

# An Act

ENROLLED HOUSE  
BILL NO. 3089

By: Tedford, Hefner, and  
Rosecrants of the House

and

Pemberton of the Senate

An Act relating to insurance; establishing the Strengthen Oklahoma Homes Act; establishing the Strengthen Oklahoma Homes (SOH) Program within the Department of Insurance for certain period of time; clarifying applicability of program; directing Department to make certain efforts to obtain funds; describing qualifying entities for program grants; permitting Insurance Commissioner to promulgate rules and requirements; providing list of requirements; directing for electronic filing of applications; clarifying confidentiality of grant applications; directing use of grants for residential properties; providing time limit; requiring certificate before payment of grant funds; directing who shall pay grant funds; directing that applications are first-come, first-served; permitting entities providing funds to program to establish certain additional rules and guidelines; permitting Insurance Department to conduct inspections; directing residential property owners to hire contractors with certain certification; prohibiting the Insurance Department from making endorsements; clarifying responsibility for owed amounts beyond grant; providing requirements for contractor eligibility; providing requirements for evaluator eligibility; creating the Strengthen Oklahoma Homes Revolving Fund; directing for deposit of certain monies; permitting Insurance Commissioner to transfer certain funds; providing for codification; and providing an effective date.

SUBJECT: Insurance

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 971 of Title 36, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Strengthen Oklahoma Homes Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 972 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. There is hereby established within the Department of Insurance the Strengthen Oklahoma Homes (SOH) Program, to continue until November 1, 2027.

B. This act does not create an entitlement for property owners or obligate the state in any way to fund the inspection, construction, or retrofitting of residential property in this state. Implementation of the SOH Program is subject to the receipt of federal grants or funds or from other sources of grants or funds. The Department shall use its best efforts to obtain grants or funds from the federal government or other funding sources to supplement the financial resources of the SOH Program that may be provided by the state.

C. The SOH Program shall apply for financial grants to construct or retrofit insurable property as defined in Section 963 of Title 36 of the Oklahoma Statutes to resist loss due to a tornado or other catastrophic windstorm events or hail as prescribed in subsection B of Section 962 of Title 36 of the Oklahoma Statutes.

D. The SOH Program may also make grants or funding available to nonprofit entities for projects to construct or retrofit insurable properties to resist loss due to tornado or other catastrophic windstorm events or hail if such grants or funding to nonprofit entities are allowable under grant or funding rules, requirements, guidelines, or criteria. However, a nonprofit entity shall agree to administer the grants or funds as the SOH Program would be required to administer grants or funds, and the entity shall provide documentation to the Department in a timely manner as requested by the Department.

E. All mitigation shall be based upon the securing of all required local permits and applicable inspections in keeping with local building codes and the Insurance Institute for Business and

Home Safety (IBHS) Fortified Homes Program. Mitigation projects are subject to random reinspection of all projects.

F. The Insurance Commissioner may promulgate rules and eligibility requirements necessary for the proper administration of this act and pursuant to any instructions or requirements on grants or funds received by the Department for the SOH Program.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 973 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. To be eligible for a grant, residential property owners applying for a grant must be able to meet the eligibility requirements as set forth by the Insurance Department for each grant type. These requirements shall include, but not be limited to, the following:

1. The residential property owner shall have or be constructing insurable property, as defined in Section 963 of Title 36 of the Oklahoma Statutes, that has been granted a homestead exemption, or, if new build, provides other documentation approved by the Insurance Commissioner;

2. The residential property owner shall claim their primary residence in a county where grants are being approved;

3. The home to be mitigated shall be an owner-occupied, single-family, primary residence and cannot be a condominium or mobile home;

4. The home shall be in good repair unless damaged by a tornado or other catastrophic windstorm event or hail. SOH Program grant funds cannot be used for maintenance or repairs but may be used in conjunction with repairs or reconstruction necessitated by damages from a tornado or other catastrophic windstorm event or hail;

5. A Certified IBHS Evaluator shall prequalify the insurable property as mitigable and identify all improvements required to achieve IBHS FORTIFIED Roof™ (Roof), FORTIFIED Silver™ (Silver), FORTIFIED Gold™ (Gold), or successor designation, or similar standard approved by the Insurance Commissioner. The residential property owner shall select the evaluator from a list provided by the SOH Program and shall pay the evaluator's fee;

6. The residential property owner shall obtain bids from at least three IBHS Certified Contractors approved by the SOH Program;

7. The residential property owner shall construct or retrofit the home to the Insurance IBHS Roof or Silver, Gold, or successor designation or similar standard approved by the Commissioner, which shall include the hail supplement;

8. The residential property owner shall provide proof of an in-force policy providing wind insurance on the home; and

9. If the insurable property is in a special flood hazard area, the residential property owner shall provide proof of an in-force flood insurance policy. The flood policy may be from the National Flood Insurance Program (NFIP) or a private carrier.

B. Grant applications shall be filed electronically with the Department in the form and manner prescribed by the Commissioner, along with any applicable transaction fees.

C. Documents, materials, and other information submitted to the Department by property owners or insurance companies in support of a grant application shall be confidential by law and privileged, shall not be subject to open records requests, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action.

D. Grants to residential property owners shall be used to construct or retrofit an insurable property as defined in Section 963 of Title 36 of the Oklahoma Statutes to resist loss due to a tornado or other catastrophic windstorm event or hail as prescribed in subsection B of Section 962 of Title 36 of the Oklahoma Statutes.

