

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)** The **maximum** total insured value reinsured by the administrator **per structure**  
 15 shall **be:**
- 16 **1. Except as provided in subparagraph 2. of this paragraph, five hundred**  
 17 **thousand dollars (\$500,000)**~~[not exceed three hundred thousand dollars~~  
 18 ~~(\$300,000) per structure]; **or**~~
- 19 **2. Subject to approval by the commissioner and paragraph (e) of this**  
 20 **subsection, an amount determined by the administrator.**
- 21 **(e) Any amount determined under paragraph (d)2. of this subsection shall:**
- 22 **1. Be based on:**
- 23 **a. The solvency of the fund;**
- 24 **b. Premiums; and**
- 25 **c. Deductibles; and**
- 26 **2. Except as provided in paragraph (f) of this subsection, take effect no**  
 27 **sooner than nine (9) months after insurers are notified of the amount.**

1 (f) An insurer may provide coverage in an amount determined by the  
 2 administrator under this subsection at any time after receiving notification  
 3 of the amount.

4 (g) The commissioner shall promulgate an administrative regulation in  
 5 accordance with KRS Chapter 13A to establish a process for notifying  
 6 insurers of the amount determined by the administrator under this  
 7 subsection.

8 (h) An~~The~~ insurer shall not be required to write a policy for mine subsidence  
 9 coverage in excess of the amount reimbursable from the fund as authorized by  
 10 this subtitle.

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

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

17 (1) All insurers writing property insurance covering structures in this state shall enter  
 18 into a reinsurance agreement with the administrator in which each insurer agrees to  
 19 cede to the administrator one hundred percent (100%), up to the maximum total  
 20 insured value established under subsection (1) of Section 1 of this Act~~three~~  
 21 ~~hundred thousand dollars (\$300,000)~~, of any subsidence insurance coverage issued  
 22 and, in consideration of the ceding commission retained by the insurer, agrees to  
 23 undertake adjustment of losses~~[-]~~ and payment of taxes~~[-]~~ and to absorb all other  
 24 expenses of the insurer necessary for sale of policies and administration of the mine  
 25 subsidence insurance program.

26 (2) (a) The administrator shall:

27 1. Agree to reimburse the insurer from the fund for all amounts paid

1 policyholders for claims resulting from subsidence; and ~~shall~~

2 2. Pay from the fund all costs of administration incurred by the  
3 administrator. ~~but~~

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

8 (3) Claims made under the provisions of the subtitle shall not be deemed to constitute a  
9 debt, liability, or obligation of the Commonwealth or any political subdivision  
10 thereof or a pledge of the faith and credit of the Commonwealth or any political  
11 subdivision except to the extent the fund has accumulated reserves from premiums,  
12 state or federal grants, investment income, or state appropriations.

13 ➔Section 3. This Act applies to policies issued or renewed on or after January 1,  
14 2025.

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