

1 AN ACT relating to mine subsidence insurance.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 304.44-030 is amended to read as follows:

4 (1) **(a)** ~~[After July 15, 1984, ]~~Every insurance policy issued or renewed insuring on a  
5 direct basis a structure located in a county or portion of a county in this state,  
6 except for counties exempted pursuant to KRS 304.44-060, shall include, at a  
7 separately stated premium, insurance for loss occurring after July 15, 1984,  
8 caused by mine subsidence unless waived in writing by the insured.

9 **(b)** The premium charged for coverage shall be the same as the premium level set  
10 by the administrator.

11 **(c)** The loss coverage shall be the loss in excess of two percent (2%) of the  
12 policy's total insured value, but at no time shall the deductible be less than two  
13 hundred fifty dollars (\$250) nor more than five hundred dollars (\$500).

14 **(d) 1. Subject to approval by the commissioner, the maximum total insured**  
15 **value reinsured per structure shall be determined by the administrator**  
16 **[shall not exceed three hundred thousand dollars (\$300,000) per**  
17 **structure].**

18 **2. The administrator shall establish the maximum total insured value**  
19 **under subparagraph 1. of this paragraph based on:**

20 **a. The solvency of the fund;**

21 **b. Premiums; and**

22 **c. Deductibles.**

23 **3. The commissioner shall promulgate an administrative regulation in**  
24 **accordance with KRS Chapter 13A to establish a process and**  
25 **timeframe for notifying insurers of the maximum total insured value**  
26 **established and approved under this paragraph.**

27 **(e) An**~~[The]~~ insurer shall not be required to write a policy for mine subsidence

1 coverage in excess of the amount reimbursable from the fund as authorized by  
2 this subtitle.

3 (2) The coverage provided pursuant to subsection (1) of this section shall also include  
4 coverage, up to ~~fifty~~~~twenty-five~~ thousand dollars ~~(\$25,000)~~ **(\$50,000)** for the  
5 additional living expenses reasonably and necessarily incurred by the owner of a  
6 residence who has been temporarily displaced as the direct result of damage to the  
7 residence caused by mine subsidence.

8 ➔Section 2. KRS 304.44-050 is amended to read as follows:

9 **(1)** All insurers writing property insurance covering structures in this state shall enter  
10 into a reinsurance agreement with the administrator in which each insurer agrees to  
11 cede to the administrator one hundred percent (100%), up to ***the maximum total***  
12 ***insured value established under subsection (1)(d) of Section 1 of this Act***~~three~~  
13 ~~hundred thousand dollars (\$300,000)~~, of any subsidence insurance coverage issued  
14 and, in consideration of the ceding commission retained by the insurer, agrees to  
15 undertake adjustment of losses~~;~~ and payment of taxes~~;~~ and to absorb all other  
16 expenses of the insurer necessary for sale of policies and administration of the mine  
17 subsidence insurance program.

18 **(2)** **(a)** The administrator shall:

19 **1.** Agree to reimburse the insurer from the fund for all amounts paid  
20 policyholders for claims resulting from subsidence; and ~~shall~~

21 **2.** Pay from the fund all costs of administration incurred by the  
22 administrator. ~~but~~

23 **(b)** An insurer ~~shall~~~~is~~ not ***be*** required to pay any claim for any loss insured  
24 under this subtitle except to the extent that the amount available in the mine  
25 subsidence insurance fund is sufficient to reimburse the insurer for such  
26 claim.

27 **(3)** Claims made under the provisions of the subtitle shall not be deemed to constitute a

1 debt, liability, or obligation of the Commonwealth or any political subdivision  
2 thereof or a pledge of the faith and credit of the Commonwealth or any political  
3 subdivision except to the extent the fund has accumulated reserves from premiums,  
4 state or federal grants, investment income, or state appropriations.

5 ➔Section 3. This Act applies to policies issued or renewed on or after January 1,  
6 2025.

7 ➔Section 4. This Act takes effect January 1, 2025.