

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
95th General Assembly  
Regular Session, 2025

# A Bill

SENATE BILL 366

By: Senator J. Boyd

By: Representative L. Johnson

## For An Act To Be Entitled

AN ACT TO CREATE THE STRENGTHEN ARKANSAS HOMES ACT;  
TO CREATE THE STRENGTHEN ARKANSAS HOMES PROGRAM FUND;  
AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE THE STRENGTHEN ARKANSAS HOMES  
ACT; AND TO CREATE THE STRENGTHEN  
ARKANSAS HOMES PROGRAM FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 19, Chapter 5, Subchapter 12, is amended to add an additional section to read as follows:

19-5-1287. Strengthen Arkansas Homes Program Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "Strengthen Arkansas Homes Program Fund".

(b) The fund shall consist of:

(1) Donations;

(2) Grants;

(3) Gifts;

(4) Moneys obtained from private sources;

(5) Appropriations from municipal and county governments, the state, and the United States Government;

(6) Other revenues in support of the Strengthen Arkansas Homes Program established under the Strengthen Arkansas Homes Program Act, § 23-88-601 et seq.; and



(7) Any other funds authorized or provided by law.

(c)(1) The fund shall be administered by and disbursed at the direction of the Insurance Commissioner.

(2) Moneys shall not be appropriated from the fund for any purpose except for the program.

(d) Moneys deposited into the fund shall not be subject to a deduction, tax, levy, or other type of assessment.

(e) An entity providing funds to the program shall be permitted to establish additional rules and guidelines under which those funds may be used if the rules and guidelines do not violate any state or federal law or State Insurance Department rules.

SECTION 2. Arkansas Code Title 23, Chapter 88, is amended to add an additional subchapter to read as follows:

Subchapter 6 – Strengthen Arkansas Homes Program Act

23-88-601. Title.

This subchapter shall be known and may be cited as the "Strengthen Arkansas Homes Program Act".

23-88-602. Definitions.

As used in this subchapter:

(1) "Certificate of compliance" means a certificate of compliance with the most recent version of an applicable FORTIFIED Home construction standard from the Insurance Institute for Business & Home Safety or a successor entity;

(2) "Construct" means to build, equip, install, or otherwise develop insurable dwelling;

(3) "Cost to upgrade a single-family dwelling" means the cost required to upgrade a single-family dwelling to meet or exceed the construction standards required for the single-family dwelling to comply with the most recent version of applicable FORTIFIED Home construction standards published by the Insurance Institute for Business & Home Safety or a successor entity;

(4)(A) "Insurable dwelling" means a single-family dwelling that

is a detached structure and is located on, or affixed to, residential real estate.

(B) "Insurable dwelling" does not include manufactured homes, mobile homes, or condominiums;

(5) "Non-FORTIFIED dwelling" means a dwelling that does not comply with the most recent version of applicable FORTIFIED Home construction standards published by the Insurance Institute for Business & Home Safety or a successor entity; and

(6) "Retrofitting" or "retrofit" is the process of modifying an existing building or structure after it has been constructed and occupied.

23-88-603. Strengthen Arkansas Homes Program.

(a) There is established within the State Insurance Department the Strengthen Arkansas Homes Program.

(b) The program is created to provide financial grants to real property owners and nonprofit organizations to assist and promote the mitigation of losses to insurable dwellings due to catastrophic wind events, including hail, according to FORTIFIED Home construction standards published by the Insurance Institute for Business & Home Safety or a successor entity.

(c) This subchapter does not create an entitlement for a property owner or obligate the state to fund the inspection, construction, or retrofitting of residential property in this state.

(d) The department may apply for financial grants to construct or retrofit insurable dwellings to resist loss due to catastrophic wind events or hail and deposit the funds into the Strengthen Arkansas Homes Program Fund.

(e)(1) The department may make grants or funding available to a nonprofit entity for a project to construct or retrofit an insurable dwelling to resist loss due to catastrophic wind events or hail if the grant or funding to a nonprofit entity is allowable under grant or funding rules, requirements, guidelines, or criteria.

(2) A nonprofit entity under subdivision (e)(1) of this section shall:

(A) Agree to administer the grants or funding as the program would be required to administer grants or funding; and

(B) Provide documentation to the department in a timely

manner as requested by the department.

