

1 AN ACT relating to the promotion of stronger homes to resist losses due to
2 catastrophic weather events and making an appropriation therefor.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. A NEW SECTION OF SUBTITLE 2 OF KRS CHAPTER 304 IS
5 CREATED TO READ AS FOLLOWS:

6 *(1) As used in this section:*

7 *(a) "Insurable dwelling":*

8 *1. Means a dwelling located or situated on, or affixed to, residential real*
9 *estate; and*

10 *2. Includes a single-family or multifamily dwelling, including a modular*
11 *home; and*

12 *(b) "Strengthen Kentucky Homes Program" or "program" means the*
13 *Strengthen Kentucky Homes Program created in this section.*

14 *(2) The Strengthen Kentucky Homes Program is hereby created for the purpose of*
15 *providing financial grants to real property owners, building contractors, and*
16 *nonprofit organizations to assist and promote the mitigation of insurable*
17 *dwelling to resist losses due to catastrophic wind and hail events in accordance*
18 *with FORTIFIED construction standards published by the Insurance Institute*
19 *for Business and Home Safety or a successor entity.*

20 *(3) To the extent funding is available under subsection (4) of this section, the*
21 *commissioner shall implement and administer the program in accordance with*
22 *this section.*

23 *(4) (a) The Strengthen Kentucky Homes Program fund is hereby created in the*
24 *State Treasury.*

25 *(b) The following shall be deposited into the fund:*

26 *1. All grants and funds received or raised by the commissioner under*
27 *paragraph (e) of this subsection; and*

1 2. Any appropriations made to the fund by the General Assembly.

2 (c) Notwithstanding KRS 45.229:

3 1. Moneys in the fund not expended at the close of a fiscal year shall not
4 lapse but shall be carried forward to the next fiscal year; and

5 2. Any interest earnings of the fund shall become part of the fund and
6 shall not lapse.

7 (d) Moneys in the fund are hereby appropriated by the General Assembly and
8 shall be available to the commissioner for use in implementing and
9 administering the program.

10 (e) The commissioner shall use his or her best efforts to seek and obtain grants
11 or funds from the federal government or other funding sources for deposit
12 into the fund to supplement any appropriations to the fund made by the
13 General Assembly.

14 (5) (a) The commissioner shall promulgate administrative regulations in
15 accordance with KRS Chapter 13A to create and establish:

16 1. Application forms and procedures for seeking a financial grant;

17 2. The eligibility criteria, requirements, and procedures for obtaining a
18 financial grant, which may include but are not limited to providing
19 financial grants to:

20 a. Real property owners to mitigate insurable dwellings;

21 b. Building contractors to become certified as FORTIFIED
22 Trained Service Providers by the Insurance Institute for
23 Business and Home Safety or a successor entity; and

24 c. Nonprofit organizations to improve the wind and hail resilience
25 of single-family insurable dwellings occupied or owned by low-
26 income and moderate-income individuals;

27 3. If the commissioner provides financial grants to mitigate insurable

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dwellings:

a. i. The building standards or techniques that are required for the mitigation, which shall include but are not limited to compliance with the most recent version of any applicable FORTIFIED Home or FORTIFIED Multifamily standards published by the Insurance Institute for Business and Home Safety or a successor entity.

ii. The commissioner shall determine through the promulgation of an administrative regulation under this subsection the specific standards and designations that are required for any insurable dwelling; and

b. Eligibility criteria for building contractors that are eligible to mitigate the insurable dwellings, which shall include a preference for Kentucky building contractors; and

4. The procedures and requirements for distributing financial grants.

(b) The commissioner may promulgate administrative regulations in accordance with KRS Chapter 13A to establish any additional rules and eligibility requirements that are necessary for the proper implementation and administration of this section, including but not limited to the collection of documentation necessary to allow for any auditing of the program that is required under the terms of a grant or other funds received by the program.

(6) Any financial grant provided under the program to mitigate an insurable dwelling shall be contingent upon the real property owner securing all required permits and applicable inspections in accordance with local building codes.

(7) Nothing in this section shall be construed to create an entitlement for property owners, building contractors, or nonprofit organizations to obtain funds for, or obligate the state in any way to fund, any activity for which a financial grant is

1 permitted under this section.

2 ➔SECTION 2. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304
3 IS CREATED TO READ AS FOLLOWS:

4 (1) As used in this section, "qualifying certificate of compliance" means a certificate
5 of compliance with the most recent version of any applicable FORTIFIED Home
6 designation standards or FORTIFIED Multifamily standards from the Insurance
7 Institute for Business and Home Safety or a successor entity.

