

ALABAMA POLICYHOLDER BILL OF RIGHTS

ALABAMA ACT NO. 2012-510

The purpose of this Act is to set forth the rights Alabama homeowners have with respect to their insurance policies and with insurance companies. Section 3 of the Act sets out the following minimum standards to be followed by the Alabama Department of Insurance in exercising the Department's powers and duties in regulating insurance companies pursuant to Title 27, Chapter 12, Code of Alabama 1975:

- (1) Policyholders shall have the right to competitive pricing practices of insurers as prescribed by applicable federal or state insurance law and regulation.
- (2) Policyholders shall have the right to insurance advertising and sales approaches that provide representative information on the policy in accordance with Title 27, Chapter 12, Code of Alabama 1975.
- (3) Policyholders shall have the right to assurance that the insurance market in general and their insurance company in particular are financially stable as provided in Section 27-12-7, Code of Alabama 1975.
- (4) Policyholders shall have the right to receive service from licensed producers in accordance with Title 27, Chapter 7, Code of Alabama 1975, and to request the license status of an insurance company or producer.
- (5) Policyholders shall have the right to a policy as prescribed in Title 27, Chapter 14, Code of Alabama 1975, to receive a complete policy, and to request a duplicate or replacement policy, if needed.
- (6) Policyholders shall have the right to receive in writing from their insurance company the reason for any cancellation of coverage and a minimum number of days' notice of cancellation of coverage, subject to applicable federal or state insurance law and regulation.
- (7) Policyholders shall have the right to cancel their policy and receive a refund of any unearned premium. If a policy was funded by a premium finance company, the unearned premium will be returned to the premium finance company to pay toward the policyholder's financing loan.
- (8) Policyholders shall have the right to a written notification, at renewal, describing changes in their insurance contract language that are applicable to the renewal period.
- (9) Policyholders shall have the right, in the event of a claim, to reject any settlement amount offered by the insurance company.
- (10) Policyholders shall have the right to select their licensed contractor or vendor to repair, replace, or rebuild damaged property covered by the insurance policy.
- (11) Policyholders shall have the right to file a written complaint against any insurance company with the Department of Insurance and to have that complaint reviewed by the Department of Insurance.

(12) Policyholders shall have the right to file a written complaint against any insurance producer with the Department of Insurance and to have that complaint reviewed by the Department of Insurance.