

ALABAMA DEPARTMENT OF INSURANCE  
INSURANCE REGULATION  
ADMINISTRATIVE CODE

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 Code of Ala. 1975, §§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 Code of Ala. 1975, §§27-2-17 and 27-31E-1, et seq. (2014 Repl. Vol.).

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17, 27-31E-2.

**History: New Rule:** August 12, 2015; effective January 1, 2016. Filed with LRS August 12, 2015. Rule is not subject to the Alabama Administrative Procedure Act.

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) Home must be an Owner-occupied, single-family, primary residence and cannot be a condominium or mobilehome.

(b) Home must be in good repair unless damaged by a hurricane, non-hurricane wind, or hail. SAH grant funds cannot be used for maintenance or repairs, but may be used in conjunction with repairs or reconstruction necessitated by damages from a hurricane, non-hurricane wind, or hail.

(c) Homeowner must FORTIFY to the Insurance Institute for Business and Home Safety (IBHS) Bronze level in order to receive a grant.

(d) Homeowner must have wind insurance and a flood insurance policy if the home is in a designated National Flood Insurance Program (NFIP) flood zone.

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

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

(g) FORTIFIED projects must be completed within three (3) months of the date of the Grant Award Notification. Failure to complete the project may result in forfeiture of the grant.

(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 and selects a Certified IBHS Evaluator working on the SAH program to provide an IBHS Home Review evaluation on the home to be FORTIFIED. The Evaluator's fee is paid by the homeowner to the Evaluator.

(b) Evaluator confirms the home meets a minimum structural standard on a Pass or Fail basis to move forward with identifying all improvements required to achieve IBHS FORTIFIED levels, then submits the report to IBHS for approval

(c) IBHS determines if the home receives a Pass or Fail based on information provided to IBHS by the Evaluator. If home Fails evaluation, the Evaluator notifies the applicant. A Fail identifies a house that is not FORTIFIABLE 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 provide bids to FORTIFY the home.

(d) Homeowner obtains bids from three Contractors of their choice for level of work desired (IBHS Bronze or Silver). If an SAH program Contractor is not available in the area where the house is located, the minimum number of bids required for the application will reflect the number of contractors available in that area.

(3) Awarding of Grants. SAH 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 applicants will then be placed in order received and grants awarded on a first-come basis.

(4) Release of Funds. Grant funds will only be released on behalf of an approved applicant once an 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 FORTIFIED work.

(5) Grant Award Process:

(a) Once the grant award is approved, the Homeowner may enter into a contract to FORTIFY the home.

(b) The IBHS Evaluator will perform all required evaluations confirming that the work was completed according to the FORTIFIED specifications.

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

(d) Homeowner submits declaration pages of the required insurance coverage to SAH within 30 days of receiving the IBHS Certificate.

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

(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:** Code of Ala. 1975, §§27-2-17, 27-31E-2.

**History: New Rule:** August 12, 2015; effective January 1, 2016. Filed with LRS August 12, 2015. Rule is not subject to the Alabama Administrative Procedure Act. **Amended:** November 15, 2017; effective November 25, 2017. Filed with LRS November 15, 2017. Rule is not subject to the Alabama Administrative Procedure Act. **Amended:** November 7, 2018; effective November 17, 2018. Filed with LSA November 7, 2018. Rule is not subject to the Alabama Administrative Procedure Act.

#### **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:** Code of Ala. 1975, §§27-2-17, 27-31E-2.

**History: New Rule:** August 12, 2015; effective January 1, 2016. Filed with LRS August 12, 2015. Rule is not subject to the Alabama Administrative Procedure Act. **Revised:** June 14, 2017; effective July 24, 2017. Filed with LRS June 14, 2017. Rule is not subject to the Alabama Administrative Procedure Act.

#### **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 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	% of Grants
≤ 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:** Code of Ala. 1975, §§27-2-17, 27-31E-2.

**History: New Rule:** August 12, 2015; effective January 1, 2016. Filed with LRS August 12, 2015. Rule is not subject to the Alabama Administrative Procedure Act. **Revised:** June 14, 2017; effective July 24, 2017. Filed with LRS June 14, 2017. Rule is not subject to the Alabama Administrative Procedure Act.

#### **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:** Code of Ala. 1975, §§27-2-17, 27-31E-2.

**History: New Rule:** August 12, 2015; effective January 1, 2016. Filed with LRS August 12, 2015. Rule is not subject to the Alabama Administrative Procedure Act.