

House Bill 1297

By: Representatives Gambill of the 15th, Frye of the 118th, Wiedower of the 119th, Washburn of the 141st, Barr of the 103rd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 32 of Title 33 of the Official Code of Georgia Annotated, relating to
2 property insurance, so as to provide an insurance premium discount or reduction for home
3 or commercial property owners who build a new home or commercial property that better
4 resists tornado or other catastrophic windstorm events; to provide for applicability; to provide
5 for definitions; to provide for related matters; to repeal conflicting laws; and for other
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 32 of Title 33 of the Official Code of Georgia Annotated, relating to property
10 insurance, is amended by designating Code Sections 33-32-1 through 33-32-6 as Article 1.

11 **SECTION 2.**

12 Said chapter is further amended by adding a new Article 2 to read as follows:

13 "ARTICLE 214 33-32-10.

15 (a) This article shall apply to all insurers offering or providing insurance coverage in this
16 state on single-family residential property, commercial property, or modular homes, as
17 provided in Code Sections 33-32-11 and 33-32-12.

18 (b) As used in this article, the term:

19 (1) 'Coastal counties' means all counties or parts of counties in this state that border the
20 open ocean.

21 (2) 'Insurable property' means single-family residential property, commercial property,
22 or modular homes satisfying the codes, standards, or techniques as provided in Code
23 Sections 33-32-11 and 33-32-12. Such term shall not include manufactured homes or
24 mobile homes, except where expressly provided in Code Section 33-32-12.

25 (3) 'Insurer' means all property and casualty insurance companies offering or providing
26 insurance coverage on one or more of the types of properties described in paragraph (2)
27 of subsection (b) of this Code section.

28 33-32-11.

29 (a) Not later than January 1, 2022, insurers shall provide a premium discount or insurance
30 rate reduction in an amount and manner as established in subsection (f) of this Code section
31 and in accordance with Code Section 33-32-10. In addition, insurers may also offer
32 additional adjustments in deductible, other credit rate differentials, or a combination
33 thereof, collectively referred to as 'adjustments.' These adjustments shall be available
34 under the terms specified in this Code section to any owner who builds or locates a new
35 insurable property in coastal counties, to resist loss due to hurricane or other catastrophic
36 windstorm events.

37 (b) Not later than January 1, 2022, insurers shall provide a premium discount or insurance
38 rate reduction for new residential insurable property in an amount and manner as
39 established in subsection (f) of this Code section and in accordance with Code
40 Section 33-32-10. In addition, insurers may also offer additional adjustments in deductible,
41 other credit rate differentials, or a combination thereof, collectively referred to as
42 'adjustments.' These adjustments shall be available under the terms specified in this Code
43 section to any owner who builds or locates a new residential insurable property to resist
44 loss due to tornado or other catastrophic windstorm events in any county located in this
45 state.

46 (c) Not later than January 1, 2022, insurers shall provide a premium discount or insurance
47 rate reduction for new commercial insurable property in an amount and manner as
48 established in subsection (f) of this Code section and in accordance with Code
49 Section 33-32-10. In addition, insurers may also offer additional adjustments in deductible,
50 other credit rate differentials, or a combination thereof, collectively referred to as
51 'adjustments.' These adjustments shall be available under the terms specified in this Code
52 section to any owner who builds or locates a new commercial insurable property to resist
53 loss due to tornado or other catastrophic windstorm events in any county located in this
54 state.

55 (d) To obtain the adjustment provided in this Code section, an insurable property located
56 in this state shall be certified as constructed in accordance with the 2018 version of the
57 International Residential Code in existence on January 1, 2021; or the 2018 version of the
58 International Building Code in existence on January 1, 2021; or the Fortified for Safer
59 Living standards adopted by the Insurance Institute for Business and Home Safety as of
60 January 1, 2021; or any other mitigation program standards approved by the
61 Commissioner. An insurable property shall be certified as conforming to the applicable
62 building codes only after an evaluation of such property has been satisfactorily completed
63 by a building official or a duly certified and licensed building evaluator. An insurable

64 property shall be certified as conforming to Fortified for Safer Living criteria only after
65 evaluation and certification by an Insurance Institute for Business and Home Safety
66 certified evaluator.

