

**ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION**

CHAPTER 482-1-159

STRENGTHEN ALABAMA HOMES

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482-1-159-.01 Purpose, Scope, and Authority.

(1) The purpose of this chapter is to set forth rules and requirements the Commissioner deems necessary to carry out the provisions of Ala. Code §§ 27-31E-1, et seq. (2014 Repl. Vol.), relating to the Strengthen Alabama Homes (SAH) program.

(2) This chapter shall apply to all aspects of the SAH program.

(3) This chapter is adopted pursuant to Ala. Code §§ 27-2-17 (1975) and 27-31E-1, et seq. (2014 Repl. Vol).

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-31E-2

History: New August 12, 2015, Effective January 1, 2016

482-1-159-.02 Grants.

(1) Eligibility. To be eligible for a Strengthen Alabama Homes (SAH) grant, an applicant must meet the following requirements:

(a) Owner-occupied, single-family, primary residences (excluding condos, mobilehomes). Initially only Mobile and Baldwin County residents will be eligible. As more funds become available and legislation permits, grants may be offered statewide.

(b) Home must be in good repair unless damaged by a disaster. SAH grant funds cannot be used for normal maintenance and repairs that a homeowner is expected to perform, but may be used in conjunction with repairs or reconstruction necessitated by damages from a hurricane, tropical storm, or tornado.

(c) Homeowner must mitigate to the IBHS Bronze level at a minimum, preferably Silver, in order to receive a grant.

(d) Homeowner must have wind insurance and a flood insurance policy if the home is in a special flood hazard area before grant funds will be paid to their Contractor.

(e) Local building permits and inspections are required for all mitigation projects.

(f) Contractors must be licensed and carry general liability and workers compensation insurance.

(g) Mitigation projects must be completed within 6 months of the date of the Grant Award Notification letter.

(h) Any entity providing funds to the SAH program will be permitted to establish additional rules and guidelines under which those funds may be used, as long as they do not violate any state or federal laws.

(2) Application Process.

(a) Homeowner submits grant application to SAH with a copy of their latest federal income tax return, a copy of their property insurance policy declaration page, a copy of their flood insurance policy declaration page (only if home is located in a special

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flood hazard area), and selects a Certified IBHS Evaluator working on the SAH program to provide a Home Review evaluation on the home to be mitigated. The Evaluator's fee is paid by homeowner.

(b) Evaluator identifies all improvements required to achieve IBHS Bronze and Silver levels, then submits the report to IBHS for approval.

(c) IBHS determines if the home receives a Pass or Fail depending on information provided IBHS by the Evaluator. If home Fails evaluation, the Evaluator notifies the applicant. A Fail identifies a house that is not mitigable under the Fortified program. If the home receives a Pass, the SAH program contacts the homeowner and asks the homeowner to select three SAH program contractors to receive bids from for performing the mitigation work on their home.

(d) Homeowner obtains bids from three SAH program Contractors of their choice for level of work desired (Bronze or Silver).

(3) Awarding of Grants. The SAH staff will review all applications for completeness and will perform appropriate audits to verify the accuracy of the information on the application and that the applicant meets all of the eligibility rules. Verified applications will then be placed in order received and grants awarded on a first-come basis within each income tier and will be subject to availability of grant funds allocated by household income tier.

(4) Release of Funds. Grant funds will only be released on behalf of an approved applicant once an Insurance Institute for Business and Home Safety (IBHS) FORTIFIED: Bronze or FORTIFIED: Silver certificate has been issued for the home. The funds will be paid by SAH or another designated entity, on behalf of the homeowner, directly to the contractor that performed the mitigation work.

(5) Grant Award Process:

(a) Once the grant application is approved, the Contractor may begin mitigation work.

(b) The IBHS Evaluator will conduct the required interim inspection during construction.

(c) The IBHS Evaluator will perform the final inspection to confirm that the work was completed according to the mitigation specifications.

(d) SAH or its designated entity pays the Contractor costs covered by the grant; the homeowner pays the remaining cost to the Contractor.

(e) SAH confirms that the homeowner's insurer provides the appropriate premium credit.

(f) SAH conducts random re-inspections to detect any fraud and submits any irregularities to the ALDOI Fraud Unit.

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(6) In order to timely manage processing grant applications or meet funding limitations, it may be necessary to establish time periods when grant applications are accepted by the SAH program.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-7-43 & 27-31E-2

History: New August 12, 2015, Effective January 1, 2016; Revised November 15, 2017, Effective November 25, 2017

482-1-159-.03 Grant Award Eligibility.

(1) Grant awards will be determined based on the cost of the mitigation project and the percentage of family income of the applicant relative to either the county area median income (CAMI) or the state median family income (SMFI), adjusted for family size as published annually by the Department of Housing and Urban Development, whichever is higher. The eligible percentage of the mitigation grant and the maximum grant to be awarded is as follows:

Family Income as a % of CAMI or SMFI	% of Project Cost Covered	Maximum Grant
≤ 80%	100%	\$10,000
> 80% but ≤ 90%	100%	\$10,000
> 90% but ≤ 105%	100%	\$10,000
> 105% but ≤ 120%	100%	\$10,000
> 120% but ≤ 145%	100%	\$10,000
> 145% but ≤ 170%	100%	\$10,000
> 170%	100%	\$10,000

(2) If the cost of the mitigation project exceeds the amount of the grant award, the remaining cost is the homeowner's responsibility.

(3) The relative percentages of family income, the percentages of project cost covered, and the maximum grant permitted for each income level, as shown in the above chart, may be adjusted from time to time as deemed appropriate by the Commissioner.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-31E-2

History: New August 12, 2015, Effective January 1, 2016; Revised June 14, 2017, Effective June 24, 2017

482-1-159-.04 Grant Award Allocations.

(1) In order to assure equitable distribution of grants in proportion to the income demographics of Mobile and Baldwin Counties, applications will be accepted on a first-come, first-served basis within each income tier, with priority given to lower-income

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applicants so that the number of grants awarded will be allocated according to the following approximate distribution:

Family Income as a % of CAMI or SMFI	%
≤ 80%	50%
> 80%	50%

(2) If there are not enough applicants in any one income group, then that income group's allocation may be used for other income groups.

(3) The relative percentages of family income and the percent of grant allocations, as shown in the above chart, may be adjusted from time to time as deemed appropriate by the Commissioner.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-31E-2

History: New August 12, 2015, Effective January 1, 2016; Revised June 14, 2017, Effective June 24, 2017

482-1-159-.05 Severability and Effective Date.

(1) If any rule or portion of a rule or its applicability to any person or circumstance is held invalid by any court, the remainder of this chapter or the applicability of the provision to other persons or circumstances shall not be affected.

(2) This chapter shall become effective January 1, 2016, upon its approval by the Commissioner of Insurance and upon its having been on file as a public document in the office of the Secretary of State for ten days.

Author: Commissioner of Insurance

Statutory Authority: Ala. Code §§ 27-2-17, 27-31E-2

History: New August 12, 2015, Effective January 1, 2016