

By: Senator(s) Michel

To: Insurance

SENATE BILL NO. 2416

1 AN ACT TO AMEND SECTION 83-1-191, MISSISSIPPI CODE OF 1972,  
2 TO EXTEND THE REPEAL DATE ON THE DEVELOPMENT AND IMPLEMENTATION OF  
3 THE COMPREHENSIVE HURRICANE DAMAGE MITIGATION PROGRAM; AND FOR  
4 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.



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

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

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

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

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

4. A hurricane resistance rating scale specifying the home's current as well as projected wind resistance 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,



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

(c) **Financial grants to retrofit properties.** Financial grants may be used to encourage single-family, site-built, owner-occupied, residential property owners or commercial property owners to retrofit their properties to make them less vulnerable to hurricane damage. No financial grant made under this section shall exceed Ten Thousand Dollars (\$10,000.00) per recipient.

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

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



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

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

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

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

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

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

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

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





diem or expense for attending meetings of the advisory council may be paid while the Legislature is in session. No advisory council member may incur per diem, travel or other expenses unless previously authorized by vote, at a meeting of the council, which action shall be recorded in the official minutes of the meeting. Nonlegislative members shall be paid from any funds made available to the advisory council for that purpose.

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

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

(3) The Department of Insurance shall issue a request for proposals to contract with a third party for the administration of



the Comprehensive Hurricane Damage Mitigation Program. The contract for the third-party administrator shall be funded from monies in the Comprehensive Hurricane Damage Mitigation Program Fund created in subsection (4) of this section, and that amount shall not exceed one percent (1%) of the funds appropriated to the Department of Insurance for the program. If the third-party administrator selected through the request for proposals is replaced or is otherwise changed, the Department of Insurance shall notify the Chairs of the House and Senate Appropriations and Insurance Committees.

(4) There is created a special fund in the State Treasury to be known as the Comprehensive Hurricane Damage Mitigation Program Fund. The fund shall consist of any monies from any source that are designated or made available for deposit into the fund. The Department of Insurance may apply for any federal or private grants to provide additional funds for the special fund. Monies in the fund shall be expended by the Department of Insurance, upon appropriation by the Legislature, for the purposes as provided in this section. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited into such fund.

(5) This section shall stand repealed from and after July 1, \* \* \* 2029.



239           **SECTION 2.** This act shall take effect and be in force from  
240 and after June 30, 2025.