67 (e) An owner of insurable property claiming an adjustment under this Code section shall
68 maintain sufficient certification records and construction records which may include, but
69 are not limited to, a certificate of occupancy denoting compliance with the applicable
70 building code in subsection (d) of this Code section, valid certification from the Insurance
71 Institute for Business and Home Safety for compliance with the program described in
72 subsection (d) of this Code section, or other such records as the Commissioner may
73 determine by rule sufficient.

74 (f) Insurers required to submit rates and rating plans to the Commissioner shall submit an
75 actuarially justified rating plan for any person who builds an insurable property to comply
76 with the sets of requirements of subsection (d) of this Code section. An insurer is not
77 required to provide the same amount of adjustment for a building code insurable property
78 as such insurer would to a Fortified for Safer Living insurable property. An adjustment
79 shall only apply to policies that provide wind coverage and may apply to that portion of the
80 premium for wind coverage or to the total premium if the insurer does not separate out its
81 premium for wind coverage in its rate filing. The adjustment shall apply exclusively to the
82 premium designated for the improved insurable property. In addition to the requirements
83 of this Code section, an insurer may voluntarily offer any other mitigation adjustment that
84 the insurer deems appropriate.

85 33-32-12.

86 (a) Not later than July 1, 2022, insurers shall provide a premium discount or insurance rate
87 reduction in an amount and manner as established in subsection (e) of this Code section and
88 in accordance with Code Section 33-32-10. In addition, insurers may also offer additional
89 adjustments in deductible, other credit rate differentials, or a combination thereof,

90 collectively referred to as 'adjustments.' These adjustments shall be available under the
91 terms specified in this Code section to any owner who retrofits his or her insurable property
92 in an coastal county to resist loss due to hurricane or other catastrophic windstorm events.
93 (b) Not later than January 1, 2022, insurers shall provide a premium discount or insurance
94 rate reduction in an amount and manner as established in subsection (e) of this Code
95 section and according to Code Section 33-32-10. In addition, insurers may also offer
96 additional adjustments in deductible, other credit rate differentials, or a combination
97 thereof, collectively referred to as 'adjustments.' These adjustments shall be available
98 under the terms specified in this Code section to any owner who retrofits existing
99 commercial insurable property to resist loss due to tornado or other catastrophic windstorm
100 events in any county located in this state.
101 (c) To obtain the adjustment provided in this Code section, an insurable property shall be
102 retrofitted to one of the tiered mitigation levels as defined on January 1, 2021, by the
103 Insurance Institute for Business and Home Safety, or other mitigation program, or other
104 construction technique, or standardized code, as approved by the Commissioner. Zone 3
105 HUD code manufactured homes installed to specifications and regulations promulgated by
106 the Commissioner shall also be considered for approval. An insurable property shall be
107 certified as conforming to Fortified for Safer Living requirements only after evaluation and
108 certification by an Insurance Institute for Business and Home Safety certified evaluator.
109 Certification of conformity of an insurable property with the other mitigation program,
110 other construction technique, or other standardized code shall be made only by a building
111 official or other certified or licensed building evaluator.
112 (d) An owner of insurable property claiming an adjustment under this Code section shall
113 maintain sufficient certification records and construction records, including, but not limited
114 to, a certification of compliance with an approved mitigation program as approved by the
115 Commissioner or a valid certification from the Insurance Institute for Business and Home
116 Safety for compliance with a program described in subsection (c) of this Code section.

117 (e) Insurers required to submit rates and rating plans to the Commissioner shall submit
118 actuarially justified rating plans for any person who retrofits an insurable property to
119 comply with the sets of alternatives provided in subsection (c) of this Code section. The
120 adjustment shall only apply to policies that provide wind coverage and may apply to that
121 portion of the premium for wind coverage or to the total premium if the insurer does not
122 separate out its premium for wind coverage in its rate filing. The adjustment shall apply
123 exclusively to the premium designated for the improved insurable property. In addition to
124 the requirements of this Code section, an insurer may voluntarily offer any other mitigation
125 adjustment that the insurer deems appropriate."

126 **SECTION 3.**

127 All laws and parts of laws in conflict with this Act are repealed.