

By: Senator(s) Chaney

To: Insurance

SENATE BILL NO. 2851
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 17-2-3, MISSISSIPPI CODE OF 1972, TO
 2 REQUIRE ALL MEMBERS OF THE BUILDING CODES COUNCIL TO BE RESIDENTS
 3 OF THE STATE OF MISSISSIPPI, AND TO PROVIDE THAT ANY COUNCIL
 4 MEMBER WITH UNEXCUSED ABSENCES FOR MORE THAN THREE CONSECUTIVE
 5 MEETINGS SHALL BE REPLACED; TO AMEND SECTION 17-2-5, MISSISSIPPI
 6 CODE OF 1972, TO REQUIRE COUNTIES AND MUNICIPALITIES THAT ADOPT OR
 7 AMEND THEIR EXISTING BUILDING CODES TO ADOPT THE CODES PROMULGATED
 8 BY THE MISSISSIPPI BUILDING CODES COUNCIL; TO PROVIDE MANDATORY
 9 MINIMUM CONSTRUCTION STANDARDS FOR NEW COMMERCIAL FACILITIES; TO
 10 PROVIDE FOR AGREEMENTS BETWEEN MUNICIPALITIES AND COUNTIES FOR
 11 ENFORCEMENT OF BUILDING CODES; TO AMEND SECTIONS 17-2-1 AND
 12 19-5-9, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO
 13 PROVIDE THAT RATE FILINGS FOR RESIDENTIAL PROPERTY INSURANCE MUST
 14 INCLUDE DISCOUNTS, CREDITS OR OTHER RATE DIFFERENTIALS FOR
 15 PROPERTIES ON WHICH CONSTRUCTION TECHNIQUES THAT HAVE BEEN
 16 DEMONSTRATED TO REDUCE THE AMOUNT OF LOSS IN A WINDSTORM HAVE BEEN
 17 INSTALLED OR IMPLEMENTED; TO ESTABLISH A PROGRAM BY WHICH
 18 HOMEOWNERS MAY OBTAIN AN EVALUATION OF THE WIND RESISTANCE OF
 19 THEIR HOMES WITH RESPECT TO PREVENTING DAMAGE FROM HURRICANES,
 20 TOGETHER WITH A RECOMMENDATION OF REASONABLE STEPS THAT MAY BE
 21 TAKEN TO UPGRADE THEIR HOMES TO BETTER WITHSTAND HURRICANE FORCE
 22 WINDS; TO ESTABLISH WITHIN THE DEPARTMENT OF INSURANCE A
 23 COMPREHENSIVE HURRICANE DAMAGE MITIGATION PROGRAM, WHICH SHALL
 24 CONSIST OF A COST-BENEFIT STUDY ON WIND HAZARD MITIGATION
 25 CONSTRUCTION MEASURES, WIND CERTIFICATION AND HURRICANE MITIGATION
 26 INSPECTIONS, FINANCIAL GRANTS TO RETROFIT PROPERTIES, EDUCATION
 27 AND CONSUMER AWARENESS EFFORTS, AND AN ADVISORY COUNCIL; AND FOR
 28 RELATED PURPOSES.

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

30 **SECTION 1.** Section 17-2-1, Mississippi Code of 1972, is
 31 amended as follows:

32 17-2-1. (1) The counties of Jackson, Harrison, Hancock,
 33 Stone and Pearl River, including all municipalities therein, shall
 34 enforce, on an emergency basis, all the wind and flood mitigation
 35 requirements prescribed by the 2003 International Residential Code
 36 and the 2003 International Building Code, as supplemented.

37 (2) Except as otherwise provided in subsection (4) of this
 38 section, emergency wind and flood building requirements imposed in
 39 this section shall remain in force until the county board of
 40 supervisors or municipal governing authorities, as the case may

41 be, adopts as minimum mandatory codes the latest editions of the
42 codes described in subsection (3)(a) of this section. Except as
43 otherwise provided in subsection (4) of this section, the wind and
44 flood mitigation requirements imposed by this section shall be
45 enforced by the county board of supervisors or municipal governing
46 authorities, as the case may be.

47 (3) (a) A county board of supervisors or municipal
48 governing authorities, as the case may be, described in subsection
49 (1) of this section shall adopt as minimum codes the latest
50 editions of the following:

51 (i) International Building Code and the standards
52 referenced in that code for regulation of construction within
53 these counties. The appendices of that code may be adopted as
54 needed, but the specific appendix or appendices must be referenced
55 by name or letter designation at the time of adoption.

