

304.13-342 Property insurance for wind or hail coverage -- Certificate of compliance -- Premium discount or rate reduction -- Administrative regulations.

- (1) (a) All insurance companies writing property insurance for wind or hail coverage of any property located in Kentucky that has been certified as complying with the most recent version of any applicable FORTIFIED Home or FORTIFIED Multifamily construction standards published by the Insurance Institute for Business and Home Safety or a successor entity:
 1. Shall provide a premium discount or rate reduction on the coverage if:
 - a. The discount or reduction is actuarially justified; and
 - b. There is sufficient and credible evidence of cost savings that can be attributed to the construction standards; and
 2. May provide:
 - a. A premium discount or rate reduction on the coverage in accordance with any standard discount amounts, targets, or benchmarks established under subsection (3) of this section; and
 - b. Any other adjustment on the coverage.
- (b) A premium discount, rate reduction, or other adjustment provided under paragraph (a) of this subsection shall be subject to the rate filing and other applicable regulatory requirements of this chapter, including but not limited to KRS 304.13-051.
- (2) (a) As used in this subsection, "certificate of compliance" means a certificate of compliance with the most recent version of any applicable FORTIFIED Home or FORTIFIED Multifamily construction standards from the Insurance Institute for Business and Home Safety or a successor entity.
- (b) An insurer that offers a premium discount, rate reduction, or other adjustment under subsection (1)(a) of this section shall provide the discount, reduction, or adjustment on the coverage of an insured's property located in Kentucky if the insurer obtains or receives a certificate of compliance for the property.
- (c) An insurer is not required to obtain or receive a certificate of compliance in order to provide a premium discount, rate reduction, or other adjustment under subsection (1)(a) of this section.
- (3) (a) The commissioner may promulgate administrative regulations in accordance with KRS Chapter 13A that establish standard discount amounts, targets, or benchmarks for the coverage of any property located in Kentucky that has been certified as complying with the most recent version of any applicable FORTIFIED Home or FORTIFIED Multifamily construction standards published by the Insurance Institute for Business and Home Safety or a successor entity.
- (b) Any standard discount amounts, targets, or benchmarks promulgated under paragraph (a) of this subsection shall be:
 1. Optional; and
 2. Primarily for the benefit of insurers that are unable to obtain actuarially

valid data to provide a premium discount or rate reduction under subsection (1)(a)1. of this section due to inadequate resources or experience.

- (c) The authority granted to the commissioner to promulgate administrative regulations under this subsection shall be in addition to any other authority granted to the commissioner to promulgate administrative regulations, including but not limited to KRS 304.2-110.

Effective: July 15, 2024

History: Created 2024 Ky. Acts ch. 102, sec. 2, effective July 15, 2024.

Legislative Research Commission Note (7/15/2024). 2024 Ky. Acts ch. 102, sec. 5, provides that this statute shall apply to insurance policies and contracts issued or renewed on or after March 1, 2026.

Legislative Research Commission Note (7/15/2024). 2024 Ky. Acts ch. 102, sec. 6, reads as follows:

"Property insurers subject to Section 2 [this statute] or 3 [KRS 304.13-346] of this Act, or both, shall make any filings and comply with any other regulatory requirements required under KRS 304.14-120, 304.13-051, and any other law, that are necessary to ensure that:

- (1) Any premium discount or rate reduction required under subsection (1)(a)1. of Section 2 of this Act [this statute]; and
- (2) The optional rider, endorsement, or supplemental policy provision required under subsection (2) of Section 3 of this Act [KRS 304.13-346];

is offered on insurance policies and contracts issued or renewed on or after March 1, 2026."

Legislative Research Commission Note (7/15/2024). 2024 Ky. Acts ch. 102, sec. 7, provides that the Act, which created this statute, may be cited as the Strengthen Kentucky Homes Act.