

By: Representative Zuber

To: Insurance;
Appropriations A

HOUSE BILL NO. 1127

1 AN ACT TO CREATE THE STRENGTHEN MISSISSIPPI HOMES ACT; TO
2 PROVIDE THAT THE STRENGTHEN MISSISSIPPI HOMES PROGRAM SHALL BE
3 ESTABLISHED WITHIN THE MISSISSIPPI WINDSTORM UNDERWRITERS
4 ASSOCIATION; TO CREATE THE STRENGTHEN MISSISSIPPI HOMES FUND; TO
5 AUTHORIZE THE PROGRAM TO APPLY FOR FINANCIAL GRANTS TO RETROFIT
6 INSURABLE PROPERTY TO RESIST LOSS DUE TO HURRICANE, TORNADO OR
7 OTHER CATASTROPHIC WINDSTORM EVENTS; TO AUTHORIZE THE PROGRAM TO
8 MAKE GRANTS OR FUNDING AVAILABLE TO NONPROFIT ENTITIES FOR
9 PROJECTS TO RETROFIT AN INSURABLE PROPERTY; TO PROVIDE THAT TO BE
10 ELIGIBLE FOR A GRANT, A RESIDENTIAL PROPERTY OWNER MUST HAVE AN
11 INSURABLE PROPERTY THAT HAS BEEN GRANTED A HOMESTEAD EXEMPTION AND
12 MUST BE ABLE TO MEET THE ELIGIBILITY REQUIREMENTS ESTABLISHED BY
13 THE ASSOCIATION; TO PROVIDE THAT DOCUMENTS, MATERIALS AND OTHER
14 DOCUMENTS SUBMITTED TO THE ASSOCIATION BY PROPERTY OWNERS AND
15 INSURANCE COMPANIES SHALL BE EXEMPT FROM THE MISSISSIPPI PUBLIC
16 RECORDS ACT; TO AUTHORIZE THAT A RESIDENTIAL PROPERTY OWNER MAY
17 HIRE ANY LICENSED CONTRACTOR TO PERFORM RETROFITTING WORK ON
18 INSURABLE PROPERTY; TO AMEND SECTION 83-2-33, MISSISSIPPI CODE OF
19 1972, TO PROVIDE THAT ALL PROPERTY AND CASUALTY INSURANCE
20 COMPANIES DOING BUSINESS IN THIS STATE SHALL CONTRIBUTE, IN
21 PROPORTION TO THEIR GROSS PREMIUMS, TO THE STRENGTHEN MISSISSIPPI
22 HOMES FUND; TO PROVIDE THAT TOTAL CONTRIBUTIONS COLLECTED FOR THE
23 STRENGTHEN MISSISSIPPI HOMES FUND SHALL NOT EXCEED ONE MILLION
24 FIVE HUNDRED THOUSAND DOLLARS; TO TRANSFER FIVE MILLION DOLLARS
25 FROM THE MISSISSIPPI SURPLUS LINES ASSOCIATION TO THE STRENGTHEN
26 MISSISSIPPI HOMES FUND; TO AMEND SECTION 25-61-12, MISSISSIPPI
27 CODE OF 1972, TO CONFORM; TO AMEND SECTION 83-34-5, MISSISSIPPI
28 CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI WINDSTORM UNDERWRITERS
29 ASSOCIATION TO ADMINISTER THE STRENGTHEN MISSISSIPPI HOMES FUND;
30 TO BRING FORWARD SECTIONS 83-75-1, 83-75-3, 83-75-5 AND 83-75-7,
31 MISSISSIPPI CODE OF 1972, WHICH PROVIDE THE HOMEOWNERS INSURANCE
32 DISCOUNT FOR HURRICANE OR WINDSTORM DAMAGE MITIGATION, FOR THE
33 PURPOSE OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 83-1-191,
34 MISSISSIPPI CODE OF 1972, WHICH CREATES THE COMPREHENSIVE



35 HURRICANE DAMAGE MITIGATION PROGRAM, FOR THE PURPOSE OF POSSIBLE
36 AMENDMENT; TO BRING FORWARD SECTION 83-1-201, MISSISSIPPI CODE OF
37 1972, WHICH CREATES THE MISSISSIPPI WINDSTORM MITIGATION
38 COORDINATING COUNCIL, FOR THE PURPOSE OF POSSIBLE AMENDMENT; TO
39 BRING FORWARD SECTION 83-34-16, MISSISSIPPI CODE OF 1972, WHICH
40 CREATES THE FORTIFIED HOME PREMIUM DISCOUNT, FOR THE PURPOSE OF
41 POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 17-2-1, MISSISSIPPI
42 CODE OF 1972, WHICH PROVIDES FOR CERTAIN RESIDENTIAL AND BUILDING
43 CODES, FOR THE PURPOSE OF POSSIBLE AMENDMENT; TO BRING FORWARD
44 SECTION 83-1-37, MISSISSIPPI CODE OF 1972, WHICH CREATES THE
45 MUNICIPAL FIRE PROTECTION FUND, FOR THE PURPOSE OF POSSIBLE
46 AMENDMENT; TO BRING FORWARD SECTION 83-1-39, MISSISSIPPI CODE OF
47 1972, WHICH CREATES THE COUNTY VOLUNTEER FIRE DEPARTMENT FUND, FOR
48 THE PURPOSE OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION
49 83-2-3, MISSISSIPPI CODE OF 1972, WHICH PROVIDES RATE STANDARDS,
50 FOR THE PURPOSE OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS
51 27-7-1001, 27-7-1003 AND 27-7-1005, MISSISSIPPI CODE OF 1972,
52 WHICH PROVIDE FOR THE CATASTROPHE SAVINGS ACCOUNT, FOR THE PURPOSE
53 OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 83-34-7,
54 MISSISSIPPI CODE OF 1972, WHICH CREATES THE BOARD OF DIRECTORS OF
55 THE MISSISSIPPI INSURANCE UNDERWRITING ASSOCIATION, FOR THE
56 PURPOSE OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

58 **SECTION 1.** This chapter shall be known and may be cited as
59 the "Strengthen Mississippi Homes Act".

60 **SECTION 2.** (1) There is established within the Mississippi
61 Windstorm Underwriting Association (hereinafter referred to as the
62 "association"), the Strengthen Mississippi Homes Program.

63 (2) There is established the Strengthen Mississippi Homes
64 Fund within the State Treasury for the use of the association to
65 administer the program.

66 (3) This chapter does not create an entitlement for property
67 owners or obligate the state in any way to fund the inspection or
68 retrofitting of residential property in this state.

69 Implementation of this program is subject to annual legislative
70 appropriations, receipt of federal grants or funds, or receipt of



71 other sources of grants or funds. The association shall use its
72 best efforts to obtain grants or funds from the federal government
73 or other funding sources to supplement the financial resources of
74 the program that may be provided by the state.

75 (4) Monies in the program shall be deposited in the
76 Strengthen Mississippi Homes Fund. Monies shall not lapse, unless
77 otherwise specified under federal funding or a federal grant, or a
78 grant or funds from another source, or be transferred to the
79 general fund or other state funds and shall not be redistributed.
80 Monies shall be used for the purpose of assisting the program in
81 performing all acts that relate to the function and purpose of the
82 program.

83 (5) The program shall apply for financial grants to retrofit
84 insurable property as defined in Section 83-75-5, to resist loss
85 due to hurricane, tornado or other catastrophic windstorm events
86 as prescribed in subsection (3) of Section 83-75-3.

87 (6) The program may also make grants or funding available to
88 nonprofit entities for projects to retrofit an insurable property
89 to resist loss due to hurricane, tornado, or other catastrophic
90 windstorm events if such grants or funding to nonprofit entities
91 are allowable under grant or funding rules, requirements,
92 guidelines, or criteria. However, a nonprofit entity shall agree
93 to administer the grants or funds as the program would be required
94 to administer grants or funds and the entity shall provide



95 documentation to the association in a timely manner as requested
96 by the association.