56 (ii) International Residential Code (IRC) and the
57 standards referenced in that code are included for regulation of
58 construction within these counties. The appendices of that code
59 may be adopted as needed, but the specific appendix or appendices
60 must be referenced by name or letter designation at the time of
61 adoption, with the exception of Appendix J, Existing Buildings and
62 Structures, which is hereby adopted by this reference.

63 (b) In addition to any other codes required under this
64 section, a county board of supervisors or municipal governing
65 authorities, as the case may be, described in subsection (1) of
66 this section may adopt the latest editions of any of the
67 following:

68 (i) Codes established by the Mississippi Building
69 Code Council.

70 (ii) Other nationally recognized codes addressing
71 matters such as electrical, plumbing, mechanical, fire and fuel
72 gas.

73 (4) The provisions of this section shall go into effect
74 thirty (30) days from the effective date of this chapter.
75 However, within sixty (60) days after the provisions of this
76 section go into effect, the board of supervisors of a county
77 and/or the governing authorities of any municipality within a
78 county, upon resolution duly adopted and entered upon its minutes,
79 may choose not to be subject to the code requirements imposed
80 under this section.

81 **SECTION 2.** Section 17-2-3, Mississippi Code of 1972, is
82 amended as follows:

83 17-2-3. (1) There is hereby created the Mississippi
84 Building Codes Council. Each member of the council shall be
85 appointed by the executive director of his respective professional
86 association unless otherwise stated herein. Each member shall
87 serve for a term of three (3) years and until a successor is
88 appointed and qualifies. No person who has previously been
89 convicted of a felony in this state or any other state may be
90 appointed to the council. From and after July 1, 2009, all
91 members of the council shall be residents of the State of
92 Mississippi. The council shall consist of twenty-six (26) members
93 composed of:

94 (a) One (1) representative of the American Institute of
95 Architects of Mississippi;

96 (b) Three (3) representatives of the Home Builders
97 Association of Mississippi;

98 (c) One (1) representative of the Associated General
99 Contractors of Mississippi;

100 (d) One (1) representative of the Associated Builders
101 and Contractors of Mississippi;

102 (e) One (1) representative of the American Council of
103 Engineering Companies of Mississippi;

104 (f) Two (2) representatives of the Building Officials
105 Association of Mississippi;

106 (g) One (1) disabled person to be appointed by the
107 Governor;

108 (h) One (1) representative of the property/casualty
109 insurance industry to be appointed by the Governor;

110 (i) One (1) representative of the Mississippi Municipal
111 League;

112 (j) One (1) representative of the Mississippi
113 Manufactured Housing Association;

114 (k) One (1) representative of the electrical industry
115 who is a master electrician to be appointed by the American
116 Subcontractors Association;

117 (l) One (1) representative of the mechanical or gas
118 industry who is a master mechanic to be appointed by the American
119 Subcontractors Association;

120 (m) One (1) representative of the plumbing industry who
121 is a master plumber to be appointed by the American Subcontractors
122 Association;

123 (n) One (1) representative of the Mississippi Fire
124 Chiefs Association;

125 (o) One (1) representative of the Mississippi
126 Association of Supervisors;

127 (p) One (1) representative of the Mississippi Minority
128 Contractors Association to be appointed by the Governor;

129 (q) One (1) representative of the Energy Division,
130 Mississippi Development Authority, to serve ex officio, nonvoting;

131 (r) One (1) person representing the consumer who shall
132 have no interest in the construction industry to be appointed by
133 the Governor;

134 (s) The Mississippi State Fire Marshal, or his
135 designee, to serve ex officio, nonvoting;

136 (t) The Executive Director of the State Board of
137 Professional Geologists, or his designee, to serve ex officio,
138 nonvoting; and

139 (u) Three (3) representatives selected by the
140 Mississippi Gulf Coast Building and Construction Trade Council.

141 (2) A vacancy must be filled in the manner of the original
142 appointment for the unexpired portion of the term.

143 (3) Any member with unexcused absences for more than three
144 (3) consecutive meetings shall be replaced by his sponsoring
145 organization.

