

By: Representative White

To: Insurance

HOUSE BILL NO. 887

1 AN ACT TO AMEND SECTION 83-1-191, MISSISSIPPI CODE OF 1972,  
2 TO EXTEND THE DATE OF THE REPEALER ON THE COMPREHENSIVE HURRICANE  
3 DAMAGE MITIGATION PROGRAM WITHIN THE DEPARTMENT OF INSURANCE; AND  
4 FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 83-1-191, Mississippi Code of 1972, is  
7 amended as follows:

8 83-1-191. (1) There is established within the Department of  
9 Insurance a Comprehensive Hurricane Damage Mitigation Program.  
10 This section does not create an entitlement for property owners or  
11 obligate the state in any way to fund the inspection or  
12 retrofitting of residential property or commercial property in  
13 this state. Implementation of this program is subject to the  
14 availability of funds that may be appropriated by the Legislature  
15 for this purpose. The program may develop and implement a  
16 comprehensive and coordinated approach for hurricane damage  
17 mitigation that may include the following:

18 (a) **Cost-benefit study on wind hazard mitigation**

19 **construction measures.** The performance of a cost-benefit study to



20 establish the most appropriate wind hazard mitigation construction  
21 measures for both new construction and the retrofitting of  
22 existing construction for both residential and commercial  
23 facilities within the wind-borne debris regions of Mississippi as  
24 defined by the International Building Code. The recommended wind  
25 construction techniques shall be based on both the newly adopted  
26 Mississippi building code sections for wind load design and the  
27 wind-borne debris region. The list of construction measures to be  
28 considered for evaluation in the cost-benefit study shall be based  
29 on scientifically established and sound, but common, construction  
30 techniques that go above and beyond the basic recommendations in  
31 the adopted building codes. This allows residents to utilize  
32 multiple options that will further reduce risk and loss and still  
33 be awarded for their endeavors with appropriate wind insurance  
34 discounts. It is recommended that existing accepted scientific  
35 studies that validate the wind hazard construction techniques  
36 benefits and effects be taken into consideration when establishing  
37 the list of construction techniques that homeowners and business  
38 owners can employ. This will ensure that only established  
39 construction measures that have been studied and modeled as  
40 successful mitigation measures will be considered to reduce the  
41 chance of including risky or unsound data that will cost both the  
42 property owner and state unnecessary losses. The cost-benefit  
43 study shall be based on actual construction cost data collected  
44 for several types of residential construction and commercial



45 construction materials, building techniques and designs that are  
46 common to the region. The study shall provide as much information  
47 as possible that will enhance the data and options provided to the  
48 public, so that homeowners and business owners can make informed  
49 and educated decisions as to their level of involvement. Based on  
50 the construction data, modeling shall be performed on a variety of  
51 residential and commercial designs, so that a broad enough  
52 representative spectrum of data can be obtained. The data from  
53 the study will be utilized in a report to establish tables  
54 reflecting actuarially appropriate levels of wind insurance  
55 discounts (in percentages) for each mitigation construction  
56 technique/combination of techniques. This report will be utilized  
57 as a guide for the Department of Insurance and the insurance  
58 industry for developing actuarially appropriate discounts, credits  
59 or other rate differentials, or appropriate reductions in  
60 deductibles, for properties on which fixtures or construction  
61 techniques demonstrated to reduce the amount of loss in a  
62 windstorm have been installed or implemented. Additional data  
63 that will enhance the program, such as studies to reflect property  
64 value increases for retrofitting or building to the established  
65 wind hazard mitigation construction techniques and cost comparison  
66 data collected to establish the value of this program against the  
67 investment required to include the mitigation measures, also may  
68 be provided.



69 (b) **Wind certification and hurricane mitigation**  
70 **inspections.**

71 (i) Home-retrofit inspections of site-built,  
72 residential property, including single-family, two-family,  
73 three-family or four-family residential units, and a set of  
74 representative commercial facilities may be offered to determine  
75 what mitigation measures are needed and what improvements to  
76 existing residential properties are needed to reduce the  
77 property's vulnerability to hurricane damage. A state program may  
78 be established within the Department of Insurance to provide  
79 homeowners and business owners wind certification and hurricane  
80 mitigation inspections. The inspections provided to homeowners  
81 and business owners, at a minimum, must include:

82 1. A home inspection and report that  
83 summarizes the results and identifies corrective actions a  
84 homeowner may take to mitigate hurricane damage.

85 2. A range of cost estimates regarding the  
86 mitigation features.

87 3. Insurer-specific information regarding  
88 premium discounts correlated to recommended mitigation features  
89 identified by the inspection.

90 4. A hurricane resistance rating scale  
91 specifying the home's current as well as projected wind resistance  
92 capabilities.



93           This data may be provided by trained and certified inspectors  
94 in standardized reporting formats and forms to ensure all data  
95 collected during inspections is equivalent in style and content  
96 that allows construction data, estimates and discount information  
97 to be easily assimilated into a database. Data pertaining to the  
98 number of inspections and inspection reports may be stored in a  
99 state database for evaluation of the program's success and review  
100 of state goals in reducing wind hazard loss in the state.

