

By: Representative Shanks

To: Insurance

HOUSE BILL NO. 959

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

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

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

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

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

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



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



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



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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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



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

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

237 (5) This section shall stand repealed from and after July
238 1, * * * 2028.



239 **SECTION 2.** This act shall take effect and be in force from
240 and after July 1, 2025.