97 (7) All mitigation shall be based upon the securing of all
98 required local permits and applicable inspections in keeping with
99 local building codes, if required in that locality and applicable,
100 and the Fortified for Safer Homes requirements. Mitigation
101 projects are subject to random reinspection of all projects.

102 (8) The association may promulgate rules and eligibility
103 requirements necessary for the proper administration of this
104 chapter and pursuant to any instructions or requirements on grants
105 or funds received by the program. The association may contract
106 with any third parties as necessary to carry out the program. The
107 association may use a maximum of five percent (5%) of funds
108 appropriated for the administrative expenses of the program;
109 however, administrative expenses shall not include any contractual
110 services required to carry out the program.

111 **SECTION 3.** (1) To be eligible for a grant, residential
112 property owners applying for a grant must have an insurable
113 property that has been granted a homestead exemption and must be
114 able to meet the eligibility requirements as set forth by the
115 association for each grant type.

116 (2) Grants to residential property owners must be used to
117 retrofit an insurable property as defined in Section 83-75-5, to
118 resist loss due to hurricane, tornado, or other catastrophic



119 windstorm events as prescribed in subsection (3) of Section
120 83-75-3.

121 (3) Documents, materials, and other information submitted to
122 the association by property owners or insurance companies in
123 support of a grant application shall be confidential and exempt
124 from the Mississippi Public Records Act, provided that the amount
125 of any grant awarded and the name of the recipient of the grant
126 awarded shall be available for public disclosure.

127 **SECTION 4.** (1) To perform retrofitting work on insurable
128 property under the program, a residential property owner may hire
129 any licensed contractor who is capable of performing work that
130 satisfies the standards prescribed by this chapter and rules
131 adopted by the association in conformity with this chapter.

132 (2) The association may not endorse or otherwise provide
133 preferential treatment to any contractor.

134 (3) A residential property owner is responsible for any
135 amount owed to a contractor that exceeds awarded grant monies.

136 **SECTION 5.** Section 83-2-33, Mississippi Code of 1972, is
137 amended as follows:

138 83-2-33. All property and casualty insurance companies doing
139 business in this state shall contribute annually, at such times as
140 the Insurance Commissioner shall determine, in proportion to their
141 gross premiums collected within the State of Mississippi during
142 the preceding year, to a special fund in the State Treasury to be
143 known as the * * * "Strengthen Mississippi Homes Fund". The



144 commissioner is hereby authorized to employ such actuarial and
145 other assistance as shall be necessary to carry out the duties of
146 the department; and such employees shall be under the authority
147 and direction of the Insurance Commissioner. The amount to be
148 contributed annually to the fund shall be fixed each year by the
149 Insurance Commissioner at a percentage of the gross premiums so
150 collected during the preceding year. However, a minimum
151 assessment of One Hundred Dollars (\$100.00) shall be charged to
152 each licensed property and casualty insurance company regardless
153 of the gross premium amount collected during the preceding year.

154 The total contributions collected for the * * * Strengthen
155 Mississippi Homes Fund shall not exceed the sum of * * * One
156 Million Five Hundred Thousand Dollars (\$1,500,000.00) in each
157 fiscal year.

158 * * *

159 From and after July 1, 2016, no state agency shall charge
160 another state agency a fee, assessment, rent or other charge for
161 services or resources received by authority of this section.

162 **SECTION 6.** Upon the effective date of this act, the State
163 Treasurer, in conjunction with the State Fiscal Officer, shall
164 transfer the sum of Five Million Dollars (\$5,000,000.00) from the
165 Mississippi Surplus Lines Association to the Strengthen
166 Mississippi Homes Fund.

167 **SECTION 7.** Section 25-61-12, Mississippi Code of 1972, is
168 amended as follows:



169 25-61-12. (1) The home address, any telephone number of a
170 privately paid account or other private information of any law
171 enforcement officer, criminal investigator, judge or district
172 attorney, or the spouse or child of the law enforcement officer,
173 criminal investigator, judge or district attorney, shall be exempt
174 from the Mississippi Public Records Act of 1983. This exemption
175 does not apply to any court transcript or recording if given under
176 oath and not otherwise excluded by law.

177 (2) (a) When in the possession of a law enforcement agency,
178 investigative reports shall be exempt from the provisions of this
179 chapter; however, a law enforcement agency, in its discretion, may
180 choose to make public all or any part of any investigative report.

181 (b) Nothing in this chapter shall be construed to
182 prevent any and all public bodies from having among themselves a
183 free flow of information for the purpose of achieving a
184 coordinated and effective detection and investigation of unlawful
185 activity. Where the confidentiality of records covered by this
186 section is being determined in a private hearing before a judge
187 under Section 25-61-13, the public body may redact or separate
188 from the records the identity of confidential informants or the
189 identity of the person or persons under investigation or other
190 information other than the nature of the incident, time, date and
191 location.

192 (c) Nothing in this chapter shall be construed to
193 exempt from public disclosure a law enforcement incident report.



194 An incident report shall be a public record. A law enforcement
195 agency may release information in addition to the information
196 contained in the incident report.

197 (d) Nothing in this chapter shall be construed to
198 require the disclosure of information that would reveal the
199 identity of the victim.

200 (3) Personal information of victims, including victim impact
201 statements and letters of support on behalf of victims that are
202 contained in records on file with the Mississippi Department of
203 Corrections and State Parole Board, shall be exempt from the
204 provisions of this chapter.

205 (4) Records of a public hospital board relating to the
206 purchase or sale of medical or other practices or other business
207 operations, and the recruitment of physicians and other health
208 care professionals, shall be exempt from the provisions of this
209 chapter.

210 (5) Documents, materials and other information submitted to
211 the Department of Insurance by property owners or insurance
212 companies in support of a grant application as provided in the
213 Strengthen Mississippi Homes Act shall be exempt from the
214 provisions of this chapter.

215 **SECTION 8.** Section 83-34-5, Mississippi Code of 1972, is
216 amended as follows:

217 83-34-5. The association shall, pursuant to the provisions
218 of this chapter and the plan of operation, and with respect to



219 essential property insurance on insurable property, have the
220 power:

221 (a) To issue policies of essential property insurance
222 on insurable property to applicants;

223 (b) At its option, and with consent of the
224 commissioner, to issue policies of related essential property
225 insurance on insurable property to applicants;

226 (c) To purchase reinsurance for all or part of the
227 risks of the association;

228 (d) To levy and collect recoupable and nonrecoupable
229 assessments from assessable insurers;

230 (e) To issue bonds or incur other forms of
231 indebtedness, including, but not limited to, loans, lines of
232 credit or letters of credit;

233 (f) To establish underwriting criteria consistent with
234 the provisions of this chapter and as approved by the
235 commissioner;

236 (g) To invest and reinvest income and assets subject to
237 the oversight of the commissioner;

238 (h) To enter into contractual agreements with third
239 parties, including the Mississippi Windstorm Mitigation
240 Coordinating Council, for the purposes of developing and
241 implementing windstorm mitigation programs; * * *

242 (i) To administer the Strengthen Mississippi Homes
243 Program; and



244 (* * *j) All other powers necessary to carry out the
245 provisions and intent of this chapter.

246 **SECTION 9.** Section 83-75-1, Mississippi Code of 1972, is
247 brought forward as follows:

248 83-75-1. (1) Not later than July 1, 2013, insurance
249 companies shall provide a premium discount or insurance rate
250 reduction in an amount and manner as established in subsection (6)
251 of this section and according to Section 83-75-5. In addition,
252 insurance companies may also offer additional adjustments in
253 deductible, other credit rate differentials, or a combination
254 thereof, collectively referred to as adjustments. These
255 adjustments shall be available under the terms specified in this
256 section to any owner who builds or locates a new insurable
257 property in Harrison, Hancock, Jackson, Stone and Pearl River
258 Counties, to resist loss due to hurricane or other catastrophic
259 windstorm events.

