

By: Representatives DeLano, Bennett, Eure,
Haney, Crawford, Baria

To: Insurance

HOUSE BILL NO. 1410
(As Sent to Governor)

1 AN ACT TO PROVIDE AN INSURANCE PREMIUM DISCOUNT OR INSURANCE
2 RATE REDUCTION FOR HOMEOWNERS WHO BUILD, REBUILD OR RETROFIT AN
3 INSURABLE PROPERTY TO BETTER RESIST HURRICANE OR OTHER
4 CATASTROPHIC WINDSTORM EVENTS; TO REQUIRE CERTIFICATION OF
5 PROPERTIES TO OBTAIN AN ADJUSTMENT; TO REQUIRE RECORD KEEPING; TO
6 REQUIRE THE SUBMISSION OF ACTUARIALLY JUSTIFIED RATING PLANS; TO
7 DEFINE INSURABLE PROPERTY; TO PROVIDE FOR THE APPLICATION OF THIS
8 ACT; TO AUTHORIZE THE PROMULGATION OF RULES AND REGULATIONS TO
9 CARRY OUT THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** (1) Not later than July 1, 2013, insurance
12 companies shall provide a premium discount or insurance rate
13 reduction in an amount and manner as established in subsection (4)
14 of this section and according to Section 3 of this act. In
15 addition, insurance companies may also offer additional
16 adjustments in deductible, other credit rate differentials, or a
17 combination thereof, collectively referred to as adjustments.
18 These adjustments shall be available under the terms specified in
19 this section to any owner who builds or locates a new insurable
20 property in Harrison, Hancock, Jackson, Stone and Pearl River
21 Counties, to resist loss due to hurricane or other catastrophic
22 windstorm events.

23 (2) To obtain the adjustment provided in this section, an
24 insurable property located in this state shall be certified as
25 constructed (a) in accordance with the 2006 or newer version of
26 the International Residential Code, as amended, including the
27 entire coastal construction supplement as recommended by the
28 Mississippi Windstorm Mitigation Coordination Council; or (b) the
29 Fortified for Safer Living or similar programs adopted by the
30 Institute for Business and Home Safety; or (c) any other



31 mitigation program recommended by the Mississippi Windstorm
32 Mitigation Coordination Council and approved by the Commissioner
33 of Insurance. An insurable property shall be certified as
34 conforming to the applicable building codes only after an
35 evaluation of the insurable property has been satisfactorily
36 completed by a building official or a certified and licensed
37 building evaluator. An insurable property shall be certified as
38 conforming to Fortified for Safer Living criteria only after
39 evaluation and certification by an Institute for Business and Home
40 Safety certified evaluator.

41 (3) An owner of insurable property claiming an adjustment
42 under this section shall maintain sufficient certification records
43 and construction records including, but not limited to, a
44 Certificate of Occupancy denoting compliance with the applicable
45 building code in subsection (2)(a) of this section or valid
46 certification from the Institute for Business and Home Safety for
47 compliance with the program described in subsection (2)(b) of this
48 section.

49 (4) Insurers required to submit rates and rating plans to
50 the commissioner shall submit an actuarially justified rating plan
51 for any person who builds an insurable property to comply with the
52 sets of requirements of subsection (2) of this section. An
53 insurer is not required to provide the same amount of adjustment
54 for a building code insurable property as the insurer would to a
55 Fortified for Safer Living insurable property. An adjustment
56 shall only apply to policies that provide wind coverage and may
57 apply to that portion of the premium for wind coverage or to the
58 total premium if the insurer does not separate out its premium for
59 wind coverage in its rate filing. The adjustment shall apply
60 exclusively to the premium designated for the improved insurable
61 property. In addition to the requirements of this section, an
62 insurer may voluntarily offer any other mitigation adjustment that
63 the insurer deems appropriate.



64 **SECTION 2.** (1) Not later than July 1, 2013, insurance
65 companies shall provide a premium discount or insurance rate
66 reduction in an amount and manner as established in subsection (4)
67 of this section and according to Section 3 of this act. In
68 addition, insurance companies may also offer additional
69 adjustments in deductible, other credit rate differentials, or
70 a combination thereof, collectively referred to as adjustments.
71 These adjustments shall be available under the terms specified in
72 this section to any owner who retrofits his or her insurable
73 property in Harrison, Hancock, Jackson, Stone and Pearl River
74 Counties to resist loss due to hurricane or other catastrophic
75 windstorm events.

76 (2) To obtain the adjustment provided in this section, an
77 insurable property shall be retrofitted to one of the tiered
78 mitigation levels as defined in the Fortified for Safer Homes
79 requirements as may from time to time be adopted by the Institute
80 for Business and Home Safety, or other mitigation program, or
81 other construction technique, or standardized code that is
82 recommended by the Mississippi Windstorm Mitigation Coordination
83 Council and approved by the Commissioner of Insurance. Zone three
84 HUD code manufactured homes installed to specifications and
85 regulations promulgated by the Commissioner of Insurance shall be
86 considered. An insurable property shall be certified as
87 conforming to Fortified for Safer Homes requirements only after
88 evaluation and certification by an Institute for Business and Home
89 Safety certified evaluator. Certification of conformity of an
90 insurable property with the other mitigation program, other
91 construction technique, or other standardized code shall be made
92 only by a building official or other certified or licensed
93 building evaluator.

94 (3) An owner of insurable property claiming an adjustment
95 under this section shall maintain sufficient certification records
96 and construction records including, but not limited to, a



97 certification of compliance with an approved mitigation program as
98 promulgated by the Mississippi Windstorm Mitigation Coordination
99 Council and approved by the Commissioner of Insurance or valid
100 certification from the Institute for Business and Home Safety for
101 compliance with a program described in subsection (2) of this
102 section.

103 (4) Insurers required to submit rates and rating plans to
104 the commissioner shall submit actuarially justified rating plans
105 for any person who retrofits an insurable property to comply with
106 the sets of alternatives provided in subsection (2) of this
107 section. The adjustment shall only apply to policies that provide
108 wind coverage and may apply to that portion of the premium for
109 wind coverage or to the total premium if the insurer does not
110 separate out its premium for wind coverage in its rate filing.
111 The adjustment shall apply exclusively to the premium designated
112 for the improved insurable property. In addition to the
113 requirements of this section, an insurer may voluntarily offer any
114 other mitigation adjustment that the insurer deems appropriate.

115 **SECTION 3.** For the purposes of this act, the term "insurable
116 property" includes single-family residential property. "Insurable
117 property" also includes modular homes satisfying the codes,
118 standards, or techniques as provided in Section 1 or 2 of this
119 act. Manufactured homes or mobile homes are excluded from
120 "insurable property," except as expressly provided in Section 2(2)
121 of this act.

122 **SECTION 4.** The Commissioner of Insurance shall promulgate
123 such rules and regulations as are necessary to implement and
124 administer this act.

125 **SECTION 5.** This act shall take effect and be in force from
126 and after July 1, 2012.

