

By: Representative Wells-Smith

To: Insurance

## HOUSE BILL NO. 1127

1 AN ACT TO AMEND SECTION 83-34-1, MISSISSIPPI CODE OF 1972, TO  
2 INCLUDE BUSINESS INTERRUPTION COVERAGE WITHIN THE MEANING OF  
3 ESSENTIAL PROPERTY INSURANCE AVAILABLE THROUGH THE MISSISSIPPI  
4 WINDSTORM UNDERWRITING ASSOCIATION; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 SECTION 1. Section 83-34-1, Mississippi Code of 1972, is  
7 amended as follows:

8 83-34-1. In this chapter, unless the context otherwise  
9 requires:

10 (a) "Essential property insurance" means insurance  
11 against direct loss to property as defined and limited in the  
12 Windstorm and Hail Insurance form approved by the commissioner and  
13 also means time element coverage for business interruption, loss  
14 of earnings and loss of rents when accompanied by such direct loss  
15 to property.

16 (b) "Association" means the Mississippi Windstorm  
17 Underwriting Association established under the provisions of this  
18 chapter.

19 (c) "Plan of operation" means the plan of operation of  
20 the association approved or promulgated by the Mississippi  
21 Insurance Commissioner pursuant to the provisions of this chapter.

22 (d) "Insurable property" means builder's risk and real  
23 property at fixed locations in coast areas or the contents located  
24 therein (but shall not include insurance on motor vehicles), which  
25 property is determined by the association, after inspection and  
26 pursuant to the criteria specified in the plan of operation, to be  
27 in an insurable condition; \* \* \* however, any one- or two-family

28 dwelling built in substantial accordance with the standard  
29 building code, including the design-wind requirements, which is  
30 not otherwise rendered uninsurable by reason of use, occupancy or  
31 state of repair, shall be an insurable risk within the meaning of  
32 this chapter; but neighborhood, area, location and environmental  
33 hazards beyond the control of the applicant or owner of the  
34 property shall not be considered in determining insurable  
35 condition. \* \* \* Any structure begun on or after June 1, 1987,  
36 not built in substantial compliance with the standard building  
37 code, including the design-wind requirements therein, shall not be  
38 an insurable risk under the terms of this chapter.

39 (e) "Commissioner" means the Insurance Commissioner of  
40 the State of Mississippi.

41 (f) "Coast area" means Hancock, Harrison, Jackson,  
42 Pearl River, Stone and George Counties.

43 (g) "Net direct premiums" means gross direct premiums,  
44 excluding reinsurance assumed and ceded, written on property in  
45 this state for the windstorm and hail causes of loss or equivalent  
46 causes of loss components of property insurance policies,  
47 including the windstorm and hail causes of loss or equivalent  
48 causes of loss components of approved residential package policies  
49 and commercial multiple peril policies, less return premiums upon  
50 cancelled contracts, dividends paid or credited to policyholders  
51 or the unused or unabsorbed portion of premium deposits and  
52 excluding premiums on farm property.

53 SECTION 2. This act shall take effect and be in force from  
54 and after its passage.