

PUBLICATION

Alabama Home Builders Now Required to Disclose Insurance Status

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Although licensed home builders in Alabama are not required to maintain liability insurance, a new law requires them to disclose whether or not they have such insurance prior to the commencement of construction. The insurance disclosure must be signed by the home builder and the homeowner, as well as a witness selected by the homeowner. This will require home builders to modify their normal practice of engaging with homeowners for new work.

Home builders may wish to build the insurance disclosure into their written contract for construction, as long as there is also a place for the homeowner's witness to also sign.

This new law is codified at Alabama Code Section 34-14A-19, and went into effect on June 1, 2018. Failure to comply may lead to sanctions by the [Home Builders Licensure Board](#).