260 (2) Not later than July 1, 2019, insurance companies shall
261 provide a premium discount or insurance rate reduction for new
262 residential insurable property in an amount and manner as
263 established in subsection (6) of this section and according to
264 Section 83-75-5. In addition, insurance companies may also offer
265 additional adjustments in deductible, other credit rate
266 differentials, or a combination thereof, collectively referred to
267 as adjustments. These adjustments shall be available under the
268 terms specified in this section to any owner who builds or locates



269 a new residential insurable property to resist loss due to tornado
270 or other catastrophic windstorm events in any county located in
271 the State of Mississippi.

272 (3) Not later than July 1, 2021, insurance companies shall
273 provide a premium discount or insurance rate reduction for new
274 commercial insurable property in an amount and manner as
275 established in subsection (6) of this section and according to
276 Section 83-75-5. In addition, insurance companies may also offer
277 additional adjustments in deductible, other credit rate
278 differentials, or a combination thereof, collectively referred to
279 as adjustments. These adjustments shall be available under the
280 terms specified in this section to any owner who builds or locates
281 a new commercial insurable property to resist loss due to
282 hurricane, tornado or other catastrophic windstorm events in any
283 county located in the State of Mississippi.

284 (4) To obtain the adjustment provided in this section, an
285 insurable property located in this state shall be certified as
286 constructed in accordance with (a) the 2006 or newer version of
287 the International Residential Code, as amended, including the
288 entire coastal construction supplement as recommended by the
289 Mississippi Windstorm Mitigation Coordination Council; or (b) the
290 2012 or newer version of the International Building Code, as
291 amended; or (c) the Fortified for Safer Living or similar programs
292 adopted by the Insurance Institute for Business and Home Safety;
293 or (d) any other mitigation program recommended by the Mississippi



294 Windstorm Mitigation Coordination Council and approved by the
295 Commissioner of Insurance. An insurable property shall be
296 certified as conforming to the applicable building codes only
297 after an evaluation of the insurable property has been
298 satisfactorily completed by a building official or a certified and
299 licensed building evaluator. An insurable property shall be
300 certified as conforming to Fortified for Safer Living criteria
301 only after evaluation and certification by an Insurance Institute
302 for Business and Home Safety certified evaluator.

303 (5) An owner of insurable property claiming an adjustment
304 under this section shall maintain sufficient certification records
305 and construction records including, but not limited to, a
306 Certificate of Occupancy denoting compliance with the applicable
307 building code in subsection (4)(a) of this section or valid
308 certification from the Insurance Institute for Business and Home
309 Safety for compliance with the program described in subsection
310 (4)(b) of this section.

311 (6) Insurers required to submit rates and rating plans to
312 the commissioner shall submit an actuarially justified rating plan
313 for any person who builds an insurable property to comply with the
314 sets of requirements of subsection (4) of this section. An
315 insurer is not required to provide the same amount of adjustment
316 for a building code insurable property as the insurer would to a
317 Fortified for Safer Living insurable property. An adjustment
318 shall only apply to policies that provide wind coverage and may



319 apply to that portion of the premium for wind coverage or to the
320 total premium if the insurer does not separate out its premium for
321 wind coverage in its rate filing. The adjustment shall apply
322 exclusively to the premium designated for the improved insurable
323 property. In addition to the requirements of this section, an
324 insurer may voluntarily offer any other mitigation adjustment that
325 the insurer deems appropriate.

326 **SECTION 10.** Section 83-75-3, Mississippi Code of 1972, is
327 brought forward as follows:

328 83-75-3. (1) Not later than July 1, 2013, insurance
329 companies shall provide a premium discount or insurance rate
330 reduction in an amount and manner as established in subsection (5)
331 of this section and according to Section 83-75-5. In addition,
332 insurance companies may also offer additional adjustments in
333 deductible, other credit rate differentials, or
334 a combination thereof, collectively referred to as adjustments.
335 These adjustments shall be available under the terms specified in
336 this section to any owner who retrofits his or her insurable
337 property in Harrison, Hancock, Jackson, Stone and Pearl River
338 Counties to resist loss due to hurricane or other catastrophic
339 windstorm events.

340 (2) Not later than July 1, 2021, insurance companies shall
341 provide a premium discount or insurance rate reduction in an
342 amount and manner as established in subsection (5) of this section
343 and according to Section 83-75-5. In addition, insurance



344 companies may also offer additional adjustments in deductible,
345 other credit rate differentials, or a combination thereof,
346 collectively referred to as adjustments. These adjustments shall
347 be available under the terms specified in this section to any
348 owner who retrofits existing commercial insurable property to
349 resist loss due to tornado or other catastrophic windstorm events
350 in any county located in the State of Mississippi.

351 (3) To obtain the adjustment provided in this section, an
352 insurable property shall be retrofitted to one (1) of the tiered
353 mitigation levels as defined by the Insurance Institute for
354 Business and Home Safety, or other mitigation program, or other
355 construction technique, or standardized code that is recommended
356 by the Mississippi Windstorm Mitigation Coordination Council and
357 approved by the Commissioner of Insurance. Zone three HUD code
358 manufactured homes installed to specifications and regulations
359 promulgated by the Commissioner of Insurance shall be considered.
360 An insurable property shall be certified as conforming to
361 Fortified for Safer Homes requirements only after evaluation and
362 certification by an Insurance Institute for Business and Home
363 Safety certified evaluator. Certification of conformity of an
364 insurable property with the other mitigation program, other
365 construction technique, or other standardized code shall be made
366 only by a building official or other certified or licensed
367 building evaluator.



368 (4) An owner of insurable property claiming an adjustment
369 under this section shall maintain sufficient certification records
370 and construction records including, but not limited to, a
371 certification of compliance with an approved mitigation program as
372 promulgated by the Mississippi Windstorm Mitigation Coordination
373 Council and approved by the Commissioner of Insurance or valid
374 certification from the Insurance Institute for Business and Home
375 Safety for compliance with a program described in subsection (3)
376 of this section.

377 (5) Insurers required to submit rates and rating plans to
378 the commissioner shall submit actuarially justified rating plans
379 for any person who retrofits an insurable property to comply with
380 the sets of alternatives provided in subsection (3) of this
381 section. The adjustment shall only apply to policies that provide
382 wind coverage and may apply to that portion of the premium for
383 wind coverage or to the total premium if the insurer does not
384 separate out its premium for wind coverage in its rate filing.
385 The adjustment shall apply exclusively to the premium designated
386 for the improved insurable property. In addition to the
387 requirements of this section, an insurer may voluntarily offer any
388 other mitigation adjustment that the insurer deems appropriate.

389 **SECTION 11.** Section 83-75-5, Mississippi Code of 1972, is
390 brought forward as follows:

391 **[Until July 1, 2021, this section shall read as follows:]**



392 83-75-5. For the purposes of this chapter, the term
393 "insurable property" includes single-family residential property.
394 "Insurable property" also includes modular homes satisfying the
395 codes, standards, or techniques as provided in Section 83-75-1 or
396 83-75-3. Manufactured homes or mobile homes are excluded from
397 "insurable property," except as expressly provided in Section
398 83-75-3(3).

399 **[From and after July 1, 2021, this section shall read as**
400 **follows:]**

401 83-75-5. For the purposes of this chapter, the term
402 "insurable property" includes single-family residential and
403 commercial property. "Insurable property" also includes modular
404 homes satisfying the codes, standards, or techniques as provided
405 in Section 83-75-1 or 83-75-3. Manufactured homes or mobile homes
406 are excluded from "insurable property," except as expressly
407 provided in Section 83-75-3(3).

408 **SECTION 12.** Section 83-75-7, Mississippi Code of 1972, is
409 brought forward as follows:

410 83-75-7. The Commissioner of Insurance shall promulgate such
411 rules and regulations as are necessary to implement and administer
412 this chapter.

413 **SECTION 13.** Section 83-1-191, Mississippi Code of 1972, is
414 brought forward as follows:

415 83-1-191. (1) There is established within the Department of
416 Insurance a Comprehensive Hurricane Damage Mitigation Program.