146 (4) The State Fire Marshal shall convene the first meeting
147 of the council within ninety (90) days of the effective date of
148 this chapter and shall act as temporary chairman until the council
149 elects from its members a chairman and vice chairman. The council
150 shall adopt regulations consistent with this act. A meeting may
151 be called by the chairman on his own initiative and must be called
152 by him at the request of three (3) or more members of the council.
153 Each member must be notified by the chairman in writing of the
154 time and place of the meeting at least seven (7) days before the
155 meeting. Fourteen (14) members constitute a quorum. Each meeting
156 is open to the public. An official decision of the council may be
157 made only by a vote of at least two-thirds (2/3) of those members
158 in attendance at the meeting.

159 (5) The council shall adopt by reference and amend only the
160 latest editions of the following as discretionary statewide
161 minimum codes:

162 (a) International Building Code and the standards
163 referenced in that code for regulation of construction within this
164 state. The appendices of that code may be adopted as needed, but
165 the specific appendix or appendices must be referenced by name or
166 letter designation at the time of adoption.

167 (b) International Residential Code (IRC) and the
168 standards referenced in that code are included for regulation of
169 construction within this state. The appendices of that code may
170 be adopted as needed, but the specific appendix or appendices must
171 be referenced by name or letter designation at the time of

172 adoption, with the exception of Appendix J, Existing Buildings and
173 Structures, which is hereby adopted by this reference.

174 (c) Other codes addressing matters such as electrical,
175 plumbing, mechanical, fire and fuel gas.

176 (6) The initial code or codes adopted by this council under
177 the provisions of this section shall be completed no later than
178 July 1, 2007.

179 **SECTION 3.** Section 17-2-5, Mississippi Code of 1972, is
180 amended as follows:

181 17-2-5. (1) Any county board of supervisors or municipal
182 governing authority, as the case may be, that adopts building
183 codes or amends its existing building codes shall adopt as minimum
184 codes any * * * codes established and promulgated by the
185 Mississippi Building Codes Council. Any codes adopted by a board
186 of supervisors or municipal governing authority under this section
187 shall be enforced by the board of supervisors or municipal
188 governing authority, as the case may be.

189 (2) Any structure constructed after July 1, 2009, shall
190 comply with and be built according to specifications not less
191 stringent than those adopted by the Mississippi Building Code
192 Council; provided, however, that this requirement shall not apply
193 to one- and two-family dwellings with three (3) stories or less,
194 nor to the structures specified in Sections 17-2-7 and 17-2-9.

195 (3) Municipalities and counties may establish agreements
196 with other governmental entities of the state or certified
197 third-party providers to issue permits and enforce state building
198 codes in order to provide the services required by this act. The
199 council may assist in arranging for municipalities, counties or
200 third-party providers the provision of services required by this
201 act if a written request from the governing authority of the
202 county or municipality is submitted to the council.

203 **SECTION 4.** Section 19-5-9, Mississippi Code of 1972, is
204 amended as follows:

205 19-5-9. The construction codes published by a nationally
206 recognized code group which sets minimum standards and has the
207 proper provisions to maintain up-to-date amendments are adopted as
208 minimum standard guides for building, plumbing, electrical, gas,
209 sanitary, and other related codes in Mississippi. Any county
210 within the State of Mississippi, in the discretion of the board of
211 supervisors, may adopt building codes, plumbing codes, electrical
212 codes, sanitary codes, or other related codes dealing with general
213 public health, safety or welfare, or a combination of the same,
214 within but not less stringent than the provisions of the codes
215 adopted by the Mississippi Building Code Council, by order or
216 resolution in the manner prescribed in this section, but those
217 codes so adopted shall apply only to the unincorporated areas of
218 the county. However, those codes shall not apply to the erection,
219 maintenance, repair or extension of farm buildings or farm
220 structures, except as may be required under the terms of the
221 "Flood Disaster Protection Act of 1973," and shall apply to a
222 master planned community as defined in Section 19-5-10 only to the
223 extent allowed in Section 19-5-10. The provisions of this section
224 shall not be construed to authorize the adoption of any code which
225 applies to the installation, repair or maintenance of electric
226 wires, pipelines, apparatus, equipment or devices by or for a
227 utility rendering public utility services, required by it to be
228 utilized in the rendition of its duly authorized service to the
229 public. Before any such code shall be adopted, it shall be either
230 printed or typewritten and shall be presented in pamphlet form to
231 the board of supervisors at a regular meeting. The order or
232 resolution adopting the code shall not set out the code in full,
233 but shall merely identify the same. The vote or passage of the
234 order or resolution shall be the same as on any other order or
235 resolution. After its adoption, the code or codes shall be
236 certified to by the president and clerk of the board of
237 supervisors and shall be filed as a permanent record in the office

238 of the clerk who shall not be required to transcribe and record
239 the same in the minute book as other orders and resolutions.

