



BOB RILEY
GOVERNOR

JIM L. RIDLING
COMMISSIONER

STATE OF ALABAMA
DEPARTMENT OF INSURANCE
201 MONROE STREET, SUITE 1700
POST OFFICE BOX 303351
MONTGOMERY, ALABAMA 36130-3351
TELEPHONE: (334) 269-3550
FACSIMILE: (334) 241-4192
INTERNET: www.aldoi.gov

ASSISTANT COMMISSIONER
REN WHEELER
DEPUTY COMMISSIONERS
D. DAVID PARSONS
CHARLES M. ANGELL (acting)
CHIEF OF STAFF
RAGAN INGRAM
CHIEF EXAMINER
RICHARD L. FORD
STATE FIRE MARSHAL
EDWARD S. PAULK
GENERAL COUNSEL
REYN NORMAN

BULLETIN NO. 2010-03

TO: All admitted insurers authorized to write property and casualty insurance in Alabama

FROM: Jim L. Ridling
Commissioner of Insurance 

DATE: April 20, 2010

RE: Modification to Alabama Bulletin 2009-07 – Premium discounts or rate reductions for fortified one- or two-family dwellings

This bulletin modifies Department of Insurance Bulletin 2009-07 (September 18, 2009) concerning Ala. Code §§ 27-31D-1 *et seq.* (2009) (Alabama Act 2009-500).

1. *Revised 2006 IRC benchmarks.* The Department has revised its benchmark discounts for homes built to the requirements of the 2006 International Residential Code® for One- and Two-Family Dwellings ("2006 IRC"). These new benchmarks appear under the Supporting Documentation tab/Actuarial Support Exhibits section for both homeowners and dwelling fire in SERFF™.

2. *Effective dates.* The premium discounts or rate reductions called for in the 2009 legislation apply to new insurance policies written or existing policies renewed on and after **May 1, 2010**. All insurers should have their discounts already filed and approved by the Department of Insurance. Many insurers simply adopted the Department's benchmarks. If they so desire, insurers are permitted to file revised 2006 IRC discounts in light of the new benchmarks. Since, given the timing of this Bulletin, an insurer's revised discounts cannot be effective as early as May 1, 2010, insurers may nominate their own effective dates for this revision. However, between May 1, 2010, and the insurer's newly nominated effective date, the insurer must adhere to its currently filed discounts for 2006 IRC homes.

3. *Filing requirements.* To ensure efficient and timely implementation:

(a) If an insurer chooses to maintain its currently filed 2006 IRC discounts, no further action is required.

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(b) If an insurer elects to file revised 2006 IRC discounts or reductions equal to or exceeding the Department's benchmarks, the insurer must attach a Note to Reviewer to its currently approved SERFF™ Mitigation Discount filing which states the following:

- (1) The newly proposed discounts for 2006 IRC homes.
- (2) The proposed effective date for the revised 2006 IRC discounts.

(c) A new manual rate page is not required for filing. The next time the insurer revises its manual rate pages for some other reason, the Mitigation Discount page should be updated.

(d) Since this procedure does not entail a new SERFF™ filing, payment of a filing fee is not required.

4. No other provisions of Bulletin 2009-07 are affected by this Bulletin.

JLR/JFM/bc