417 This section does not create an entitlement for property owners or
418 obligate the state in any way to fund the inspection or
419 retrofitting of residential property or commercial property in
420 this state. Implementation of this program is subject to the
421 availability of funds that may be appropriated by the Legislature
422 for this purpose. The program may develop and implement a
423 comprehensive and coordinated approach for hurricane damage
424 mitigation that may include the following:

425 (a) **Cost-benefit study on wind hazard mitigation**
426 **construction measures.** The performance of a cost-benefit study to
427 establish the most appropriate wind hazard mitigation construction
428 measures for both new construction and the retrofitting of
429 existing construction for both residential and commercial
430 facilities within the wind-borne debris regions of Mississippi as
431 defined by the International Building Code. The recommended wind
432 construction techniques shall be based on both the newly adopted
433 Mississippi building code sections for wind load design and the
434 wind-borne debris region. The list of construction measures to be
435 considered for evaluation in the cost-benefit study shall be based
436 on scientifically established and sound, but common, construction
437 techniques that go above and beyond the basic recommendations in
438 the adopted building codes. This allows residents to utilize
439 multiple options that will further reduce risk and loss and still
440 be awarded for their endeavors with appropriate wind insurance
441 discounts. It is recommended that existing accepted scientific



442 studies that validate the wind hazard construction techniques
443 benefits and effects be taken into consideration when establishing
444 the list of construction techniques that homeowners and business
445 owners can employ. This will ensure that only established
446 construction measures that have been studied and modeled as
447 successful mitigation measures will be considered to reduce the
448 chance of including risky or unsound data that will cost both the
449 property owner and state unnecessary losses. The cost-benefit
450 study shall be based on actual construction cost data collected
451 for several types of residential construction and commercial
452 construction materials, building techniques and designs that are
453 common to the region. The study shall provide as much information
454 as possible that will enhance the data and options provided to the
455 public, so that homeowners and business owners can make informed
456 and educated decisions as to their level of involvement. Based on
457 the construction data, modeling shall be performed on a variety of
458 residential and commercial designs, so that a broad enough
459 representative spectrum of data can be obtained. The data from
460 the study will be utilized in a report to establish tables
461 reflecting actuarially appropriate levels of wind insurance
462 discounts (in percentages) for each mitigation construction
463 technique/combination of techniques. This report will be utilized
464 as a guide for the Department of Insurance and the insurance
465 industry for developing actuarially appropriate discounts, credits
466 or other rate differentials, or appropriate reductions in



467 deductibles, for properties on which fixtures or construction
468 techniques demonstrated to reduce the amount of loss in a
469 windstorm have been installed or implemented. Additional data
470 that will enhance the program, such as studies to reflect property
471 value increases for retrofitting or building to the established
472 wind hazard mitigation construction techniques and cost comparison
473 data collected to establish the value of this program against the
474 investment required to include the mitigation measures, also may
475 be provided.

476 (b) **Wind certification and hurricane mitigation**
477 **inspections.**

478 (i) Home-retrofit inspections of site-built,
479 residential property, including single-family, two-family,
480 three-family or four-family residential units, and a set of
481 representative commercial facilities may be offered to determine
482 what mitigation measures are needed and what improvements to
483 existing residential properties are needed to reduce the
484 property's vulnerability to hurricane damage. A state program may
485 be established within the Department of Insurance to provide
486 homeowners and business owners wind certification and hurricane
487 mitigation inspections. The inspections provided to homeowners
488 and business owners, at a minimum, must include:

489 1. A home inspection and report that
490 summarizes the results and identifies corrective actions a
491 homeowner may take to mitigate hurricane damage.



492 2. A range of cost estimates regarding the
493 mitigation features.

494 3. Insurer-specific information regarding
495 premium discounts correlated to recommended mitigation features
496 identified by the inspection.

497 4. A hurricane resistance rating scale
498 specifying the home's current as well as projected wind resistance
499 capabilities.

500 This data may be provided by trained and certified inspectors
501 in standardized reporting formats and forms to ensure all data
502 collected during inspections is equivalent in style and content
503 that allows construction data, estimates and discount information
504 to be easily assimilated into a database. Data pertaining to the
505 number of inspections and inspection reports may be stored in a
506 state database for evaluation of the program's success and review
507 of state goals in reducing wind hazard loss in the state.

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

512 1. Use wind certification and hurricane
513 mitigation inspectors who:

514 a. Have prior experience in residential
515 and/or commercial construction or inspection and have received
516 specialized training in hurricane mitigation procedures through



517 the state certified program. In order to qualify for training in
518 the inspection process, the individual should be either a licensed
519 building code official, a licensed contractor or inspector in the
520 State of Mississippi, or a civil engineer.

521 b. Have undergone drug testing and
522 background checks.

523 c. Have been certified through a state
524 mandated training program, in a manner satisfactory to the
525 department, to conduct the inspections.

526 d. Have not been convicted of a felony
527 crime of violence or of a sexual offense; have not received a
528 first-time offender pardon or nonadjudication order for a felony
529 crime of violence or of a sexual offense; or have not entered a
530 plea of guilty or nolo contendere to a felony charge of violence
531 or of a sexual offense.

532 e. Submit a statement authorizing the
533 Commissioner of Insurance to order fingerprint analysis or any
534 other analysis or documents deemed necessary by the commissioner
535 for the purpose of verifying the criminal history of the
536 individual. The commissioner shall have the authority to conduct
537 criminal history verification on a local, state or national level,
538 and shall have the authority to require the individual to pay for
539 the costs of such criminal history verification.

540 2. Provide a quality assurance program
541 including a reinspection component.



542 3. Have data collection equipment and
543 computer systems, so that data can be submitted electronically to
544 the state's database of inspection reports, insurance
545 certificates, and other industry information related to this
546 program. It is mandatory that all inspectors provide original
547 copies to the property owner of any inspection reports, estimates,
548 etc., pertaining to the inspection and keep a copy of all
549 inspection materials on hand for state audits.

550 (c) **Financial grants to retrofit properties.** Financial
551 grants may be used to encourage single-family, site-built,
552 owner-occupied, residential property owners or commercial property
553 owners to retrofit their properties to make them less vulnerable
554 to hurricane damage.

555 (d) **Education and consumer awareness.** Multimedia
556 public education, awareness and advertising efforts designed to
557 specifically address mitigation techniques may be employed, as
558 well as a component to support ongoing consumer resources and
559 referral services. In addition, all insurance companies shall
560 provide notification to their clients regarding the availability
561 of this program, participation details, and directions to the
562 state website promoting the program, along with appropriate
563 contact phone numbers to the state agency administrating the
564 program. The notification to the clients must be sent by the
565 insurance company within thirty (30) days after filing their
566 insurance discount schedules with the Department of Insurance.



567 (e) **Advisory council.** There is created an advisory
568 council to provide advice and assistance to the program
569 administrator with regard to his or her administration of the
570 program. The advisory council shall consist of:

571 (i) An agent, selected by the Independent
572 Insurance Agents of Mississippi.

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

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

577 (iv) The Chairman of the House Insurance
578 Committee, or his designee.

579 (v) The Chairman of the Senate Insurance
580 Committee, or his designee.

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

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

585 Members appointed under subparagraphs (i) and (ii) shall
586 serve at the pleasure of the Department of Insurance. All other
587 members shall serve as voting ex officio members. Members of the
588 advisory council who are not legislators, state officials or state
589 employees shall be compensated at the per diem rate authorized by
590 Section 25-3-69, and shall be reimbursed in accordance with
591 Section 25-3-41, for mileage and actual expenses incurred in the



592 performance of their duties. Legislative members of the advisory
593 council shall be paid from the contingent expense funds of their
594 respective houses in the same manner as provided for committee
595 meetings when the Legislature is not in session; however, no per
596 diem or expense for attending meetings of the advisory council may
597 be paid while the Legislature is in session. No advisory council
598 member may incur per diem, travel or other expenses unless
599 previously authorized by vote, at a meeting of the council, which
600 action shall be recorded in the official minutes of the meeting.
601 Nonlegislative members shall be paid from any funds made available
602 to the advisory council for that purpose.