(f)(1) All mitigation projects shall be based upon the securing of required local permits and applicable inspections in keeping with local building codes and the Insurance Institute for Business & Home Safety's FORTIFIED Home construction standards as adopted by rule by the Insurance Commissioner.

(2) All mitigation projects are subject to random reinspection.

23-88-604. Eligibility.

(a)(1) The owner of an insurable dwelling may apply for a grant under the Strengthen Arkansas Homes Program if the owner of an insurable dwelling meets the eligibility requirements as stated by the State Insurance Department for each grant type, either FORTIFIED Roof or FORTIFIED Silver.

(2) The eligibility requirements under subdivision (a)(1) of this section shall include without limitation:

(A) That the residential property owner shall own an insurable dwelling that has been granted a homestead exemption;

(B) That the owner of the insurable dwelling shall claim his or her primary residence in a county where grants are being approved;

(C) That an insurable dwelling to be constructed or retrofitted shall be an owner-occupied single-family primary residence;

(D)(i) That the insurable dwelling shall be in good repair unless damaged by a catastrophic wind event or hail, and the insurable dwelling owner is eligible to receive a grant under this subchapter.

(ii) The home repair shall not be part of an insurance claim;

(E)(i) That an evaluator certified by the Insurance Institute for Business & Home Safety shall:

(a) Prequalify the insurable dwelling as suitable for construction or retrofitting under the Strengthen Arkansas Homes Program; and

(b) Identify improvements required to achieve an Insurance Institute for Business & Home Safety FORTIFIED Roof designation, FORTIFIED Silver designation, or a successor designation or a similar standard approved by rule by the Insurance Commissioner.

(ii) The owner of the insurable dwelling shall:

(a) Select the evaluator under subdivision (a)(2)(E)(i) of this section from a list provided by the department under the Strengthen Arkansas Homes Program; and

(b) Pay the evaluator's fee out-of-pocket; and

(F) That the owner of the insurable dwelling shall:

(i)(a) Obtain bids from at least three (3) contractors certified by the Insurance Institute for Business & Home Safety and approved under the Strengthen Arkansas Homes Program.

(b) If three (3) contractors certified by the Insurance Institute for Business & Home Safety are not available to provide bids in a geographic area where grants are offered, then a bid equivalent to the number of available contractors certified by the Insurance Institute for Business & Home Safety is acceptable under this subdivision (a)(2)(F)(i);

(ii) Construct or retrofit the insurable dwelling to the Insurance Institute for Business & Home Safety FORTIFIED Roof designation or FORTIFIED Silver designation, or a successor designation or a similar standard approved by rule by the commissioner, which shall include a hail supplement;

(iii)(a) Provide proof of an in-force policy providing wind insurance on the insurable dwelling.

(b) If the owner of the insurable dwelling does not have wind insurance at the time of the grant application, he or she shall provide proof of wind insurance coverage within thirty (30) days from the time the insurable dwelling receives certification from the Insurance Institute for Business & Home Safety; and

(iv)(a) If the insurable dwelling is in a Special Flood Hazard Area, provide proof of an in-force flood insurance policy.

(b) The flood insurance policy under subdivision (a)(2)(F)(iv)(a) of this section may be from the National Flood Insurance Program or a private carrier.

(b) An applicant for a Strengthen Arkansas Homes Program grant under this subchapter shall file an application with the department in the form and manner prescribed by the commissioner.

(c) Documents, materials, and other information submitted to the department by the owner of an insurable dwelling or an insurance company in support of a Strengthen Arkansas Homes Program grant application shall be

confidential and not subject to the Freedom of Information Act of 1967, § 25-19-101 et seq.

(d)(1) Documents, materials, and other information submitted to the department by the owner of an insurable dwelling or an insurance company shall not be:

(A) Subject to a public records request under the Freedom of Information Act of 1967, § 25-19-101 et seq.;

(B) Subject to subpoena;

(C) Subject to discovery; or

(D) Admissible in evidence in a private civil action.

(2) Subdivision (d)(1) of this section does not:

(A) Apply to the disclosure of documents, materials, or other information to Arkansas Legislative Audit or to the Legislative Joint Auditing Committee as otherwise authorized by law; or

(B) Preclude the subpoena authority under § 10-3-411 or § 10-4-421.