240 All provisions of this section shall apply to amendments and
241 revisions of the codes mentioned in this section. The provisions
242 of this section shall be in addition and supplemental to any
243 existing laws authorizing the adoption, amendment or revision of
244 county orders, resolutions or codes.

245 Any code adopted under the provisions of this section shall
246 not be in operation or force until sixty (60) days have elapsed
247 from the adoption of same; however, any code adopted for the
248 immediate preservation of the public health, safety and general
249 welfare may be effective from and after its adoption by a
250 unanimous vote of the members of the board. Within five (5) days
251 after the adoption or passage of an order or resolution adopting
252 that code or codes the clerk of the board of supervisors shall
253 publish in a legal newspaper published in the county the full text
254 of the order or resolution adopting and approving the code, and
255 the publication shall be inserted at least three (3) times, and
256 shall be completed within thirty (30) days after the passage of
257 the order or resolution.

258 Any person or persons objecting to the code or codes may
259 object in writing to the provisions of the code or codes within
260 sixty (60) days after the passage of the order or resolution
261 approving same, and if the board of supervisors adjudicates that
262 ten percent (10%) or more of the qualified electors residing in
263 the affected unincorporated areas of the county have objected in
264 writing to the code or codes, then in such event the code shall be
265 inoperative and not in effect unless adopted for the immediate
266 preservation of the public health, safety and general welfare
267 until approved by a special election called by the board of
268 supervisors as other special elections are called and conducted by
269 the election commissioners of the county as other special
270 elections are conducted, the special election to be participated

271 in by all the qualified electors of the county residing in the
272 unincorporated areas of the county. If the voters approve the
273 code or codes in the special election it shall be in force and in
274 operation thereafter until amended or modified as provided in this
275 section. If the majority of the qualified electors voting in the
276 special election vote against the code or codes, then, in such
277 event, the code or codes shall be void and of no force and effect,
278 and no other code or codes dealing with that subject shall be
279 adopted under the provisions of this section until at least two
280 (2) years thereafter.

281 After any such code shall take effect the board of
282 supervisors is authorized to employ such directors and other
283 personnel as the board, in its discretion, deems necessary and to
284 expend general county funds or any other funds available to the
285 board to fulfill the purposes of this section.

286 For the purpose of promoting health, safety, morals or the
287 general welfare of the community, the governing authority of any
288 municipality, and, with respect to the unincorporated part of any
289 county, the governing authority of any county, in its discretion,
290 are empowered to regulate the height, number of stories and size
291 of building and other structures, the percentage of lot that may
292 be occupied, the size of the yards, courts and other open spaces,
293 the density or population, and the location and use of buildings,
294 structures and land for trade, industry, residence or other
295 purposes, but no permits shall be required except as may be
296 required under the terms of the "Flood Disaster Protection Act of
297 1973" for the erection, maintenance, repair or extension of farm
298 buildings or farm structures outside the corporate limits of
299 municipalities.

300 The authority granted in this section is cumulative and
301 supplemental to any other authority granted by law.

302 Notwithstanding any provision of this section to the
303 contrary, any code adopted by a county before or after April 12,
304 2001, is subject to the provisions of Section 41-26-14(10).

305 Notwithstanding any provision of this section to the
306 contrary, the Boards of Supervisors of Jackson, Harrison, Hancock,
307 Stone and Pearl River Counties shall enforce the requirements
308 imposed under Section 17-2-1 as provided in such section.