603 (f) **Rules and regulations.** The Department of Insurance
604 may adopt rules and regulations governing the Comprehensive
605 Hurricane Damage Mitigation Program. The department also may
606 adopt rules and regulations establishing priorities for grants
607 provided under this section based on objective criteria that gives
608 priority to reducing the state's probable maximum loss from
609 hurricanes. However, pursuant to this overall goal, the
610 department may further establish priorities based on the insured
611 value of the dwelling, whether or not the dwelling is insured by
612 the Mississippi Windstorm Underwriting Association and whether or
613 not the area under consideration has sufficient resources and the
614 ability to perform the retrofitting required.

615 (2) Nothing in this section shall prohibit the Department of
616 Insurance from entering into an agreement with any other



617 appropriate state agency to assist with or perform any of the
618 duties set forth hereunder.

619 (3) This section shall stand repealed from and after July 1,
620 2025.

621 **SECTION 14.** Section 83-1-201, Mississippi Code of 1972, is
622 brought forward as follows:

623 83-1-201. (1) There is created the Mississippi Windstorm
624 Mitigation Coordinating Council for the purpose of developing and
625 implementing a comprehensive and coordinated approach for
626 windstorm mitigation. The council shall consist of the following:

627 (a) The Commissioner of Insurance, or his designee, to
628 serve ex officio;

629 (b) The Chairman of the Board of Directors of the
630 Mississippi Insurance Windstorm Underwriting Association, or his
631 designee, to serve ex officio;

632 (c) Two (2) members who are property and casualty
633 insurance providers appointed by the Governor, to serve at his
634 will and pleasure;

635 (d) Two (2) members who are insurance producers from
636 the Coast Area, as defined under Section 83-34-1, appointed by the
637 Commissioner of Insurance, to serve at his will and pleasure;

638 (e) One (1) member from the Home Builders Association
639 of Mississippi or the State Board of Contractors appointed by the
640 Commissioner of Insurance, to serve at his will and pleasure;



641 (f) One (1) nonvoting member from the Institute for
642 Business and Home Safety appointed by the Governor, to serve at
643 his will and pleasure;

644 (g) One (1) member who is a representative of the state
645 institutions of higher learning appointed by the Commissioner of
646 Higher Education to serve at his will and pleasure, nonvoting;

647 (h) The Director of the Mississippi State Rating
648 Bureau, or his designee, to serve ex officio, nonvoting; and

649 (i) The Chief Deputy State Fire Marshal, or his
650 designee, to serve ex officio, nonvoting.

651 (2) The Commissioner of Insurance shall convene the first
652 meeting of the council within ninety (90) days of July 1, 2011,
653 and shall act as temporary chairman until the council elects from
654 its members a chairman and vice chairman. The council shall adopt
655 regulations consistent with this section, subject to the approval
656 of the Commissioner of Insurance. The council may also consider
657 the mitigation measures and initiatives referenced under Section
658 83-1-191 in developing and implementing a windstorm mitigation
659 program. A meeting may be called by the chairman on his own
660 initiative and must be called by him at the request of three (3)
661 or more members of the council. Each member must be notified by
662 the chairman in writing of the time and place of the meeting at
663 least seven (7) days before the meeting. Four (4) voting members
664 constitute a quorum. Each meeting is open to the public. An



665 official decision of the council may be made only by a vote of a
666 majority of those voting members in attendance at the meeting.

667 (3) The Mississippi Building Codes Council created under
668 Section 17-2-3 shall serve as an advisory council to the council
669 created under this section.

670 (4) (a) There is created in the State Treasury a special
671 fund to be designated as the "Mississippi Windstorm Mitigation
672 Fund." The fund shall consist of monies appropriated by act of
673 the Legislature and monies from any other public or private source
674 designated for deposit into the fund. Unexpended amounts
675 remaining in the fund at the end of a fiscal year shall not lapse
676 into the State General Fund, and any interest earned or investment
677 earnings on amounts in the fund shall be deposited to the credit
678 of the fund.

679 (b) Monies in the special fund may be used by the
680 Department of Insurance, upon appropriation by the Legislature,
681 only for the purposes of assisting the Mississippi Windstorm
682 Mitigation Coordinating Council in developing and implementing a
683 comprehensive and coordinated approach for windstorm mitigation
684 including providing grants, developing education programs,
685 providing funds for training local officials or providing any
686 other assistance consistent with these purposes.

687 **SECTION 15.** Section 83-34-16, Mississippi Code of 1972, is
688 brought forward as follows:



689 83-34-16. The Mississippi Windstorm Underwriting Association
690 shall provide a premium discount for any individual who builds a
691 "fortified home" pursuant to the Institute for Business and Home
692 Safety (IBHS). Licensed architects, engineers or inspectors
693 certified by the Department of Insurance shall determine whether a
694 dwelling meets the criteria for a "fortified home" pursuant to the
695 Institute for Business and Home Safety. The Mississippi Windstorm
696 Underwriting Association shall provide a premium discount for any
697 individual who improves his residence with demonstrated mitigation
698 measures that provide protection against damages caused by a
699 windstorm or hurricane.

700 **SECTION 16.** Section 17-2-1, Mississippi Code of 1972, is
701 brought forward as follows:

702 17-2-1. (1) The counties of Jackson, Harrison, Hancock,
703 Stone and Pearl River, including all municipalities therein, shall
704 enforce, on an emergency basis, all the wind and flood mitigation
705 requirements prescribed by the 2003 International Residential Code
706 and the 2003 International Building Code, as supplemented.

707 (2) Except as otherwise provided in subsection (4) of this
708 section, emergency wind and flood building requirements imposed in
709 this section shall remain in force until the county board of
710 supervisors or municipal governing authorities, as the case may
711 be, adopts as minimum mandatory codes the latest editions of the
712 codes described in subsection (3)(a) of this section. Except as
713 otherwise provided in subsection (4) of this section, the wind and



714 flood mitigation requirements imposed by this section shall be
715 enforced by the county board of supervisors or municipal governing
716 authorities, as the case may be.

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

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

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

733 (b) In addition to any other codes required under this
734 section, a county board of supervisors or municipal governing
735 authorities, as the case may be, described in subsection (1) of
736 this section may adopt the latest editions of any of the
737 following:



738 (i) Codes established by the Mississippi Building
739 Code Council.

740 (ii) Other codes addressing matters such as
741 electrical, plumbing, mechanical, fire and fuel gas.

742 (4) The provisions of this section shall go into effect
743 thirty (30) days from the effective date of this chapter.
744 However, within sixty (60) days after the provisions of this
745 section go into effect, the board of supervisors of a county
746 and/or the governing authorities of any municipality within a
747 county, upon resolution duly adopted and entered upon its minutes,
748 may choose not to be subject to the code requirements imposed
749 under this section.

750 **SECTION 17.** Section 83-1-37, Mississippi Code of 1972, is
751 brought forward as follows:

752 83-1-37. (1) The Department of Revenue shall pay for credit
753 to a fund known as the "Municipal Fire Protection Fund," the sum
754 of Four Million Eight Hundred Fifty Thousand Dollars
755 (\$4,850,000.00) annually out of the insurance premium tax
756 collected annually from the taxes levied on the gross premiums on
757 fire insurance policies written on properties in this state, under
758 Sections 27-15-103 through 27-15-127. The State Treasurer shall
759 credit this amount to the Municipal Fire Protection Fund. This
760 fund shall be set aside and earmarked for payment to
761 municipalities in this state, as hereinafter provided.



762 (2) Using 1990 as a base year, the Department of Revenue
763 shall pay over annually to the State Treasurer, for credit to the
764 "Municipal Fire Protection Fund," an amount representing one-half
765 of ten percent (1/2 of 10%) of any growth after 1990 of the
766 insurance premium tax collected annually from the taxes levied on
767 the gross premium on fire insurance policies written on properties
768 in this state, under Sections 27-15-103 through 27-15-127.

