

1 AN ACT relating to mine subsidence insurance.

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

3 ➔Section 1. KRS 304.44-030 is amended to read as follows:

4 (1) **(a)** ~~[After July 15, 1984, ]~~Every insurance policy issued or renewed insuring on a  
5 direct basis a structure located in a county or portion of a county in this state,  
6 except for counties exempted pursuant to KRS 304.44-060, shall include, at a  
7 separately stated premium, insurance for loss occurring after July 15, 1984,  
8 caused by mine subsidence unless waived in writing by the insured.

9 **(b)** The premium charged for coverage shall be the same as the premium level set  
10 by the administrator.

11 **(c)** The loss coverage shall be the loss in excess of two percent (2%) of the  
12 policy's total insured value, but at no time shall the deductible be less than two  
13 hundred fifty dollars (\$250) nor more than five hundred dollars (\$500).

14 **(d) 1. Subject to approval by the commissioner, the maximum total insured**  
15 **value reinsured per structure shall be determined by the administrator**  
16 **[shall not exceed three hundred thousand dollars (\$300,000) per**  
17 **structure].**

18 **2. The administrator shall establish the maximum total insured value**  
19 **under subparagraph 1. of this paragraph based on:**

20 **a. The solvency of the fund;**

21 **b. Premiums; and**

22 **c. Deductibles.**

23 **(e) An**~~[The]~~ insurer shall not be required to write a policy for mine subsidence  
24 coverage in excess of the amount reimbursable from the fund as authorized by  
25 this subtitle.

26 (2) The coverage provided pursuant to subsection (1) of this section shall also include  
27 coverage, up to **fifty**~~[twenty five]~~ thousand dollars **\$50,000,**~~[((\$25,000)]~~ for the

1 additional living expenses reasonably and necessarily incurred by the owner of a  
 2 residence who has been temporarily displaced as the direct result of damage to the  
 3 residence caused by mine subsidence.

4 ➔Section 2. KRS 304.44-050 is amended to read as follows:

5 **(1)** All insurers writing property insurance covering structures in this state shall enter  
 6 into a reinsurance agreement with the administrator in which each insurer agrees to  
 7 cede to the administrator one hundred percent (100%), up to ***the maximum total***  
 8 ***insured value established under subsection (1)(d) of Section 1 of this Act***~~three~~  
 9 ~~hundred thousand dollars (\$300,000)]~~, of any subsidence insurance coverage issued  
 10 and, in consideration of the ceding commission retained by the insurer, agrees to  
 11 undertake adjustment of losses~~]~~ and payment of taxes~~]~~ and to absorb all other  
 12 expenses of the insurer necessary for sale of policies and administration of the mine  
 13 subsidence insurance program.

14 **(2)** **(a)** The administrator shall:

15 **1.** Agree to reimburse the insurer from the fund for all amounts paid  
 16 policyholders for claims resulting from subsidence; and~~]~~~~shall]~~

17 **2.** Pay from the fund all costs of administration incurred by the  
 18 administrator.~~]~~~~but]~~

19 **(b)** An insurer ***shall***~~is]~~ not ***be*** required to pay any claim for any loss insured  
 20 under this subtitle except to the extent that the amount available in the mine  
 21 subsidence insurance fund is sufficient to reimburse the insurer for such  
 22 claim.

23 **(3)** Claims made under the provisions of the subtitle shall not be deemed to constitute a  
 24 debt, liability, or obligation of the Commonwealth or any political subdivision  
 25 thereof or a pledge of the faith and credit of the Commonwealth or any political  
 26 subdivision except to the extent the fund has accumulated reserves from premiums,  
 27 state or federal grants, investment income, or state appropriations.

1           ➔Section 3. This Act applies to policies issued or renewed on or after January 1,  
2 2025.

3           ➔Section 4. This Act takes effect January 1, 2025.