309 **SECTION 5.** (1) Effective July 1, 2007, a rate filing for
310 residential property insurance must include actuarially reasonable
311 discounts, credits or other rate differentials, or appropriate
312 reductions in deductibles, for properties on which fixtures or
313 construction techniques demonstrated to reduce the amount of loss
314 in a windstorm have been installed or implemented. The fixtures
315 or construction techniques shall include, but not be limited to,
316 fixtures or construction techniques that enhance roof strength,
317 roof covering performance, roof-to-wall strength,
318 wall-to-floor-to-foundation strength, opening protection, and
319 window, door and skylight strength. Credits, discounts or other
320 rate differentials for fixtures and construction techniques that
321 meet the minimum requirements of the International Residential
322 Code or the International Building Code must be included in the
323 rate filing. All insurance companies must make a rate filing that
324 includes the credits, discounts or other rate differentials by
325 January 1, 2008. By January 1, 2009, the Department of Insurance
326 shall reevaluate the discounts, credits, other rate differentials
327 and appropriate reductions in deductibles for fixtures and
328 construction techniques that meet the minimum requirements of the
329 International Residential Code or the International Building Code,
330 based upon actual experience or any other loss relativity studies
331 available to the department. The department shall determine the
332 discounts, credits, other rate differentials and appropriate
333 reductions in deductibles that reflect the full actuarial value of
334 that revaluation, which may be used by insurers in rate filings.

335 (2) (a) A rate filing for residential property insurance
336 made on or before the implementation of paragraph (b) may include
337 rate factors that reflect the manner in which building code
338 enforcement in a particular jurisdiction addresses the risk of
339 wind damage. However, that rate filing also must provide for
340 variations from those rate factors on an individual basis based on
341 an inspection of a particular structure by a licensed home
342 inspector, which inspection may be at the cost of the insured.

343 (b) A rate filing for residential property insurance
344 made more than one hundred fifty (150) days after approval by the
345 department of a building code rating factor plan submitted by a
346 statewide rating organization shall include positive and negative
347 rate factors that reflect the manner in which building code
348 enforcement in a particular jurisdiction addresses risk of wind
349 damage. The rate filing shall include variations from standard
350 rate factors on an individual basis based on inspection of a
351 particular structure by a licensed home inspector. If an
352 inspection is requested by the insured, the insurer may require
353 the insured to pay the reasonable cost of the inspection. This
354 paragraph applies to structures constructed or renovated after the
355 implementation of this paragraph.

356 (c) The premium notice shall specify the amount by
357 which the rate has been adjusted as a result of this subsection
358 and also shall specify the maximum possible positive and negative
359 adjustments that are approved for use by the insurer under this
360 subsection.

361 (3) An insurer may not write a residential property
362 insurance policy without providing hurricane or windstorm
363 coverage. This subsection does not apply with respect to risks
364 located in the Coast area that are eligible for coverage by the
365 Mississippi Windstorm Underwriting Association established under
366 Section 83-34-1 et seq.

367 (4) (a) It is the intent of the Legislature to provide a
368 program by which homeowners may obtain an evaluation of the wind
369 resistance of their homes with respect to preventing damage from
370 hurricanes, together with a recommendation of reasonable steps
371 that may be taken to upgrade their homes to better withstand
372 hurricane force winds.

373 (b) To the extent that funds are provided for this
374 purpose, the Legislature authorizes the establishment of a program
375 to be administered by the Mississippi Windstorm Underwriting
376 Association for homeowners insured in the Coast area as defined in
377 Section 83-34-1 et seq.

378 (c) The program may provide grants to homeowners, for
379 the purpose of providing homeowner applicants with funds to
380 conduct an evaluation of the integrity of their homes with respect
381 to withstanding hurricane force winds, recommendations to retrofit
382 the homes to better withstand damage from those winds, and the
383 estimated cost to make the recommended retrofits.

384 (d) The department shall establish by rule standards to
385 govern the quality of the evaluation, the quality of the
386 recommendations for retrofitting, the eligibility of the persons
387 conducting the evaluation, and the selection of applicants under
388 the program. In establishing the standards, the department shall
389 consult with the State Department of Audit to minimize the
390 possibility of fraud or abuse in the evaluation and retrofitting
391 process, and to ensure that funds spent by homeowners acting on
392 the recommendations achieve positive results.

393 (e) The Mississippi Windstorm Underwriting Association
394 shall identify areas of this state with the greatest wind risk to
395 residential properties and recommend annually to the department
396 priority target areas for those evaluations and inclusion with the
397 associated residential construction mitigation program.

398 (f) Discounts must be used without any modifications,
399 unless they are supported by detailed alternative studies.