769 (3) The fund hereby created and denominated "Municipal Fire
770 Protection Fund" shall be apportioned and paid over by the
771 Department of Insurance to the incorporated municipalities
772 certified as eligible to participate in the fund by the
773 Commissioner of Insurance, and shall be distributed in the
774 following manner annually: each municipality shall be paid Six
775 Thousand Dollars (\$6,000.00), with the remainder of the monies to
776 be paid on a population basis, to be determined by the most recent
777 federal census. Municipalities receiving these funds shall
778 earmark such monies for fire protection services.

779 (4) The amount paid under subsections (1) and (2) of this
780 section to a municipality shall be used and expended in accordance
781 with the guidelines established by the Commissioner of Insurance
782 authorized by Section 45-11-7, for the training of municipal
783 personnel as needed for the adoption of and compliance with the
784 minimum building codes as established and promulgated by the
785 Mississippi Building Codes Council, for windstorm mitigation
786 programs as approved by the Commissioner of Insurance, and for



787 emergency medical service training and equipment as provided by
788 municipal fire protection services. A municipality may provide
789 reasonable remuneration to municipal volunteer firefighters in
790 accordance with the guidelines established by the Commissioner of
791 Insurance authorized by Section 45-11-7.

792 (5) Each municipality shall levy a tax of not less than
793 one-fourth (1/4) mill on all property of the municipality or
794 appropriate the avails of not less than one-fourth (1/4) mill from
795 the municipality's general fund for fire protection purposes.
796 Municipalities may allow such millage to be collected by the
797 county. Each municipality shall annually provide the Commissioner
798 of Insurance and the State Fire Coordinator on a form provided by
799 the State Fire Coordinator a report stating whether the
800 municipality is levied the one-fourth (1/4) mill hereby required
801 or in lieu thereof is allowing such millage to be collected by the
802 county.

803 (6) The Commissioner of Insurance may promulgate rules and
804 regulations to establish guidelines for the use of fire rebate
805 funds.

806 **SECTION 18.** Section 83-1-39, Mississippi Code of 1972, is
807 brought forward as follows:

808 83-1-39. (1) The Department of Revenue shall pay over to
809 the State Treasurer, to be credited to a fund entitled "County
810 Volunteer Fire Department Fund," the sum of Four Million Eight
811 Hundred Fifty Thousand Dollars (\$4,850,000.00) annually out of the



812 insurance premium tax in addition to the amount collected by it
813 under the provisions of Section 27-15-103 et seq. Such funds,
814 hereinafter referred to as insurance rebate monies, are hereby
815 earmarked for payment to the various counties of the state and
816 shall be paid over to the counties by the Department of Insurance
817 in the following manner: each county shall be paid Thirty
818 Thousand Dollars (\$30,000.00), with the remainder of the monies to
819 be paid on the basis of the population of each county as it
820 compares to the population of participating counties, not counting
821 residents of any municipality. Such insurance rebate monies shall
822 only be distributed to those counties which are in compliance with
823 subsections (5) and (6) of this section.

824 (2) Using 1990 as a base year, the Department of Revenue
825 shall pay to the State Treasurer, to be credited to the "County
826 Volunteer Fire Department Fund," an amount representing one-half
827 of ten percent (1/2 of 10%) of any growth after 1990 of the
828 insurance premium tax collected annually from the taxes levied on
829 the gross premium on fire insurance policies written on properties
830 in this state, in addition to the amount collected by it under
831 Section 27-15-103 et seq.

832 (3) Insurance rebate monies shall be expended by the board
833 of supervisors for fire protection purposes of each county for the
834 following categories:

835 (a) For training expenses, including emergency medical
836 services training;



837 (b) Purchase of equipment, purchase of fire trucks,
838 repair and refurbishing of fire trucks and firefighting equipment,
839 for emergency medical services equipment, and capital construction
840 anywhere in the county or pledging as security for a period of not
841 more than ten (10) years for such purchases;

842 (c) Purchase of insurance on county-owned firefighting
843 or emergency medical services equipment;

844 (d) Fire protection service contracts, including, but
845 not limited to, municipalities, legal fire protection districts,
846 and nonprofit corporations providing or coordinating fire service
847 or emergency medical services in or out of the county;

848 (e) Appropriations to legal fire protection districts
849 located in counties subject to all restrictions applicable to the
850 use of insurance rebate monies;

851 (f) Training of any county personnel as needed for the
852 adoption of and compliance with the codes established and
853 promulgated by the Mississippi Building Codes Council or for
854 windstorm mitigation programs as approved by the Commissioner of
855 Insurance;

856 (g) Any county-owned equipment or other property, at
857 the option of the board of supervisors, may be used by any legally
858 created fire department;

859 (h) At the option of the board of supervisors, a county
860 may provide reasonable remuneration to volunteer firefighters in



861 accordance with the guidelines established by the Commissioner of
862 Insurance authorized by Section 45-11-7; or

863 (i) For any use allowed in accordance with the
864 guidelines as established by the Commissioner of Insurance.

865 (4) Insurance rebate monies not expended in a given fiscal
866 year for fire protection purposes shall be placed in a special
867 fund with a written plan approved by the Commissioner of Insurance
868 for disposition and expenditure of such monies. After the
869 contracts for fire protection services have been approved and
870 accepted by the board of supervisors, the monies shall be released
871 to be expended in such manner as provided by this section.

872 (5) No county shall receive payments pursuant to this
873 section after July 1, 1988, unless such county:

874 (a) Designates a county fire service coordinator who is
875 responsible for seeing that standard guidelines established by the
876 Commissioner of Insurance pursuant to Section 45-11-7(9),
877 Mississippi Code of 1972, are followed. The county fire
878 coordinator must demonstrate that he possesses fire-related
879 knowledge and experience;

880 (b) Designates one (1) member of the sheriff's
881 department to be the county fire investigator and, from and after
882 July 1, 2008, requires the designated member of the sheriff's
883 department to attend the State Fire Academy to be trained in arson
884 investigation; however, in the event of a loss of the county fire
885 investigator due to illness, death, resignation, discharge or



886 other legitimate cause, notice shall be immediately given to the
887 Commissioner of Insurance and the county may continue to receive
888 payments on an interim basis for a period not to exceed one (1)
889 year;

890 (c) Adheres to the standard guidelines established by
891 the Commissioner of Insurance pursuant to Section 45-11-7(9); and

892 (d) Counties shall levy a tax of not less than
893 one-fourth (1/4) mill on all property of the county or appropriate
894 avails of not less than one-fourth (1/4) mill from the county's
895 general fund for fire protection purposes. Municipalities making
896 a written declaration to the county that they fund and provide
897 their own fire services shall be exempted from this levy. This
898 levy shall be used for fire protection purposes which include, but
899 are not limited to, contracting with any provider of fire
900 protection services.

901 (6) (a) No funds shall be paid by the county to any
902 provider of fire protection services except in accordance with a
903 written contract entered into in accordance with guidelines
904 established by the Commissioner of Insurance and properly approved
905 by the board of supervisors and Commissioner of Insurance. No
906 county shall distribute funds to any fire service provider which
907 has not met the reporting requirements required by the
908 Commissioner of Insurance. At such time that a fire protection
909 services provider, particularly a county volunteer fire
910 department, a municipality or a fire protection district, has



911 fulfilled the obligations of the written contract and has met the
912 reporting requirements provided for in this subsection and the
913 board of supervisors has received the insurance rebate monies, the
914 board of supervisors shall disburse the appropriate amount to the
915 fire protection services provider within a reasonable time, not to
916 exceed six (6) weeks, from the time such requirements are met.
917 Insurance rebate monies used for the purposes of contracting shall
918 be expended by the fire service provider for capital construction,
919 training expenses, purchase of firefighting equipment, including
920 payments on any loans made for the purpose of purchasing
921 firefighting equipment, purchase of insurance for any fire
922 equipment owned or operated by the provider, and for training and
923 equipment of emergency medical services as provided by fire
924 protection services.

