

By: Representatives Dedeaux, Cummings

To: Insurance

HOUSE BILL NO. 563

1 AN ACT TO PROVIDE THAT THE COMMISSIONER OF INSURANCE SHALL
2 ESTABLISH A VOLUNTARY INSPECTION PROGRAM TO CERTIFY THAT A HOME OR
3 BUILDING HAS BEEN CONSTRUCTED ACCORDING TO CERTAIN MINIMUM
4 SPECIFICATIONS; TO PROVIDE A PROCEDURE FOR PERSONS TO APPLY FOR
5 HOME INSPECTIONS; TO PROVIDE FOR INSPECTION CERTIFICATES; TO
6 REQUIRE THE COMMISSIONER OF INSURANCE TO ESTABLISH STANDARDS AND
7 RULES FOR THE INSPECTION PROGRAM; TO PROVIDE THAT PERSONS SHALL
8 MEET CERTAIN QUALIFICATIONS BEFORE CERTIFICATION AS INSPECTORS; TO
9 ALLOW INSURANCE COMPANIES TO OFFER PREMIUM DISCOUNTS ON PROPERTIES
10 WITH THESE CERTIFICATES; AND FOR RELATED PURPOSES.

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

12 SECTION 1. This act shall be known as the "Voluntary Code
13 Compliance Act."

14 SECTION 2. As used in this act:

15 (a) "Inspector" means a person certified by the
16 Commissioner of Insurance to be an inspector under this act.

17 (b) "Commissioner" means the Commissioner of Insurance.

18 SECTION 3. Insurance companies may offer insurance premium
19 discounts on properties which have acquired a certificate of code
20 compliance from the Commissioner of Insurance in accordance with
21 the specifications in Section 5 of this act.

22 SECTION 4. (1) A person who desires a certification that a
23 building or home has been built according to code shall apply to
24 the Insurance Commissioner for certification inspection.
25 Application for the inspection shall be made in writing and in the
26 form required by the commissioner.

27 (2) On receiving an application for an inspection, the
28 Insurance Commissioner shall provide a list of inspectors
29 qualified to conduct an inspection for the purposes of this act,
30 to inspect the property to be covered by the applicant's
31 homeowners policy.



32 (3) The inspector who is chosen by the owner of the property
33 shall inspect the property and shall file a written report with
34 the commissioner stating the inspector's findings and whether or
35 not the property qualifies for a code certification.

36 SECTION 5. (1) If the inspector's report states that the
37 applicant's property qualifies for a code certification, the
38 commissioner shall issue to the applicant a certificate entitling
39 him or her to a premium reduction on the homeowners insurance.

40 (2) The certificate must be signed by the person to whom the
41 certificate is issued, and the inspector.

42 (3) A certificate is valid for a term of five (5) years and
43 may be renewed for an additional three-year period at the request
44 of the insured.

45 SECTION 6. A person's property qualifies for a code
46 certification certificate if the property meets the following
47 minimum specifications:

48 (a) The construction of the house meets the
49 requirements and standards established by the Southern Building
50 Code Congress International, Inc.;

51 (b) All electrical and general contractors used in the
52 construction of the house are licensed and insured; and

53 (c) The construction of the house meets any other
54 standards set by the Commissioner of Insurance.

55 SECTION 7. The commissioner shall establish standards for
56 the inspection program under this act, shall adopt rules to carry
57 out the inspection program and shall certify inspectors who do the
58 inspections, except such certificate shall be limited to the
59 specification set forth in Section 5 of this act for which the
60 inspector has received instruction under Section 8 of this act.

61 SECTION 8. (1) Before a person may act as an inspector,
62 that person must apply for and receive certification from the
63 commissioner and must meet the qualifications stated in Section 8
64 of this act.



65 (2) The commissioner shall adopt rules and procedures for
66 certification and for registering to maintain certification as an
67 inspector.

68 (3) After notice and opportunity for a hearing, the
69 commissioner may revoke an inspector's certification if it finds
70 that the inspector has failed or refused to carry out his or her
71 duties in the manner provided by this act and rules adopted by the
72 commissioner.

73 SECTION 9. (1) The commissioner, upon application, shall
74 issue an inspector certificate to an individual who:

- 75 (a) Is a building code inspector;
- 76 (b) Is of high moral integrity; and
- 77 (c) Has completed an approved homeowners inspection
78 training course.

79 (2) The training required under this section must be
80 approved by the commissioner.

81 (3) After the applicant has completed the prescribed
82 training, an application for a homeowners code certification
83 inspection certificate must be submitted to the commissioner.

84 (4) The commissioner shall make a monthly report listing any
85 individual who is the holder of a valid homeowners insurance
86 inspector certificate.

87 (5) The commissioner shall purge from the report each month
88 the name of any person who:

- 89 (a) Loses the certificate by revocation, suspension,
90 cancellation or any other means; or
- 91 (b) Holds a homeowners insurance inspector certificate
92 and is reported terminated as an inspector.

93 (6) The standards for conducting a homeowners insurance
94 inspection are as follows:

- 95 (a) The inspector shall not conduct an inspection
96 without being qualified for the report maintained by the
97 Commissioner of Insurance because of either:



98 (i) Termination as a homeowners inspector;
99 (ii) Failure to complete any required training; or
100 (iii) Loss of certificate by revocation,
101 suspension, cancellation or any other means.

102 (b) The inspector may charge or collect a fee for the
103 inspection or report.

104 (c) The inspector shall not charge or collect any fee
105 for remedial work necessary to pass the inspection and shall not
106 make any specific referrals either directly or indirectly. The
107 inspector may make a general reference to the telephone book or
108 other lists of businesses.

109 (d) All inspections shall be conducted by an inspector
110 who provides to the homeowner or occupant, before entering the
111 home, an identification card which contains both a photograph and
112 the official title of the inspector.

113 (e) No inspection shall be made except upon request by
114 and with the approval of the owner or occupant.

115 (f) Inspections shall comply with the minimum
116 requirements as provided in Section 5 of this act.

117 (g) The inspector shall verbally inform the homeowner
118 of the results and provide, upon request, a copy of the report
119 within ten (10) working days.

120 (h) The inspector shall complete and sign the
121 inspection form required by the commissioner and forward it to the
122 commissioner within ten (10) working days.

123 (7) The commissioner may revoke or suspend any certificate
124 issued under this section for failure to comply with the standards
125 for conducting an inspection found in subsection (8) of this
126 section.

127 (8) The term "high moral integrity" shall mean the person:

128 (a) Is not currently on criminal probation;

129 (b) Has never been convicted of a felony;



130 (c) Has not been convicted of a DUI within the past
131 twenty-four (24) months or a misdemeanor within the last six (6)
132 months, excluding minor traffic violations;

133 (d) Has not been discharged from any military service
134 under less than honorable conditions; and

135 (e) Has never had a license revoked by the
136 commissioner, or has not had a professional building-related
137 license revoked in another state.

138 (9) Offenses under the federal criminal laws or those of
139 other states shall be construed as their closest equivalent under
140 current Mississippi law.

141 SECTION 10. This act shall take effect and be in force from
142 and after July 1, 2001.