400 **SECTION 6.** There is established within the Department of
401 Insurance a Comprehensive Hurricane Damage Mitigation Program.
402 This section does not create an entitlement for property owners or
403 obligate the state in any way to fund the inspection or
404 retrofitting of residential property or commercial property in
405 this state. Implementation of this program is subject to the
406 availability of funds that may be appropriated by the Legislature
407 for this purpose. The program shall develop and implement a
408 comprehensive and coordinated approach for hurricane damage
409 mitigation that shall include the following:

410 (a) **Cost-benefit study on wind hazard mitigation**
411 **construction measures.** The performance of a cost-benefit study to
412 establish the most appropriate wind hazard mitigation construction
413 measures for both new construction and the retrofitting of
414 existing construction for both residential and commercial
415 facilities within the wind borne debris regions of Mississippi.
416 The recommended wind construction techniques shall be based on
417 both the newly adopted Mississippi building code sections for wind
418 load design and the wind borne debris region. The list of
419 construction measures to be considered for evaluation in the
420 cost-benefit study shall be based on scientifically established
421 and sound, but common, construction techniques that go above and
422 beyond the basic recommendations in the adopted building codes.
423 This allows residents to utilize multiple options that will
424 further reduce risk and loss and still be awarded for their
425 endeavors with appropriate wind insurance discounts. It is
426 recommended that existing accepted scientific studies that
427 validate the wind hazard construction techniques benefits and
428 effects be taken into consideration when establishing the list of
429 construction techniques that homeowners and business owners can
430 employ. This will ensure that only established construction
431 measures that have been studied and modeled as successful
432 mitigation measures will be considered to reduce the chance of

433 including risky or unsound data that will cost both the property
434 owner and state unnecessary losses. The cost-benefit study shall
435 be based on actual construction cost data collected for both
436 several types of residential construction and commercial
437 construction materials, building techniques and designs that are
438 common to the region. The study shall provide as much information
439 as possible that will enhance the data and options provided to the
440 public, so that homeowners and business owners can make informed
441 and educated decisions as to their level of involvement. Based on
442 the construction data, modeling shall be performed on a variety of
443 residential and commercial designs, so that a broad enough
444 representative spectrum of data can be obtained. A report shall
445 be provided that will establish tables of data reflecting
446 actuarially reasonable levels of wind insurance discounts (in
447 percentages) for each mitigation construction
448 technique/combination of techniques. Additional data that will
449 enhance the program, such as studies to reflect property value
450 increases for retrofitting or building to the established wind
451 hazard mitigation construction techniques and cost comparison data
452 collected to establish the value of this program against the
453 investment required to include the mitigation measures, also shall
454 be provided.

455 (b) **Wind certification and hurricane mitigation**
456 **inspections.**

457 (i) Home-retrofit inspections of site-built,
458 residential property, including single-family, two-family,
459 three-family or four-family residential units, and for a set of
460 representative commercial facilities shall be offered to determine
461 what mitigation measures are needed and what improvements to
462 existing residential properties are needed to reduce the
463 property's vulnerability to hurricane damage. A state program
464 will be established within the Department of Insurance to provide
465 homeowners and business owners wind certification and hurricane

466 mitigation inspections. The inspections provided to homeowners
467 and business owners, at a minimum, must include:

468 1. A home inspection and report that
469 summarizes the results and identifies corrective actions a
470 homeowner may take to mitigate hurricane damage.

471 2. A range of cost estimates regarding the
472 mitigation features.

473 3. Insurer-specific information regarding
474 premium discounts correlated to recommended mitigation features
475 identified by the inspection.

476 4. A hurricane resistance rating scale
477 specifying the home's current as well as projected wind resistance
478 capabilities.

479 This data shall be provided by trained and certified
480 inspectors in standardized reporting formats and forms regardless
481 of the insurer involved with the property owner to ensure all data
482 collected during inspections is equivalent in style and content
483 that allows construction data, estimates and discount information
484 to be easily assimilated into a database. It also ensures
485 consistency of the program information for the consumers when
486 dealing with more than one (1) insurance company for the
487 comparison of services or when changing policies. Data pertaining
488 to the number of inspections, inspection reports and consumers
489 participating in the program shall be stored in a state database
490 for evaluation of the program's success and review of state goals
491 in reducing wind hazard loss in the state.