925 (b) If the Commissioner of Insurance believes that a
926 county is using the funds in a manner not consistent with
927 subsections (5) and (6) of this section, the commissioner shall
928 request the State Auditor to conduct an investigation pursuant to
929 Section 7-7-211(e).

930 (7) The board of supervisors of any county may contribute
931 funds directly to any provider of fire protection services serving
932 such county. Such contributions must be used for fire protection
933 purposes as may be reasonably established by the Commissioner of
934 Insurance.



935 (8) Any municipal, county or local water association or
936 other utility district supplying water may, upon adoption of a
937 resolution authorizing such action, contribute free of charge to a
938 volunteer fire department or fire protection district serving such
939 local government, political subdivision or utility district such
940 water as is necessary for firefighting or training activities of
941 such volunteer fire department or fire protection district.

942 (9) The board of supervisors of any county may, in its
943 discretion, grade, gravel, shell and/or maintain real property of
944 a county volunteer fire department, including roads or driveways
945 thereof, as necessary for the effective and safe operation of such
946 county volunteer fire department. Any action taken by the board
947 of supervisors under the authority of this subsection shall be
948 spread upon the minutes of the board of supervisors when the work
949 is authorized.

950 (10) For the purpose of this section, "fire protection
951 district" means a district organized under Section 19-5-151 et
952 seq., or pursuant to any other code section or by any local and
953 private act authorizing the establishment of a fire protection
954 district, unless the context clearly requires otherwise.

955 (11) The Commissioner of Insurance may promulgate rules and
956 regulations to establish guidelines for the use of fire rebate
957 funds.

958 **SECTION 19.** Section 83-2-3, Mississippi Code of 1972, is
959 brought forward as follows:



960 83-2-3. (1) Rates shall comply with the following
961 standards:

962 (a) Rates shall not be excessive, inadequate or
963 unfairly discriminatory.

964 (b) A rate is excessive if it is likely to produce a
965 profit that is unreasonably high for the insurance provided or if
966 the expense provision included therein is unreasonably high in
967 relation to the services rendered.

968 (c) A rate is inadequate if it threatens the solvency
969 of the insurance company or tends to create a monopoly.

970 (d) Unfair discrimination exists if, after allowing for
971 practical limitations, price differentials fail to reflect
972 equitably the differences in expected losses and expenses. A rate
973 is not unfairly discriminatory because different premiums result
974 for policyholders with like loss exposures with different
975 expenses, or like expenses but different loss exposures, so long
976 as the rate reflects the differences with reasonable accuracy.

977 (2) In determining whether rates comply with the standards
978 set forth in subsection (1), the following criteria shall apply:

979 (a) Due consideration shall be given to past and
980 prospective loss and expense experience within and outside this
981 state; to catastrophe hazards; to any residual market loss
982 redistributions and other similar obligations; to a reasonable
983 provision for profit and contingencies; to trends within and
984 outside this state; to loadings for leveling premium rates over a



985 reasonable period of time or for dividends or savings to be
986 allowed or returned by insurers to their policyholders, members or
987 subscribers; and to all other relevant factors, including the
988 judgment of the filer.

989 (b) Risks may be classified in any reasonable way for
990 the establishment of rates except that no risks may be grouped by
991 classifications based, in whole or in part, on race, color, creed,
992 or national origin of the risk. Rates may be modified for
993 individual risks in accordance with rating plans or schedules
994 which provide for recognition of probable variations in hazards,
995 expenses or both.

996 (c) The systems of expense provisions included in rates
997 for use by an insurer or group of insurers may differ from those
998 of other insurers or group of insurers to reflect the operating
999 methods of such insurer or group with respect to any kind of
1000 insurance, or with respect to any subdivision or combination
1001 thereof.

1002 (d) Any homeowners' insurance policy filed with the
1003 Commissioner of Insurance that offers a percentage deductible for
1004 the peril of windstorm from a named storm shall offer a buy-back
1005 provision for that deductible which is actuarially sound; however,
1006 the Commissioner of Insurance may grant a waiver from the
1007 mandatory buy-back provision in accordance with the following
1008 procedure and criteria:



1009 (i) An insurance company shall make a formal
1010 filing requesting a waiver from the buy-back provision requirement
1011 with the Commissioner of Insurance.

1012 (ii) An insurance company shall submit written
1013 proof in its formal filing as to why it is in the best interest of
1014 Mississippi policyholders to receive a waiver from the buy-back
1015 provision requirement and shall provide any supporting
1016 documentation requested by the commissioner deemed appropriate to
1017 make his decision.

1018 (iii) All expenses incurred by the Commissioner of
1019 Insurance or his designee in determining the validity of the
1020 waiver request shall be borne by the petitioning insurer. Such
1021 expenses may include, but not be limited to, the cost of reviewing
1022 the filing by actuaries, and if the commissioner deems a public
1023 hearing appropriate, the cost of a facility, the cost of publicity
1024 and the cost of a court reporter for the hearing.

1025 (e) The commissioner shall establish by regulation
1026 uniform policy language regarding the applicability of hurricane
1027 deductibles and the form of notice to be provided to an insured
1028 under a homeowner's insurance policy by an insurer utilizing a
1029 hurricane deductible program or programs. The term "hurricane,"
1030 for the purpose of a hurricane deductible program, means a storm
1031 system that has been declared to be a hurricane by the National
1032 Hurricane Center of the National Weather Service. The duration of
1033 the hurricane includes the time period, in Mississippi:



1034 (i) Beginning at the time a hurricane watch or
1035 hurricane warning is issued for any part of Mississippi by the
1036 National Hurricane Center of the National Weather Service;

1037 (ii) Continuing for the time period during which
1038 the hurricane conditions exist anywhere in Mississippi; and

1039 (iii) Ending twenty-four (24) hours following the
1040 termination of the last hurricane watch or hurricane warning
1041 issued for any part of Mississippi by the National Hurricane
1042 Center of the National Weather Service.

1043 (3) To ensure the most appropriate use of state resources
1044 with respect to the engagement of actuarial services for the
1045 review of rate filings under this chapter, the commissioner may
1046 adopt rules and regulations to establish the criteria and
1047 procedures for determining when a rate filing should be submitted
1048 to an actuary for review.

1049 **SECTION 20.** Section 27-7-1001, Mississippi Code of 1972, is
1050 brought forward as follows:

1051 27-7-1001. As used in this article, the following terms
1052 shall have the meanings as defined in this section:

1053 (a) "Catastrophe savings account" means a regular
1054 savings account or money market account established by an
1055 insurance policyholder who is a state income taxpayer (i) to pay
1056 an insurance deductible under an insurance policy that covers the
1057 taxpayer's legal residence that covers hurricane, flood, windstorm
1058 or other catastrophic event damage, (ii) to pay for catastrophic



1059 event damage to the taxpayer's legal residence that is not covered
1060 by the policy of insurance that covers the taxpayer's legal
1061 residence for such damage after the deductible under such policy
1062 has been paid, or (iii) to pay self-insured losses for the
1063 taxpayer's legal residence from a hurricane, flood, windstorm, or
1064 other catastrophic event. The account must be labeled as a
1065 "catastrophe savings account" in order to qualify as a catastrophe
1066 savings account for the purposes of this article. A taxpayer may
1067 establish only one (1) catastrophe savings account and shall
1068 specify that the purpose of the account is to cover the aggregate
1069 amount of insurance policy deductibles and other uninsured
1070 portions of risks of loss from a hurricane, flood, windstorm or
1071 other catastrophic event.

1072 (b) "Catastrophic event" means windstorms, cyclones,
1073 earthquakes, hurricanes, ice storms, tornadoes, high winds, flood,
1074 hail and force majeure, and similar perils not normally among
1075 those covered under most property casualty insurance policies, but
1076 obtainable through the purchase of wind, wind and hail, flood, or
1077 storm or windstorm coverage, or any combination of those
1078 coverages. The term "catastrophic event" also includes any event
1079 or occurrence for which a Presidential declaration of disaster or
1080 declaration of disaster by the Governor is issued.

