The House Committee on Insurance offers the following substitute to HB 1297:

A BILL TO BE ENTITLED

AN ACT

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

SECTION 2.

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

″ARTICLE 2

33-32-10.

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

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

(1) 'Insurable property' means single-family residential property, commercial property, or modular homes satisfying the codes, standards, or techniques as provided in Code Section 33-32-11. Such term shall not include manufactured homes or mobile homes, except where expressly provided in subsection (c) of Code Section 33-32-11.

(2) 'Insurer' means all property and casualty insurance companies offering or providing insurance coverage on one or more of the types of properties described in paragraph (1) of this subsection.

33-32-11.

(a) Not later than March 1, 2023, insurers shall provide a premium discount or insurance rate reduction for new or retrofitted residential insurable property in an amount and manner as established in subsection (e) of this Code section and in accordance with Code Section 33-32-10. In addition, insurers may also offer additional adjustments in deductible, other credit rate differentials, or a combination thereof, collectively referred to as 'adjustments.' These adjustments shall be available under the terms specified in this Code section to any owner who builds or locates a new residential insurable property in or who retrofits an existing residential insurable property in any county located in this state to resist loss due to tornado, hurricane, or other catastrophic windstorm events.

(b) Not later than March 1, 2023, insurers shall provide a premium discount or insurance rate reduction for new or retrofitted commercial insurable property in an amount and

manner as established in subsection (e) of this Code section and in accordance with Code Section 33-32-10. In addition, insurers may also offer additional adjustments in deductible, other credit rate differentials, or a combination thereof, collectively referred to as 'adjustments.' These adjustments shall be available under the terms specified in this Code section to any owner who builds or locates a new or retrofitted commercial insurable property to resist loss due to tornado, hurricane, or other catastrophic windstorm events in any county located in this state.

(c) To obtain the adjustment provided in this Code section, an insurable property located in this state shall be certified as constructed in accordance with the applicable Fortified Programs standards adopted by the Insurance Institute for Business and Home Safety as of January 1, 2022, or any other mitigation program standards approved by the Commissioner. An insurable property shall be certified as conforming to the applicable Fortified Programs standards by an Insurance Institute for Business and Home Safety certified evaluator. Zone 3 HUD code manufactured homes installed to specifications and regulations promulgated by the Commissioner shall also be considered for approval.

(d) An owner of insurable property claiming an adjustment under this Code section shall maintain sufficient certification records and construction records, including, but not limited to, a valid certification from the Insurance Institute for Business and Home Safety for compliance with the applicable Fortified Programs standards or other such records as the Commissioner may determine by rule sufficient.

(e) Insurers required to submit rates and rating plans to the Commissioner shall submit an actuarially justified rating plan for any person who builds an insurable property to comply with the sets of requirements of subsection (c) of this Code section. An insurer is not required to provide the same amount of adjustment for a building code insurable property as such insurer would to a Fortified designated insurable property. An adjustment shall only apply to policies that provide wind coverage and may apply to that portion of the premium for wind coverage or to the total premium if the insurer does not separate out its

premium for wind coverage in its rate filing. The adjustment shall apply exclusively to the premium designated for the improved insurable property. In addition to the requirements of this Code section, an insurer may voluntarily offer any other mitigation adjustment that the insurer deems appropriate."

SECTION 3.

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