

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;

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

12 3. Does not include a manufactured or mobile home; and

13 (b) "Strengthen Kentucky Homes Program" or "program" means the
14 Strengthen Kentucky Homes Program created under this section.

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

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

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

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

27 1. All grants and funds received or raised by the commissioner under

- 1 paragraph (e) of this subsection; and
- 2 2. Any appropriations made to the fund by the General Assembly.
- 3 (c) Notwithstanding KRS 45.229:
- 4 1. Moneys in the fund not expended at the close of a fiscal year shall not
- 5 lapse but shall be carried forward to the next fiscal year; and
- 6 2. Any interest earnings of the fund shall become part of the fund and
- 7 shall not lapse.
- 8 (d) Moneys in the fund are hereby appropriated by the General Assembly and
- 9 shall be available to the commissioner for use in implementing and
- 10 administering the program.
- 11 (e) The commissioner shall use his or her best efforts to seek and obtain grants
- 12 or funds from the federal government or other funding sources for deposit
- 13 into the fund to supplement any appropriations to the fund made by the
- 14 General Assembly.
- 15 (5) (a) The commissioner shall promulgate administrative regulations in
- 16 accordance with KRS Chapter 13A to create and establish:
- 17 1. Application forms and procedures for seeking a financial grant;
- 18 2. The eligibility criteria, requirements, and procedures for obtaining a
- 19 financial grant, which may include but are not limited to providing
- 20 financial grants to:
- 21 a. Real property owners to mitigate insurable 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 dwelling:
- 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 standards
7 published by the Insurance Institute for Business and
8 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 that are eligible to
14 mitigate the insurable dwellings, which shall include a
15 preference for Kentucky building contractors; and
- 16 4. The procedures and requirements for distributing financial grants.
- 17 (b) The commissioner may promulgate administrative regulations in
18 accordance with KRS Chapter 13A to establish any additional rules and
19 eligibility requirements that are necessary for the proper implementation
20 and administration of this section, including but not limited to the collection
21 of documentation necessary to allow for any auditing of the program that is
22 required under the terms of a grant or other funds received by the program.
- 23 (6) Any financial grant provided under the program to mitigate an insurable
24 dwelling shall be contingent upon the real property owner securing all required
25 permits and applicable inspections in accordance with local building codes.
- 26 (7) Nothing in this section shall be construed to create an entitlement for property
27 owners, building contractors, or nonprofit organizations to obtain funds for, or

1 obligate the state in any way to fund, any activity for which a financial grant is
2 permitted under this section.

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

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

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

12 (a) Shall provide a premium discount or rate reduction on the coverage if the:

13 1. Insurer determines that the requirements for approval of a premium
14 discount or rate reduction under subsection (4) of this section are
15 satisfied; and

16 2. Commissioner approves, in accordance with the requirements for
17 approval under subsection (4) of this section, the premium discount or
18 rate reduction submitted by the insurer under subsection (3) of this
19 section; and

20 (b) May provide any other adjustment on the coverage in accordance with the
21 requirements of this chapter.

22 (3) Notwithstanding any other provision of this chapter, an insurer shall submit all
23 premium discounts and rate reductions that satisfy the requirements of
24 subsection (2)(a)1. of this section to the commissioner for approval not less than
25 sixty (60) days prior to the issuance or renewal of the coverage.

26 (4) Within sixty (60) days of receipt of a submission under subsection (3) of this
27 section, the commissioner shall approve a premium discount or rate reduction

1 submitted by the insurer if:

2 (a) The discount or reduction is actuarially justified; and

3 (b) There is sufficient and credible evidence of cost savings that can be
4 attributed to the construction standards required for an applicable
5 qualifying certificate of compliance.

6 (5) (a) In order to receive a premium discount, rate reduction, or other adjustment
7 offered by an insurer under subsection (2) of this section, an insured shall
8 provide the insurer a valid and applicable qualifying certificate of
9 compliance.

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

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

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

20 1. Be optional; and

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

25 (c) The authority granted to the commissioner to promulgate administrative
26 regulations under this subsection shall be in addition to any other authority
27 granted to the commissioner to promulgate administrative regulations,

1 including but not limited to KRS 304.2-110.

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

4 (1) As used in this section:

5 (a) "Cost to upgrade the single-family dwelling" means the cost required to
6 upgrade the single-family dwelling to meet or exceed the construction
7 standards required for the dwelling to receive a certificate of compliance
8 with the most recent version of any applicable FORTIFIED Home
9 designation standards from the Insurance Institute for Business and Home
10 Safety or a successor entity;

11 (b) "Non-FORTIFIED dwelling" means a dwelling that does not have a valid
12 certificate of compliance with the most recent version of any applicable
13 FORTIFIED Home designation standards from the Insurance Institute for
14 Business and Home Safety or a successor entity; and

15 (c) "Single-family dwelling" does not include a manufactured or mobile home.

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

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

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

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

27 ➔Section 5. Sections 2 and 3 of this Act apply to insurance policies and contracts

1 issued or renewed on or after March 1, 2026.

2 ➔Section 6. The submissions required under subsection (3) of Section 2 of this
3 Act shall be made on or after January 1, 2026.

4 ➔Section 7. Property insurers subject to Section 3 of this Act shall make any
5 filings and comply with any other regulatory requirements required under KRS 304.14-
6 120, 304.13-051, and any other law, that are necessary to ensure that the optional rider,
7 endorsement, or supplemental policy provision required under subsection (2) of Section 3
8 of this Act is offered on insurance policies and contracts issued or renewed on or after
9 March 1, 2026.

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