8 (2) (a) All insurance companies writing property insurance for wind or hail
9 coverage of any property located in Kentucky that has received a valid
10 qualifying certificate of compliance:

11 1. Shall provide a premium discount or rate reduction on the coverage if:

12 a. The discount or reduction is actuarially justified; and

13 b. There is sufficient and credible evidence of cost savings that can
14 be attributed to the construction standards required for an
15 applicable qualifying certificate of compliance; and

16 2. May provide:

17 a. A premium discount or rate reduction on the coverage in
18 accordance with any standard discount amounts, targets, or
19 benchmarks established under subsection (4) of this section; and

20 b. Any other adjustment on the coverage.

21 (b) A premium discount, rate reduction, or other adjustment provided under
22 paragraph (a) of this subsection shall be subject to the rate filing and other
23 applicable regulatory requirements of this chapter, including but not limited
24 to KRS 304.13-051.

25 (3) (a) In order to receive a premium discount, rate reduction, or other adjustment
26 offered by an insurer under subsection (2)(a) of this section, an insured
27 shall provide the insurer a valid and applicable qualifying certificate of

1 compliance.

2 (b) A premium discount, rate reduction, or other adjustment provided under
 3 subsection (2)(a) of this section shall not become effective for a covered
 4 property until the insurer receives the certificate required under paragraph
 5 (a) of this subsection.

6 (4) (a) The commissioner may promulgate administrative regulations in
 7 accordance with KRS Chapter 13A that establish standard discount
 8 amounts, targets, or benchmarks for the coverage of any property located in
 9 Kentucky that has received a valid qualifying certificate of compliance.

10 (b) Any standard discount amounts, targets, or benchmarks promulgated under
 11 paragraph (a) of this subsection shall be:

12 1. Optional; and

13 2. Primarily for the benefit of insurers that are unable to obtain
 14 actuarially valid data to provide a premium discount or rate reduction
 15 under subsection (2)(a)1. of this section due to inadequate resources
 16 or experience.

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

21 ➔SECTION 3. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304
 22 IS CREATED TO READ AS FOLLOWS:

23 (1) As used in this section:

24 (a) "Cost to upgrade the single-family dwelling" means the cost required to
 25 upgrade the single-family dwelling to meet or exceed the construction
 26 standards required for the dwelling to receive a certificate of compliance
 27 with the most recent version of any applicable FORTIFIED Home

1 designation standards from the Insurance Institute for Business and Home
 2 Safety or a successor entity; and

3 (b) "Non-FORTIFIED dwelling" means a dwelling that does not have a valid
 4 certificate of compliance with the most recent version of any applicable
 5 FORTIFIED Home designation standards from the Insurance Institute for
 6 Business and Home Safety or a successor entity.

7 (2) All insurance companies writing property insurance for personal risks that
 8 provides coverage of any single-family dwelling located in Kentucky that is a non-
 9 FORTIFIED dwelling shall offer an optional rider, endorsement, or
 10 supplemental policy provision that provides the insured a right to receive claim
 11 payments for the cost to upgrade the single-family dwelling for any claim that:

12 (a) Is covered under the insurance policy or contract; and

13 (b) Requires replacement of the covered dwelling's roof as defined by the
 14 insurance policy or contract.

15 ➔Section 4. Notwithstanding KRS 304.2-300 and 304.2-400, the Department of
 16 Insurance shall transfer \$5,000,000 in fiscal year 2025-2026 to the Strengthen Kentucky
 17 Homes Program fund for use as permitted under Section 1 of this Act.

18 ➔Section 5. Sections 2 and 3 of this Act apply to insurance policies and contracts
 19 issued or renewed on or after March 1, 2026.

20 ➔Section 6. Property insurers subject to Section 2 or 3 of this Act, or both, shall
 21 make any filings and comply with any other regulatory requirements required under KRS
 22 304.14-120, 304.13-051, and any other law, that are necessary to ensure that:

23 (1) Any premium discount or rate reduction required under subsection (2)(a)1. of
 24 Section 2 of this Act; and

25 (2) The optional rider, endorsement, or supplemental policy provision required
 26 under subsection (2) of Section 3 of this Act;

27 is offered on insurance policies and contracts issued or renewed on or after March

1 1, 2026.

2 →Section 7. This Act may be cited as the Strengthen Kentucky Homes Act.