

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 *dwellings 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 owner-occupied insurable
21 dwellings;

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

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

- 1 3. If the commissioner provides financial grants to mitigate insurable
2 dwellings:
- 3 a. i. The building standards or techniques that are required for
4 the mitigation, which shall include but are not limited to
5 compliance with the most recent version of any applicable
6 FORTIFIED Home or FORTIFIED Multifamily
7 construction standards published by the Insurance Institute
8 for Business and Home Safety or a successor entity.
- 9 ii. The commissioner shall determine through the
10 promulgation of an administrative regulation under this
11 subsection the specific standards and designations that are
12 required for any insurable dwelling; and
- 13 b. Eligibility criteria for building contractors and evaluators that
14 are eligible to mitigate and inspect the insurable dwellings,
15 respectively, which shall include a preference for Kentucky
16 building contractors and evaluators; and
- 17 4. The procedures and requirements for distributing financial grants.
- 18 (b) The commissioner may promulgate administrative regulations in
19 accordance with KRS Chapter 13A to establish any additional rules and
20 eligibility requirements that are necessary for the proper implementation
21 and administration of this section, including but not limited to the collection
22 of documentation necessary to allow for any auditing of the program that is
23 required under the terms of a grant or other funds received by the program.
- 24 (6) Any financial grant provided under the program to mitigate an insurable
25 dwelling shall be contingent upon the real property owner securing all required
26 permits and applicable inspections in accordance with local building codes.
- 27 (7) Nothing in this section shall be construed to create an entitlement for property

1 owners, building contractors, or nonprofit organizations to obtain funds for, or
2 obligate the state in any way to fund, any activity for which a financial grant is
3 permitted under this section.

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

6 (1) (a) All insurance companies writing property insurance for wind or hail
7 coverage of any property located in Kentucky that has been certified as
8 complying with the most recent version of any applicable FORTIFIED
9 Home or FORTIFIED Multifamily construction standards published by the
10 Insurance Institute for Business and Home Safety or a successor entity:

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; and

15 2. May provide:

16 a. A premium discount or rate reduction on the coverage in
17 accordance with any standard discount amounts, targets, or
18 benchmarks established under subsection (3) of this section; and

19 b. Any other adjustment on the coverage.

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

24 (2) (a) As used in this subsection, "certificate of compliance" means a certificate
25 of compliance with the most recent version of any applicable FORTIFIED
26 Home or FORTIFIED Multifamily construction standards from the
27 Insurance Institute for Business and Home Safety or a successor entity.

1 **(b) An insurer that offers a premium discount, rate reduction, or other**
2 **adjustment under subsection (1)(a) of this section shall provide the**
3 **discount, reduction, or adjustment on the coverage of an insured's property**
4 **located in Kentucky if the insurer obtains or receives a certificate of**
5 **compliance for the property.**

6 **(c) An insurer is not required to obtain or receive a certificate of compliance in**
7 **order to provide a premium discount, rate reduction, or other adjustment**
8 **under subsection (1)(a) of this section.**

9 **(3) (a) The commissioner may promulgate administrative regulations in**
10 **accordance with KRS Chapter 13A that establish standard discount**
11 **amounts, targets, or benchmarks for the coverage of any property located in**
12 **Kentucky that has been certified as complying with the most recent version**
13 **of any applicable FORTIFIED Home or FORTIFIED Multifamily**
14 **construction standards published by the Insurance Institute for Business**
15 **and Home Safety or a successor entity.**

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

18 **1. Optional; and**

19 **2. Primarily for the benefit of insurers that are unable to obtain**
20 **actuarially valid data to provide a premium discount or rate reduction**
21 **under subsection (1)(a)1. of this section due to inadequate resources**
22 **or experience.**

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

27 **➔SECTION 3. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304**

1 IS CREATED TO READ AS FOLLOWS:

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

3 **(a) "Cost to upgrade the single-family dwelling" means the cost required to**
4 **upgrade the single-family dwelling to meet or exceed the construction**
5 **standards required for the dwelling to comply with the most recent version**
6 **of any applicable FORTIFIED Home construction standards published by**
7 **the Insurance Institute for Business and Home Safety or a successor entity;**
8 **and**

9 **(b) "Non-FORTIFIED dwelling" means a dwelling that does not comply with**
10 **the most recent version of any applicable FORTIFIED Home construction**
11 **standards published by the Insurance Institute for Business and Home**
12 **Safety or a successor entity.**

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

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

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

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

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

26 ➔Section 6. Property insurers subject to Section 2 or 3 of this Act, or both, shall
27 make any filings and comply with any other regulatory requirements required under KRS

1 304.14-120, 304.13-051, and any other law, that are necessary to ensure that:

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

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

6 is offered on insurance policies and contracts issued or renewed on or after March 1,
7 2026.

8 ➔Section 7. This Act may be cited as the Strengthen Kentucky Homes Act.