

By: Senator(s) Hewes

To: Insurance

SENATE BILL NO. 2946

1 AN ACT TO AMEND SECTION 83-34-1, MISSISSIPPI CODE OF 1972, TO  
2 DELETE THE UPPER TIER COUNTIES FROM THE DEFINITION OF THE TERM  
3 "COAST AREA" AS USED IN THE MISSISSIPPI WINDSTORM UNDERWRITING  
4 ASSOCIATION LAW; TO AMEND SECTION 83-34-7, MISSISSIPPI CODE OF  
5 1972, TO REVISE THE MEMBERSHIP OF THE BOARD OF DIRECTORS; AND FOR  
6 RELATED PURPOSES.

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

8 **SECTION 1.** Section 83-34-1, Mississippi Code of 1972, is  
9 amended as follows:

10 83-34-1. In this chapter, unless the context otherwise  
11 requires:

12 (a) "Essential property insurance" means insurance  
13 against direct loss to property as defined and limited in the  
14 Windstorm and Hail Insurance form approved by the commissioner.

15 (b) "Association" means the Mississippi Windstorm  
16 Underwriting Association established pursuant to the provisions of  
17 this chapter.

18 (c) "Plan of operation" means the plan of operation of  
19 the association approved or promulgated by the Mississippi  
20 Insurance Commissioner pursuant to the provisions of this chapter.

21 (d) "Insurable property" means builder's risk and real  
22 property at fixed locations in coast areas or the contents located  
23 therein (but shall not include insurance on motor vehicles), which  
24 property is determined by the association, after inspection and  
25 pursuant to the criteria specified in the plan of operation, to be  
26 in an insurable condition; provided, however, any one- or  
27 two-family dwelling built in substantial accordance with the  
28 standard building code, including the design-wind requirements,  
29 which is not otherwise rendered uninsurable by reason of use,

30 occupancy or state of repair, shall be an insurable risk within  
31 the meaning of this chapter; but neighborhood, area, location and  
32 environmental hazards beyond the control of the applicant or owner  
33 of the property shall not be considered in determining insurable  
34 condition. Provided, further, that any structure commenced on or  
35 after June 1, 1987, not built in substantial compliance with the  
36 standard building code, including the design-wind requirements  
37 therein, shall not be an insurable risk under the terms of this  
38 chapter.

39 (e) "Commissioner" means the Insurance Commissioner of  
40 the State of Mississippi.

41 (f) "Coast area" means Hancock, Harrison and  
42 Jackson \* \* \* Counties.

43 (g) "Net direct premiums" means gross direct premiums,  
44 excluding reinsurance assumed and ceded, written on property in  
45 this state for the windstorm and hail causes of loss or equivalent  
46 causes of loss components of property insurance policies,  
47 including the windstorm and hail causes of loss or equivalent  
48 causes of loss components of approved residential package policies  
49 and commercial multiple peril policies, less return premiums upon  
50 cancelled contracts, dividends paid or credited to policyholders  
51 or the unused or unabsorbed portion of premium deposits and  
52 excluding premiums on farm property.

53 **SECTION 2.** Section 83-34-7, Mississippi Code of 1972, is  
54 amended as follows:

55 83-34-7. (1) The Board of Directors of the Mississippi  
56 Insurance Underwriting Association as presently constituted shall  
57 serve as the temporary board of directors of the association.  
58 Such temporary board of directors shall prepare and submit a plan  
59 of operation in accordance with Section 83-34-13 and shall serve  
60 until the permanent board of directors shall take office in  
61 accordance with the plan of operation. The permanent board shall  
62 consist of five (5) representatives of the members to be appointed

63 by the temporary board of directors subject to the approval of the  
64 commissioner and three (3) agents from the coast area to be  
65 appointed by the commissioner.

66 (2) From and after the effective date of this act, the board  
67 of directors shall consist of the following:

68 (a) Six (6) representatives of the association members,  
69 who shall be from the executive-level ranks of the member  
70 companies, to be appointed by the commissioner;

71 (b) Three (3) agents from the coast area with at least  
72 ten (10) years' experience in the property and casualty industry,  
73 to be appointed by the Governor; and

74 (c) Two (2) business leaders from the coast area, one  
75 (1) to be appointed by the Lieutenant Governor and one (1) to be  
76 appointed by the Speaker of the House of Representatives.

77 (3) The board shall be staffed by as many employees as it  
78 deems necessary; however, the association shall be managed and  
79 operated by an executive director, comptroller and claims manager,  
80 who shall be employees of the State Rating Bureau.

81 **SECTION 3.** This act shall take effect and be in force from  
82 and after its passage.