipalities, businesses, and the Homeowners Hurricane Insurance Initiative, along with legislators and non-profit organizations in eight of the 17 Gulf and Atlantic coastal states are aggressively exploring the formation of this Interstate Re-insurance Coastal Band;

WHEREAS, municipal governments throughout this coastal band share common interests in fixing this crisis;

WHEREAS, resolutions of support by counties, parishes, commonwealths and municipalities for exploring formation of this Interstate Coastal Band do not commit counties, parishes, commonwealths, and municipalities to support of final findings, or financial expenditures;

THEREFORE:

BE IT RESOLVED that the Fairhope City Council encourages Governor Bentley to invite counties, parishes and commonwealths throughout this coastal band to join in exploring formation of the Interstate Re-insurance Coastal Band.

BE IT RESOLVED that the Fairhope City Council encourages counties, parishes, commonwealths and municipalities to pass a resolution supporting exploration of this Interstate Coastal Band;

BE IT RESOLVED that the Fairhope City Council strongly invites counties, parishes, commonwealths and municipalities to communicate their interest in taking the next exploratory steps by sending a letter to Mayor Timothy M. Kant at P.O. Drawer 429 Fairhope, AL 36533.

This Resolution is supported by the Fairhope City Council and many others.

DULY ADOPTED THIS 28TH DAY OF OCTOBER 2013