

**ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION**

CHAPTER 482-1-152

PERSONAL PROPERTY BY-PERIL RATING REQUIREMENTS

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482-1-152-.01 Purpose. The purposes of this chapter are to require that rate filings for specified classes of personal lines property insurance set forth separate rates for hurricane coverage, all other wind/hail coverage, and all other perils; that such rates be actuarially supported and filed and approved before use; and that the separate premiums for hurricane coverage, all other wind/hail coverage, and all other perils coverage be prominently displayed on a document in a manner approved by the department.

Authority: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-13-1 *et seq.*, and 27-14-8 through 27-14-11 (1975).

History: New September 23, 2013; Effective: October 3, 2013

482-1-152-.02 Authority. This regulation is adopted on the authority of Ala. Code § 27-2-17, 27-13-1 *et seq.*, 27-14-8 through 27-14-11(1975).

Authority: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-13-1 *et seq.*, and 27-14-8 through 27-14-11 (1975).

History: New September 23, 2013; Effective: October 3, 2013

482-1-152-.03 Applicability.

(1) This chapter applies to all insurers authorized to transact the property line of insurance in Alabama.

(2) The requirements described in this chapter apply to the following classes of personal lines property insurance: homeowners and renters/tenants; condominium (unit owners); and dwelling fire and extended coverage.

(3) Implementation dates are as specified in the following rules.

Authority: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-13-1 *et seq.*, and 27-14-8 through 27-14-11 (1975).

History: New September 23, 2013; Effective: October 3, 2013

482-1-152-.04 Definitions. The following definitions apply for purposes of this chapter:

(1) Hurricane coverage. Coverage for protection against wind/hail losses caused by a hurricane.

(2) All other wind/hail coverage. Coverage for protection against all other wind/hail losses not caused by a hurricane.

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(3) All other perils coverage. Coverage for protection against all losses except those caused by (1) and (2) above.

Authority: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-13-1 *et seq.*, and 27-14-8 through 27-14-11 (1975).

History: New September 23, 2013; Effective: October 3, 2013

482-1-152-.05 Requirement for separate rates by peril in rate filings. All property rate filings must provide property rates (including rating factors, rate or premium credits or surcharges, or rating tiers) for the basic policy separately for hurricane coverage, all other wind/hail coverage, and all other perils coverage in accordance with the implementation dates provided in this chapter. The approved rates (including rating factors, rate or premium credits or surcharges, or rating tiers) must be displayed separately in the documentation of the insurer's class plan in like manner for these types of coverage. Insurers may further subdivide the "all other perils" into additional perils for rating purposes if they so desire. Rates for additional coverages, voluntary endorsements, or policy limits changes (other than coverage limits for dwelling or personal property, or changes in deductibles) are not required to be separated by peril.

Authority: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-13-1 *et seq.*, and 27-14-8 through 27-14-11 (1975).

History: New September 23, 2013; Effective: October 3, 2013

482-1-152-.06 Requirement for filing and approval and actuarial support.

(1) The requirements of this rule apply to all homeowner, renters/tenants, and condominiums (unit owners) rate filings within the scope of this chapter made to the Department to be effective on or after January 1, 2018. All such rate filings shall be made on or before June 1, 2017.

(2) The requirements of this rule apply to all dwelling fire rate and extended coverage filings within the scope of this chapter made to the Department to be effective on or after January 1, 2019. All such rate filings shall be made on or before June 1, 2018.

(3) All rating factors, rate or premium credits or surcharges, or rating tiers utilized in the premium calculation must be filed, approved, and applied separately for hurricane coverage, all other wind/hail coverage, and all other perils coverage. Rates for additional coverages, voluntary endorsements, or policy limits changes (other than coverage limits for dwelling or personal property, or changes in deductibles) are not required to be separated by peril. Filing and approval must occur before use.

(4) All rating factors, rate or premium credits or surcharges, and rating tiers must be actuarially supported.

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Authority: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-13-1 *et seq.*, and 27-14-8 through 27-14-11 (1975).

History: New September 23, 2013; Effective: October 3, 2013

482-1-152-.07 Requirement for disclosure of separate premiums by peril on declarations page, billing statement, or policy checklist.

(1) The requirements of this rule apply to homeowner, renters/tenants, and condominiums (unit owners) policies of new business with an effective date on or after January 1, 2018 and to existing homeowner policies at the time of renewal with a renewal date on or after January 1, 2018.

(2) The requirements of this rule apply to policies of new dwelling fire/extended coverage policies with an effective date on or after January 1, 2019 and to existing dwelling fire/extended coverage policies at the time of renewal with a renewal date on or after January 1, 2019.

(3) Separate premiums for hurricane coverage, all other wind/hail coverage, and all other perils coverage, as well as a total premium for the policy, shall be prominently displayed in one of the following manners: (1) on the policy declarations page, renewal declarations page, renewal certificate, or on a supplemental declarations page; (2) on the billing statement or on a supplemental page included with the billing statement; (3) on the outline of coverage and comprehensive policy checklist (required by the Alabama Homeowners Bill of Rights Act, Ala. Code §§ 27-22-40 *et seq.* (2012)) or a supplemental page included with the policy checklist; or (4) on some other document that will be readily seen by the insured. All insurers must file with the Department for approval a sample of the page providing these separate premiums and an explanation as to where the page will be placed in the document mailings to the insured. Alternative language to describe the three peril groups on the premium document may be proposed in the rate filing.

(4) Premiums/rates for additional coverages, voluntary endorsements, or policy limits changes (other than coverage limits for dwelling or personal property, or changes in deductibles) are not required to be separated by peril. A single premium for all such endorsements combined may be displayed. If an endorsement only applies to one of the three peril groups that are the subject of this regulation, it is recommended that the premium for that endorsement be included in the separate peril group premium.

Authority: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-13-1 *et seq.*, and 27-14-8 through 27-14-11 (1975).

History: New September 23, 2013; Effective: October 3, 2013

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482-1-152-.08 Severability. The provisions of this chapter are severable. If any provision or the application thereof to any person or circumstance is held invalid for any reason, the invalidity shall not affect the other provisions or any other application of this chapter which can be given effect without the invalid provisions or application.

Authority: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-13-1 *et seq.*, and 27-14-8 through 27-14-11 (1975).

History: New September 23, 2013; Effective: October 3, 2013

482-1-152-.09 Effective Date. Subject to the implementation provisions, this chapter shall become 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.

Authority: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-13-1 *et seq.*, and 27-14-8 through 27-14-11 (1975).

History: New September 23, 2013; Effective: October 3, 2013