

HB424 INTRODUCED



1 HB424
2 9JDVKMP-1
3 By Representative Ellis
4 RFD: Insurance
5 First Read: 10-Feb-26



SYNOPSIS:

This bill would create the Office of Risk and Resilience within the Department of Insurance and would provide for the Strengthen Alabama Homes Program to be housed within the office.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Department of Insurance; to create the Office of Risk and Resilience within the department; and to amend Section 27-31E-2, Code of Alabama 1975, to provide that the Strengthen Alabama Homes Program is housed within the office.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) There is created within the Department of Insurance the Office of Risk and Resilience. The office shall develop and implement risk controls to help promote and sustain a healthy insurance market in the state and shall work to solve issues of risk and resilience facing the insurance market.

(b) The Commissioner of Insurance, in conformance with Section 36-26-10, Code of Alabama 1975, may employ personnel



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to operate the office including one employee who is in the exempt service and not subject to the state Merit System. This position is in addition to any other exempt position otherwise authorized by law for the department. The compensation of this employee shall be set by the commissioner.

Section 2. Section 27-31E-2 of the Code of Alabama 1975, is amended to read as follows:

"§27-31E-2

(a) There is established within the Office of Risk and Resilience of the Department of Insurance, the Strengthen Alabama Homes Program.

(b) There is established the Strengthen Alabama Homes Fund within the State Treasury for the use of the department to administer the program.

(c) This chapter does not create an entitlement for property owners or obligate the state in any way to fund the inspection or retrofitting of residential property in this state. Implementation of this program is subject to annual legislative appropriations, receipt of federal grants or funds, or receipt of 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 program that may be provided by the state.

(d) Monies in the program shall be deposited in the Strengthen Alabama Homes Fund. Monies shall not lapse, unless otherwise specified under federal funding or a federal grant, or a grant or funds from another source, or be transferred to



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the General Fund or other state funds and shall not be redistributed. Monies shall be used for the purpose of assisting the program in performing all acts that relate to the function and purpose of the program.

(e) The program shall apply for financial grants to retrofit insurable property as defined in Section 27-31D-3, to resist loss due to hurricane, tornado, or other catastrophic windstorm events as prescribed in ~~subsection (b) of~~ Section 27-31D-2 (b).

(f) The program may also make grants or funding available to nonprofit entities for projects to retrofit an insurable property to resist loss due to hurricane, tornado, or other catastrophic windstorm events 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 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.

(g) All mitigation shall be based upon the securing of all required local permits and applicable inspections in keeping with local building codes and the Fortified for Existing Homes Program. Mitigation projects are subject to random reinspection of all projects.

(h) The department may ~~promulgate~~ adopt rules and eligibility requirements necessary for the proper administration of this chapter and pursuant to any instructions or requirements on grants or ~~funds~~ funding



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85 received by the program."

86 Section 3. This act shall become effective on June 1,

87 2026.