492 (ii) To qualify for selection by the department as
493 a provider of wind certification and hurricane mitigation
494 inspections services, the entity shall, at a minimum:

495 1. Use wind certification and hurricane
496 mitigation inspectors who:

497 a. Have prior experience in residential
498 and/or commercial construction or inspection and have received

499 specialized training in hurricane mitigation procedures through
500 the state certified program. In order to qualify for training in
501 the inspection process, the individual should be either a licensed
502 building code official, a licensed contractor in the State of
503 Mississippi, or a civil engineer with a professional engineering
504 license.

505 b. Have undergone drug testing and
506 background checks.

507 c. Have been certified through a state
508 mandated training program, in a manner satisfactory to the
509 department, to conduct the inspections.

510 2. Provide a quality assurance program
511 including a reinspection component.

512 3. Have data collection equipment and
513 computer systems, so that data can be submitted electronically to
514 the state's database of inspection reports, insurance
515 certificates, and other industry information related to this
516 program. It is mandatory that all inspectors provide original
517 copies to the property owner of any inspection reports, estimates,
518 etc., pertaining to the inspection and keep a copy of all
519 inspection materials on hand for state audits.

520 (c) **Financial grants to retrofit properties.** Financial
521 grants may be used to encourage single-family, site-built,
522 owner-occupied, residential property owners or commercial property
523 owners to retrofit their properties to make them less vulnerable
524 to hurricane damage.

525 (d) **Education and consumer awareness.** Multimedia
526 public education, awareness and advertising efforts designed to
527 specifically address mitigation techniques shall be employed, as
528 well as a component to support ongoing consumer resources and
529 referral services. In addition, all insurance companies shall
530 provide notification to their clients regarding the availability
531 of this program, participation details, and directions to the

532 state Web site promoting the program, along with appropriate
533 contact phone numbers to the state agency administrating the
534 program. The notification to the clients must be sent by the
535 insurance company within thirty (30) days of filing their
536 insurance discount schedules with the Department of Insurance.

537 (e) **Advisory council.** There is created an advisory
538 council to provide advice and assistance to the program
539 administrator with regard to his or her administration of the
540 program. The advisory council shall consist of:

541 (i) A representative of lending institutions,
542 selected by the Department of Insurance from a list of at least
543 three (3) persons recommended by the Mississippi Bankers
544 Association.

545 (ii) A representative of residential property
546 insurers, selected by department from a list of at least three (3)
547 persons recommended by the Professional Insurance Agents
548 Association of Mississippi.

549 (iii) A representative of home builders, selected
550 by the department from a list of at least three (3) persons
551 recommended by the Mississippi Homebuilders Association.

552 (iv) One (1) faculty member of a state university,
553 selected by the department, who is an expert in
554 hurricane-resistant construction methodologies and materials.

555 (v) Two (2) members of the House of
556 Representatives, selected by the Speaker of the House of
557 Representatives.

558 (vi) Two (2) members of the Senate, selected by
559 the Lieutenant Governor.

560 (vii) The Executive Director of the Mississippi
561 Windstorm Underwriting Association.

562 (viii) The Director of the Mississippi Emergency
563 Management Agency.

564 Members appointed under subparagraphs (i) through (iv) shall
565 serve at the pleasure of the Department of Insurance. Members
566 appointed under subparagraphs (v) and (vi) shall serve at the
567 pleasure of the appointing officers. All other members shall
568 serve as voting ex officio members. Members of the advisory
569 council shall serve without compensation but may receive
570 reimbursement as provided in Section 25-3-41 for per diem and
571 travel expenses incurred in the performance of their official
572 duties.

573 (f) **Rules and regulations.** The Department of Insurance
574 shall adopt rules and regulations governing the Comprehensive
575 Hurricane Damage Mitigation Program. The department also shall
576 adopt rules and regulations establishing priorities for grants
577 provided under this section based on objective criteria that gives
578 priority to reducing the state's probable maximum loss from
579 hurricanes. However, pursuant to this overall goal, the
580 department may further establish priorities based on the insured
581 value of the dwelling, whether or not the dwelling is insured by
582 Mississippi Windstorm Underwriting Association and whether or not
583 the area under consideration has sufficient resources and the
584 ability to perform the retrofitting required.

585 **SECTION 7.** This act shall take effect and be in force from
586 and after its passage.