(e) The owner of an insurable dwelling shall use Strengthen Arkansas Homes Program grant funds to retrofit an insurable dwelling to resist loss due to a catastrophic wind event or hail.

(f)(1) Any mitigation project under this subchapter shall be completed within three (3) months of the date the applicant receives notice of the Strengthen Arkansas Homes Program grant approval.

(2) Failure to complete the project in the time allotted under subdivision (f)(1) of this section may result in forfeiture of the Strengthen Arkansas Homes Program grant.

(g)(1) Strengthen Arkansas Homes Program grant funds shall only be paid once a certificate of compliance has been issued for the Insurance Institute for Business & Home Safety FORTIFIED Roof designation, FORTIFIED Silver designation, or a successor designation or a similar standard approved by rule of the commissioner.

(2) The Strengthen Arkansas Homes Program grant funds shall be paid by the commissioner, on behalf of the owner of the insurable dwelling, directly to the contractor who performed the loss mitigation work.

(h)(1) Except as provided in subdivision (h)(2) of this section, the department shall accept Strengthen Arkansas Homes Program grant applications on a first-come, first-served basis.

(2) An application submitted under subdivision (h)(1) of this section shall be given priority if the applicant:

(A) Lives in a location that, based on historical data, has a higher susceptibility to catastrophic wind events or hail; or

(B) Meets any other criteria the commissioner determines is appropriate to meet the purpose of the Strengthen Arkansas Homes Program.

(i) The department may conduct a random audit of funds, records, and properties to detect fraud or for any other reason related to the administration of the Strengthen Arkansas Homes Program.

23-88-605. Contractor requirements.

(a) Under the Strengthen Arkansas Homes Program, the owner of an insurable dwelling shall hire a contractor certified by the Insurance Institute for Business & Home Safety who can perform work that satisfies the standards under this subchapter and the rules adopted by the Insurance Commissioner.

(b) The State Insurance Department shall not endorse or otherwise provide preferential treatment to a contractor.

(c)(1) The owner of an insurable dwelling is responsible for an amount owed to a contractor that exceeds awarded program grant funds.

(2) The amount owed to a contractor that exceeds the awarded program grant funds shall be disclosed to the owner, reflected on the bid sheet, and approved by the owner before work begins.

(3) A contractor shall not bill the owner for additional expenses after retrofit work is completed.

(d) To be eligible to work on a project funded by the program as a contractor, a contractor shall:

(1) Meet the program requirements under subsection (e) of this section; and

(2) Maintain a current copy of all applicable certificates, licenses, and proof of insurance coverages with the program office.

(e) The program requirements for a contractor to participate in the program include without limitation that the contractor:

(1) Holds a valid and active contractor's license or registration in Arkansas and is free from all disciplinary action by the applicable licensing board;

(2) Is registered to do business in Arkansas with the Secretary of State;

(3) Has an in-force general liability policy with at least five hundred thousand dollars (\$500,000) in liability coverage;

(4) Has workers' compensation and employer's liability insurance as required by Arkansas law;

(5)(A) Holds an active Insurance Institute for Business & Home Safety FORTIFIED Roof contractor certification or FORTIFIED professional certification.

(B) The contractor is responsible for paying all fees associated with certification and training;

(6) Has successfully registered as a supplier or payee with the Department of Finance and Administration;

(7) Shall maintain accurate contact information with the State Insurance Department and notify the State Insurance Department within ten (10) days of any changes in his or her contact information;

(8) Agrees to follow the program's procedures and rules as promulgated by the commissioner;

(9) Shall not have a financial interest in a project funded by the program for which the contractor performs work other than receiving payment from the program on behalf of the owner of an insurable dwelling;

(10) Shall report to the program any potential conflict of interest before work commences; and

(11) Shall not be the evaluator for a project funded under the program.

23-88-606. Evaluator requirements.

(a) To be eligible to work on a project funded by the Strengthen Arkansas Homes Program as an evaluator, an evaluator shall:

(1) Meet the program requirements under subsection (b) of this section; and

(2) Maintain a current copy of all applicable certificates, licenses, and proof of insurance coverage with the program office.