E. Retrofit projects within six (6) months of the date the residential property owner receives notice of the grant approval. New builds shall be completed within the timeframe approved by the Commissioner. Failure to complete the project timely may result in forfeiture of the grant.

F. Grant funds shall only be paid once a certificate has been issued for the fortified standard approved by the Commissioner. Grant funds shall be paid by the Department or another designated agency, on behalf of the residential property owner, directly to the contractor who performed the mitigation work.

G. Applications will be accepted on a first-come, first-served basis within each income tier established by the Commissioner, with priority given to lower-income applicants, applicants who live in locations that, based on historical data, have a higher susceptibility to catastrophic weather events, and applicants meeting any other criteria the Commissioner determines is appropriate to meet the purpose of the program.

H. Any entity providing funds to the SOH Program shall be permitted to establish additional rules and guidelines under which those funds may be used, as long as such rules and guidelines do not violate any state or federal law.

I. The Department may conduct random inspections of funds, records, and/or properties to detect any fraud.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 974 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. Under the Strengthen Oklahoma Homes (SOH) Program, a residential property owner shall hire an IBHS certified contractor who is capable of performing work that satisfies the standards prescribed by this act and the rules adopted thereto.

B. The Insurance Department shall not endorse or otherwise provide preferential treatment to any contractor.

C. A residential property owner is responsible for any amount owed to a contractor that exceeds awarded grant monies.

D. To be eligible to work on a project funded by the SOH Program as a contractor, a contractor shall meet all program requirements, including, but not limited to, those listed in this subsection, and maintain a current copy of all applicable certificates, licenses, and proof of insurance coverages with the program office:

1. If required under Oklahoma law, the contractor shall hold a valid and active contractor's license or registration in Oklahoma and be free from all disciplinary action by the applicable licensing board;

2. If applicable, the contractor shall be registered to do business in Oklahoma with the Secretary of State;

3. The contractor shall have an in-force general liability policy with Five Hundred Thousand Dollars (\$500,000.00) in liability coverage;

4. The contractor shall have workers' compensation and employer's liability insurance in accordance with and to the extent required by Oklahoma law;

5. The contractor shall hold an active IBHS FORTIFIED Roof™ Contractor Certification or FORTIFIED Professional Certification. The contractor is responsible for paying all fees associated with certification and training;

6. The contractor must successfully register as a supplier or payee with the Office of Management and Enterprise Services;

7. The contractor shall maintain accurate contact information with the SOH Program;

8. The contractor shall agree to follow the SOH Program's procedures and rules as prescribed by the Insurance Commissioner;

9. The contractor shall not have a financial interest in any project funded by the SOH Program for which they perform work other than receiving payment on behalf of the homeowner from the SOH Program and shall report to the SOH Program any potential conflicts of interest before work commences; and

10. The contractor shall not be the evaluator for any project funded by the SOH Program.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 975 of Title 36, unless there is created a duplication in numbering, reads as follows:

To be eligible to work on a project funded by the Strengthen Oklahoma Homes (SOH) Program as an evaluator, the evaluator shall meet all program requirements, including, but not limited to, those listed in this section, and maintain a current copy of all applicable certificates and licenses with the SOH Program office:

1. The evaluator must be in good standing with IBHS and maintain an active IBHS certification as a FORTIFIED Home Evaluator.

The evaluator is responsible for paying all fees associated with certification and training;

2. If applicable, the evaluator shall be registered to do business in Oklahoma with the Secretary of State;

3. The evaluator shall agree to follow the SOH Program's procedures and rules as prescribed by the Commissioner;

4. The evaluator shall maintain accurate contact information with the SOH Program;

5. The evaluator shall not have any financial interest in any project which they inspect for designation purposes for the SOH Program;

6. The evaluator shall not be a contractor or supplier of any materials or products or systems installed in any home they inspect for designation purposes for the SOH Program;

7. The evaluator shall not be the sales agent for any home being designated for the SOH Program; and

8. The evaluator shall inform the SOH Program of any potential conflicts of interest.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 976 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Insurance Department, to be designated the "Strengthen Oklahoma Homes Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies deposited to the fund from the receipt of federal grants or funds or from other sources of grants or funds. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Department for the purpose of assisting the Strengthen Oklahoma Homes (SOH) Program in performing all acts that relate to the function and purpose of the SOH Program. Warrants for expenditures from the revolving fund shall be drawn by the State Treasurer, based on claims signed by an authorized employee or employees of the Insurance Department, and filed with the Director of the Office of Management and Enterprise Services.

B. Monies collected pursuant to this act shall be deposited in the Strengthen Oklahoma Homes Revolving Fund. Monies shall not lapse, unless otherwise specified under federal funding or federal grant, or a grant or funds from another source, or be transferred to the State Insurance Commissioner Revolving Fund or other state funds and shall not be redistributed.

C. Notwithstanding any other provision of law, the Insurance Commissioner may transfer from the State Insurance Commissioner Revolving Fund to the Strengthen Oklahoma Homes Revolving Fund up to fifty percent (50%), but in an amount not to exceed Ten Million Dollars (\$10,000,000.00), of the balance remaining in the State Insurance Commissioner Revolving Fund at the end of each fiscal year beginning with the fiscal year ending on June 30, 2024.

SECTION 7. This act shall become effective November 1, 2024.



Passed the House of Representatives the 6th day of May, 2024.

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Presiding Officer of the House  
of Representatives

Passed the Senate the 25th day of April, 2024.

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Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_