1081 **SECTION 21.** Section 27-7-1003, Mississippi Code of 1972, is
1082 brought forward as follows:



1083 27-7-1003. (1) Except as otherwise provided in Section
1084 27-7-1005, the amounts contributed to a catastrophe savings
1085 account in accordance with subsection (3) of this section,
1086 interest income earned on a catastrophe savings account, and
1087 distributions from a catastrophe savings account shall be excluded
1088 from the taxable gross income of the account holder under Section
1089 27-7-15.

1090 (2) A catastrophe savings account is not subject to
1091 attachment, levy, garnishment, or legal process in this state,
1092 provided that no funds in an account are derived from or the
1093 result of a fraudulent conveyance making contributions to the
1094 account.

1095 (3) The total amount that may be contributed to a
1096 catastrophe savings account shall not exceed any of the following:

1097 (a) In the case of an individual whose qualified
1098 insurance deductible is less than or equal to One Thousand Dollars
1099 (\$1,000.00), the amount of Two Thousand Dollars (\$2,000.00).

1100 (b) In the case of an individual whose qualified
1101 insurance deductible is greater than One Thousand Dollars
1102 (\$1,000.00), the amount equal to the lesser of Fifteen Thousand
1103 Dollars (\$15,000.00) or twice the amount of the taxpayer's
1104 qualified insurance deductible.

1105 (c) In the case of a self-insured individual who
1106 chooses not to obtain insurance on his or her legal residence, the
1107 amount of Three Hundred Fifty Thousand Dollars (\$350,000.00), but



1108 in no event may the amount contributed exceed the value of the
1109 taxpayer's legal residence.

1110 (4) If a taxpayer contributes in excess of the limits
1111 provided in subsection (3) of this section, the taxpayer shall
1112 withdraw the amount of the excess contributions and include that
1113 amount in the taxable gross income of the taxpayer in the year of
1114 withdrawal.

1115 **SECTION 22.** Section 27-7-1005, Mississippi Code of 1972, is
1116 brought forward as follows:

1117 27-7-1005. (1) A distribution from a catastrophe savings
1118 account shall be included in the taxable gross income of the
1119 taxpayer unless the amount of the distribution is used to pay
1120 qualified catastrophe expenses.

1121 (2) No amount of a distribution shall be included in the
1122 taxable gross income of the taxpayer if the qualified catastrophe
1123 expenses of the taxpayer during the taxable year are equal to or
1124 greater than the aggregate distributions during the taxable year.

1125 (3) If the aggregate distributions exceed the qualified
1126 catastrophe expenses during the taxable year, the amount otherwise
1127 included in the taxable gross income of the taxpayer shall be
1128 reduced by the amount of the distributions for qualified
1129 catastrophe expenses.

1130 (4) (a) The tax paid under Section 27-7-5 that is
1131 attributable to a taxable distribution shall be increased by two



1132 and one-half percent (2-1/2%) of the amount of the distribution
1133 that is includable in the taxable gross income of the taxpayer.

1134 (b) The additional tax imposed by this subsection does
1135 not apply if either of the following apply:

1136 (i) The taxpayer no longer owns a legal residence
1137 that qualifies for homestead exemption under Section 27-33-1 et
1138 seq.; or

1139 (ii) The distribution is from a catastrophe
1140 savings account conforming with Section 27-7-1003(3)(c) and is
1141 made on or after the date on which the taxpayer attains the age of
1142 seventy (70) years.

1143 (5) If a taxpayer who owns a catastrophe savings account
1144 dies, the amount of money in his or her account shall be included
1145 in the taxable gross income of the person who receives the
1146 account, unless that person is the surviving spouse of the
1147 taxpayer. Upon the death of the surviving spouse, the amount of
1148 money in the account shall be included in the taxable gross income
1149 of the person who receives the account. The additional tax
1150 imposed in subsection (4) of this section does not apply to a
1151 distribution from the account upon the death of the taxpayer or
1152 the surviving spouse.

1153 **SECTION 23.** Section 83-34-7, Mississippi Code of 1972, is
1154 brought forward as follows:

1155 83-34-7. (1) The Board of Directors of the Mississippi
1156 Insurance Underwriting Association as presently constituted shall



1157 serve as the temporary board of directors of the association.
1158 Such temporary board of directors shall prepare and submit a plan
1159 of operation in accordance with Section 83-34-13 and shall serve
1160 until the permanent board of directors shall take office in
1161 accordance with the plan of operation. The permanent board shall
1162 consist of five (5) representatives of the members to be appointed
1163 by the temporary board of directors subject to the approval of the
1164 commissioner and three (3) agents from the coast area to be
1165 appointed by the commissioner. The terms of the members of the
1166 board of directors in place before March 22, 2007, shall expire on
1167 March 22, 2007, and such persons shall cease to serve on the board
1168 and shall relinquish all power and control of the association.

1169 (2) (a) From and after March 22, 2007, the board of
1170 directors of the association shall consist of the following:

1171 (i) The State Treasurer;

1172 (ii) Five (5) of the assessable insurer companies,
1173 three (3) to be appointed by the commissioner, one (1) to be
1174 appointed by the Governor, and one (1) to be appointed by the
1175 Lieutenant Governor; each such assessable insurer appointed shall
1176 designate a representative knowledgeable in the matters of the
1177 association and authorize such representative to act and vote on
1178 its behalf;

1179 (iii) Three (3) agents with no less than ten (10)
1180 years' experience in the property and casualty industry, two (2)
1181 of whom are residents in the coast area, and one (1) of whom is



1182 not a resident of the coast area; one (1) such coast area agent to
1183 be appointed by the Governor, one (1) such coast area agent to be
1184 appointed by the Lieutenant Governor, and the noncoast area agent
1185 to be appointed by the commissioner; and

1186 (iv) Two (2) business leaders who have been
1187 residents of the coast area for no less than ten (10) years and
1188 who have no less than ten (10) years' experience in management of
1189 a business, one (1) to be appointed by the Governor, and one (1)
1190 to be appointed by the Lieutenant Governor.

1191 (b) Except for the State Treasurer, the board members
1192 shall serve three-year terms with each term beginning on January
1193 1, and the initial terms shall be staggered in the following
1194 manner:

1195 (i) The initial term for three (3) of the
1196 assessable insurers shall begin on March 22, 2007, and expire on
1197 December 31, 2010, thereafter to be appointed for three-year
1198 terms;

1199 (ii) The initial term for one (1) of the
1200 assessable insurers shall begin on March 22, 2007, and expire on
1201 December 31, 2009, thereafter to be appointed for three-year
1202 terms;

1203 (iii) The initial term for one (1) of the
1204 assessable insurers shall begin on March 22, 2007, and expire on
1205 December 31, 2008, thereafter to be appointed for three-year
1206 terms;



1207 (iv) The initial term for one (1) of the agents
1208 shall begin on March 22, 2007, and expire on December 31, 2010,
1209 thereafter to be appointed for three-year terms;

1210 (v) The initial term for one (1) of the agents
1211 shall begin on March 22, 2007, and expire on December 31, 2009,
1212 thereafter to be appointed for three-year terms;

1213 (vi) The initial term for one (1) of the agents
1214 shall begin on March 22, 2007, and expire on December 31, 2008,
1215 thereafter to be appointed for three-year terms;

1216 (vii) The initial term for one (1) of the business
1217 leaders shall begin on March 22, 2007, and expire on December 31,
1218 2010, thereafter to be appointed for three-year terms;

1219 (viii) The initial term for one (1) of the
1220 business leaders shall begin on March 22, 2007, and expire on
1221 December 31, 2008, thereafter to be appointed for three-year
1222 terms.

1223 (3) On or before March 22, 2007, the appropriate public
1224 official shall make such appointments and request such
1225 resignations from the existing board as are appropriate to comply
1226 with this section.

1227 (4) The board shall be staffed by as many employees as it
1228 deems necessary.

1229 (5) The board of directors has the power to act and make
1230 binding decisions on behalf of the association on all issues.



1231 **SECTION 24.** This act shall take effect and be in force from
1232 and after July 1, 2024.