(b) The program requirements for an evaluator to participate in the program include that the evaluator:

(1)(A) Is in good standing with the Insurance Institute for

Business & Home Safety and maintains an active Insurance Institute for Business & Home Safety certification as a FORTIFIED Home evaluator, or other certification under a successor entity of the Insurance Institute for Business & Home Safety.

(B) The evaluator shall pay all fees associated with certification and training;

(2) If applicable, is registered to do business in Arkansas with the Secretary of State;

(3) Agrees to follow the program's procedures and rules as promulgated by the Insurance Commissioner;

(4) Shall maintain accurate contact information with the State Insurance Department and notify the department within ten (10) days of any changes in his or her contact information;

(5) Shall not have a financial interest in any project that the evaluator inspects for designation purposes for the program;

(6) Shall not be a contractor or supplier of any materials, products, or systems installed in a project the evaluator inspects for designation purposes for the program;

(7) Shall not be the sales agent for a project being designated for the program; and

(8) Agrees to inform the department of a potential conflict of interest.

23-88-607. Premium discount.

(a) An insurance company that writes property insurance for wind or hail coverage of any property located in this state that has been certified compliant with the most recent version of any applicable FORTIFIED Home construction standards published by the Insurance Institute for Business & Home Safety or a successor entity:

(1) Shall provide a premium discount or rate reduction on the coverage if the discount or reduction is actuarially justified; or

(2) May provide:

(A) A premium discount or rate reduction on the coverage according to any standard discount amounts, targets, or benchmarks established under subsection (e) of this section; and

(B) Any other adjustment on the coverage.

(b) A premium discount, rate reduction, or other adjustment provided under subsection (a) of this section shall be subject to rate filing and other applicable regulatory requirements, including without limitation those under § 23-67-201 et seq.

(c) An insurance company that offers a premium discount, rate reduction, or other adjustment under subdivision (a)(1) of this section shall provide the discount, reduction, or adjustment on the coverage of an insurable dwelling located in this state if the insurance company receives a copy of the certificate of compliance for the insurable dwelling.

(d)(1) The Insurance Commissioner may promulgate rules that establish standard discount amounts, targets, or benchmarks for the coverage of any real property located in this state that has been certified compliant with the most recent version of any applicable FORTIFIED Home construction standards published by the Insurance Institute for Business & Home Safety or a successor entity.

(2) Any standard discount amounts, targets, or benchmarks promulgated by the commissioner shall be:

(A) Optional; and

(B) Primarily for the benefit of insurance companies that are unable to obtain actuarially valid data to provide a premium discount or rate reduction under subdivision (a)(1) of this section due to inadequate resources or experience.

23-88-608. Policy endorsement for roof loss or repairs.

An insurance company writing property insurance for personal risks that provides coverage of a single-family dwelling located in this state that is a non-FORTIFIED dwelling shall offer an optional rider, endorsement, or supplemental policy provision that provides the insured a right to receive claim payments for the cost to upgrade a single-family dwelling for a claim that:

(1) Is covered under the insurance policy or contract; and

(2) Requires replacement of the covered insured dwelling's roof as defined by the insurance policy or contract.

23-88-609. Insurer requirements.

A property insurer subject to §§ 23-88-607 and 23-88-608 shall:

(1) Make any filings required under §§ 23-88-607 and 23-88-608;  
(2) Comply with any other regulatory requirements required under § 23-67-201 et seq.; and

(3) Comply with any other laws that are necessary to ensure that:

(A) Any premium discount or rate reduction required under § 23-88-607 is offered on an insurance policy or contract issued or renewed on and after July 1, 2026; and

(B) The optional rider, endorsement, or supplemental policy provision required under § 23-88-608 is offered on an insurance policy or contract issued or renewed on and after July 1, 2026.

23-88-610. Rules.

(a) The Insurance Commissioner shall promulgate rules to implement and administer this subchapter.

(b) The rules promulgated under subsection (a) of this section shall include eligibility requirements necessary for the proper administration of this subchapter and eligibility requirements under any instructions or requirements on grants or funds received by the commissioner for the Strengthen Arkansas Homes Program.

SECTION 3. EFFECTIVE DATE. This act is effective on and after January 1, 2026.