

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3089

By: Tedford

AS INTRODUCED

An Act relating to insurance; establishing the Strengthen Oklahoma Homes Act; establishing the Strengthen Oklahoma Homes (SOH) Program within the Department of Insurance; 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.

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

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

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

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

10 A. There is hereby established within the Department of
11 Insurance the Strengthen Oklahoma Homes (SOH) Program.

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

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

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

12 E. All mitigation shall be based upon the securing of all
13 required local permits and applicable inspections in keeping with
14 local building codes and the Insurance Institute for Business and
15 Home Safety (IBHS) Fortified Homes Program. Mitigation projects are
16 subject to random reinspection of all projects.

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

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 973 of Title 36, unless there is
23 created a duplication in numbering, reads as follows:
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1 A. To be eligible for a grant, residential property owners
2 applying for a grant must be able to meet the eligibility
3 requirements as set forth by the Insurance Department for each grant
4 type. These requirements shall include, but not be limited to, the
5 following:

6 1. The residential property owner shall have insurable property
7 as defined in Section 963 of Title 36 of the Oklahoma Statutes;

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

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

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

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

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

3 7. The residential property owner shall agree to retrofit the
4 home to the Insurance IBHS Roof or Silver, Gold, or successor
5 designation or similar standard approved by the Commissioner;

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

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

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

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

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

3 E. Failure to complete retrofit projects within three (3)
4 months of the date the residential property owner receives notice of
5 the grant approval may result in forfeiture of the grant.

6 F. Grant funds shall only be paid once a certificate has been
7 issued for a Roof, Silver, Gold, or successor designation, or
8 similar standard approved by the Commissioner. Grant funds shall be
9 paid by the Department or another designated agency, on behalf of
10 the residential property owner, directly to the contractor who
11 performed the mitigation work.

12 G. Applications will be accepted on a first-come, first-served
13 basis within each income tier established by the Commissioner, with
14 priority given to lower-income applicants.

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

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

21 SECTION 4. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 974 of Title 36, unless there is
23 created a duplication in numbering, reads as follows:
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1 A. To perform retrofitting work on insurable property under the
2 SOH Program, a residential property owner shall hire an IBHS
3 certified contractor who is capable of performing work that
4 satisfies the standards prescribed by this act and the rules adopted
5 thereto.

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

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

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

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

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

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

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

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

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

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

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

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

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

21 SECTION 5. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 975 of Title 36, unless there is
23 created a duplication in numbering, reads as follows:
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1 To be eligible to work on a project funded by the SOH Program as
2 an evaluator, the evaluator shall meet all program requirements,
3 including, but not limited to, those listed below and maintain a
4 current copy of all applicable certificates and licenses with the
5 SOH Program office:

6 1. The evaluator must be in good standing with IBHS and
7 maintain an active IBHS certification as a FORTIFIED Home Evaluator.
8 The evaluator is responsible for paying all fees associated with
9 certification and training;

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

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

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

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

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

22 7. The evaluator shall not be the sales agent for any home
23 being designated for the SOH Program; and
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1 8. The evaluator shall inform the SOH Program of any potential
2 conflicts of interest.

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

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

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

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

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

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