101                   (ii) To qualify for selection by the department as  
102 a provider of wind certification and hurricane mitigation  
103 inspections services, the entity shall, at a minimum, and on a  
104 form and in the manner prescribed by the commissioner:

105                           1. Use wind certification and hurricane  
106 mitigation inspectors who:

107                                   a. Have prior experience in residential  
108 and/or commercial construction or inspection and have received  
109 specialized training in hurricane mitigation procedures through  
110 the state certified program. In order to qualify for training in  
111 the inspection process, the individual should be either a licensed  
112 building code official, a licensed contractor or inspector in the  
113 State of Mississippi, or a civil engineer.

114                                   b. Have undergone drug testing and  
115 background checks.



116 c. Have been certified through a state  
117 mandated training program, in a manner satisfactory to the  
118 department, to conduct the inspections.

119 d. Have not been convicted of a felony  
120 crime of violence or of a sexual offense; have not received a  
121 first-time offender pardon or nonadjudication order for a felony  
122 crime of violence or of a sexual offense; or have not entered a  
123 plea of guilty or nolo contendere to a felony charge of violence  
124 or of a sexual offense.

125 e. Submit a statement authorizing the  
126 Commissioner of Insurance to order fingerprint analysis or any  
127 other analysis or documents deemed necessary by the commissioner  
128 for the purpose of verifying the criminal history of the  
129 individual. The commissioner shall have the authority to conduct  
130 criminal history verification on a local, state or national level,  
131 and shall have the authority to require the individual to pay for  
132 the costs of such criminal history verification.

133 2. Provide a quality assurance program  
134 including a reinspection component.

135 3. Have data collection equipment and  
136 computer systems, so that data can be submitted electronically to  
137 the state's database of inspection reports, insurance  
138 certificates, and other industry information related to this  
139 program. It is mandatory that all inspectors provide original  
140 copies to the property owner of any inspection reports, estimates,



141 etc., pertaining to the inspection and keep a copy of all  
142 inspection materials on hand for state audits.

143           (c) **Financial grants to retrofit properties.** Financial  
144 grants may be used to encourage single-family, site-built,  
145 owner-occupied, residential property owners or commercial property  
146 owners to retrofit their properties to make them less vulnerable  
147 to hurricane damage.

148           (d) **Education and consumer awareness.** Multimedia  
149 public education, awareness and advertising efforts designed to  
150 specifically address mitigation techniques may be employed, as  
151 well as a component to support ongoing consumer resources and  
152 referral services. In addition, all insurance companies shall  
153 provide notification to their clients regarding the availability  
154 of this program, participation details, and directions to the  
155 state website promoting the program, along with appropriate  
156 contact phone numbers to the state agency administrating the  
157 program. The notification to the clients must be sent by the  
158 insurance company within thirty (30) days after filing their  
159 insurance discount schedules with the Department of Insurance.

160           (e) **Advisory council.** There is created an advisory  
161 council to provide advice and assistance to the program  
162 administrator with regard to his or her administration of the  
163 program. The advisory council shall consist of:

164                   (i) An agent, selected by the Independent  
165 Insurance Agents of Mississippi.



166 (ii) Two (2) representatives of residential  
167 property insurers, selected by the Department of Insurance.

168 (iii) One (1) representative of homebuilders,  
169 selected by the Home Builders Association of Mississippi.

170 (iv) The Chairman of the House Insurance  
171 Committee, or his designee.

172 (v) The Chairman of the Senate Insurance  
173 Committee, or his designee.

174 (vi) The Executive Director of the Mississippi  
175 Windstorm Underwriting Association, or his designee.

176 (vii) The Director of the Mississippi Emergency  
177 Management Agency, or his designee.

178 Members appointed under subparagraphs (i) and (ii) shall  
179 serve at the pleasure of the Department of Insurance. All other  
180 members shall serve as voting ex officio members. Members of the  
181 advisory council who are not legislators, state officials or state  
182 employees shall be compensated at the per diem rate authorized by  
183 Section 25-3-69, and shall be reimbursed in accordance with  
184 Section 25-3-41, for mileage and actual expenses incurred in the  
185 performance of their duties. Legislative members of the advisory  
186 council shall be paid from the contingent expense funds of their  
187 respective houses in the same manner as provided for committee  
188 meetings when the Legislature is not in session; however, no per  
189 diem or expense for attending meetings of the advisory council may  
190 be paid while the Legislature is in session. No advisory council





191 member may incur per diem, travel or other expenses unless  
192 previously authorized by vote, at a meeting of the council, which  
193 action shall be recorded in the official minutes of the meeting.  
194 Nonlegislative members shall be paid from any funds made available  
195 to the advisory council for that purpose.

196 (f) **Rules and regulations.** The Department of Insurance  
197 may adopt rules and regulations governing the Comprehensive  
198 Hurricane Damage Mitigation Program. The department also may  
199 adopt rules and regulations establishing priorities for grants  
200 provided under this section based on objective criteria that gives  
201 priority to reducing the state's probable maximum loss from  
202 hurricanes. However, pursuant to this overall goal, the  
203 department may further establish priorities based on the insured  
204 value of the dwelling, whether or not the dwelling is insured by  
205 the Mississippi Windstorm Underwriting Association and whether or  
206 not the area under consideration has sufficient resources and the  
207 ability to perform the retrofitting required.

208 (2) Nothing in this section shall prohibit the Department of  
209 Insurance from entering into an agreement with any other  
210 appropriate state agency to assist with or perform any of the  
211 duties set forth hereunder.

212 (3) This section shall stand repealed from and after July  
213 1, \* \* \* 2021.

214 **SECTION 2.** This act shall take effect and be in force from  
215 and after July 1, 2018.

