

1 **SENATE FLOOR VERSION**

2 April 2, 2024

3 ENGROSSED HOUSE  
4 BILL NO. 3089

By: Tedford, Hefner, and  
Rosecrants of the House

5 and

6 Pemberton of the Senate

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8  
9 An Act relating to insurance; establishing the  
10 Strengthen Oklahoma Homes Act; establishing the  
11 Strengthen Oklahoma Homes (SOH) Program within the  
12 Department of Insurance; clarifying applicability of  
13 program; directing Department to make certain efforts  
14 to obtain funds; describing qualifying entities for  
15 program grants; permitting Insurance Commissioner to  
16 promulgate rules and requirements; providing list of  
17 requirements; directing for electronic filing of  
18 applications; clarifying confidentiality of grant  
19 applications; directing use of grants for residential  
20 properties; providing time limit; requiring  
21 certificate before payment of grant funds; directing  
22 who shall pay grant funds; directing that  
23 applications are first-come, first-served; permitting  
24 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.

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

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

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

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

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

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

22 C. The SOH Program shall apply for financial grants to  
23 construct or retrofit insurable property as defined in Section 963  
24 of Title 36 of the Oklahoma Statutes to resist loss due to a tornado

1 or other catastrophic windstorm events or hail as prescribed in  
2 subsection B 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 construct or retrofit insurable  
5 properties to resist loss due to tornado or other catastrophic  
6 windstorm events or hail if such grants or funding to nonprofit  
7 entities are allowable under grant or funding rules, requirements,  
8 guidelines, or criteria. However, a nonprofit entity shall agree to  
9 administer the grants or funds as the SOH Program would be required  
10 to administer grants or funds, and the entity shall provide  
11 documentation to the Department in a timely manner as requested by  
12 the Department.

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

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

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

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 or be constructing  
7 insurable property, as defined in Section 963 of Title 36 of the  
8 Oklahoma Statutes, that has been granted a homestead exemption, or,  
9 if new build, provides other documentation approved by the  
10 Commissioner;

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

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

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

21 5. A Certified IBHS Evaluator shall prequalify the insurable  
22 property as mitigable and identify all improvements required to  
23 achieve IBHS FORTIFIED Roof™ (Roof), FORTIFIED Silver™ (Silver),  
24 FORTIFIED Gold™ (Gold), or successor designation, or similar

1 standard approved by the Insurance Commissioner. The residential  
2 property owner shall select the evaluator from a list provided by  
3 the SOH Program and shall pay the evaluator's fee;

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

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

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

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

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

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

1 D. Grants to residential property owners shall be used to  
2 construct or retrofit an insurable property as defined in Section  
3 963 of Title 36 of the Oklahoma Statutes to resist loss due to a  
4 tornado or other catastrophic windstorm event or hail as prescribed  
5 in subsection B of Section 962 of Title 36 of the Oklahoma Statutes.

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

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

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

23 H. Any entity providing funds to the SOH Program shall be  
24 permitted to establish additional rules and guidelines under which

1 those funds may be used, as long as such rules and guidelines do not  
2 violate any state or federal law.

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

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

8 A. Under the SOH Program, a residential property owner shall  
9 hire an IBHS certified contractor who is capable of performing work  
10 that satisfies the standards prescribed by this act and the rules  
11 adopted thereto.

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

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

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

22 1. If required under Oklahoma law, the contractor shall hold a  
23 valid and active contractor's license or registration in Oklahoma  
24

1 and be free from all disciplinary action by the applicable licensing  
2 board;

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

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

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

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

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

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

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

21 9. The contractor shall not have a financial interest in any  
22 project funded by the SOH Program for which they perform work other  
23 than receiving payment on behalf of the homeowner from the SOH  
24



1 Program and shall report to the SOH Program any potential conflicts  
2 of interest before work commences; and

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

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

8 To be eligible to work on a project funded by the SOH Program as  
9 an evaluator, the evaluator shall meet all program requirements,  
10 including, but not limited to, those listed below and maintain a  
11 current copy of all applicable certificates and licenses with the  
12 SOH Program office:

13 1. The evaluator must be in good standing with IBHS and  
14 maintain an active IBHS certification as a FORTIFIED Home Evaluator.  
15 The evaluator is responsible for paying all fees associated with  
16 certification and training;

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

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

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

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

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

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

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

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

14           A. There is hereby created in the State Treasury a revolving  
15 fund for the Insurance Department, to be designated the "Strengthen  
16 Oklahoma Homes Revolving Fund". The fund shall be a continuing  
17 fund, not subject to fiscal year limitations, and shall consist of  
18 any monies deposited to the fund from the receipt of federal grants  
19 or funds or from other sources of grants or funds. All monies  
20 accruing to the credit of the fund are hereby appropriated and may  
21 be budgeted and expended by the Department for the purpose of  
22 assisting the SOH Program in performing all acts that relate to the  
23 function and purpose of the SOH Program. Warrants for expenditures  
24 from the revolving fund shall be drawn by the State Treasurer, based

1 on claims signed by an authorized employee or employees of the  
2 Insurance Department, and filed with the Director of the Office of  
3 Management and Enterprise Services.

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

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

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

18 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE  
19 April 2, 2024 - DO PASS  
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