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Chapter No. 443
12/HR40/R1069SG
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HOUSE BILL NO. 1410

Originated in House _____ Clerk

HOUSE BILL NO. 1410

AN ACT TO PROVIDE AN INSURANCE PREMIUM DISCOUNT OR INSURANCE RATE REDUCTION FOR HOMEOWNERS WHO BUILD, REBUILD OR RETROFIT AN INSURABLE PROPERTY TO BETTER RESIST HURRICANE OR OTHER CATASTROPHIC WINDSTORM EVENTS; TO REQUIRE CERTIFICATION OF PROPERTIES TO OBTAIN AN ADJUSTMENT; TO REQUIRE RECORD KEEPING; TO REQUIRE THE SUBMISSION OF ACTUARIALLY JUSTIFIED RATING PLANS; TO DEFINE INSURABLE PROPERTY; TO PROVIDE FOR THE APPLICATION OF THIS ACT; TO AUTHORIZE THE PROMULGATION OF RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) Not later than July 1, 2013, insurance companies shall provide a premium discount or insurance rate reduction in an amount and manner as established in subsection (4) of this section and according to Section 3 of this act. In addition, insurance companies may also offer additional adjustments in deductible, other credit rate differentials, or a combination thereof, collectively referred to as adjustments. These adjustments shall be available under the terms specified in this section to any owner who builds or locates a new insurable property in Harrison, Hancock, Jackson, Stone and Pearl River Counties, to resist loss due to hurricane or other catastrophic windstorm events.

(2) To obtain the adjustment provided in this section, an insurable property located in this state shall be certified as constructed (a) in accordance with the 2006 or newer version of the International Residential Code, as amended, including the entire coastal construction supplement as recommended by the Mississippi Windstorm Mitigation Coordination Council; or (b) the Fortified for Safer Living or similar programs adopted by the Institute for Business and Home Safety; or (c) any other

mitigation program recommended by the Mississippi Windstorm Mitigation Coordination Council and approved by the Commissioner of Insurance. An insurable property shall be certified as conforming to the applicable building codes only after an evaluation of the insurable property has been satisfactorily completed by a building official or a certified and licensed building evaluator. An insurable property shall be certified as conforming to Fortified for Safer Living criteria only after evaluation and certification by an Institute for Business and Home Safety certified evaluator.

(3) An owner of insurable property claiming an adjustment under this section shall maintain sufficient certification records and construction records including, but not limited to, a Certificate of Occupancy denoting compliance with the applicable building code in subsection (2)(a) of this section or valid certification from the Institute for Business and Home Safety for compliance with the program described in subsection (2)(b) of this section.

(4) Insurers required to submit rates and rating plans to the commissioner shall submit an actuarially justified rating plan for any person who builds an insurable property to comply with the sets of requirements of subsection (2) of this section. An insurer is not required to provide the same amount of adjustment for a building code insurable property as the insurer would to a Fortified for Safer Living insurable property. An adjustment shall only apply to policies that provide wind coverage and may apply to that portion of the premium for wind coverage or to the total premium if the insurer does not separate out its premium for wind coverage in its rate filing. The adjustment shall apply exclusively to the premium designated for the improved insurable property. In addition to the requirements of this section, an insurer may voluntarily offer any other mitigation adjustment that the insurer deems appropriate.

SECTION 2. (1) Not later than July 1, 2013, insurance companies shall provide a premium discount or insurance rate reduction in an amount and manner as established in subsection (4) of this section and according to Section 3 of this act. In addition, insurance companies may also offer additional adjustments in deductible, other credit rate differentials, or a combination thereof, collectively referred to as adjustments. These adjustments shall be available under the terms specified in this section to any owner who retrofits his or her insurable property in Harrison, Hancock, Jackson, Stone and Pearl River Counties to resist loss due to hurricane or other catastrophic windstorm events.

(2) To obtain the adjustment provided in this section, an insurable property shall be retrofitted to one of the tiered mitigation levels as defined in the Fortified for Safer Homes requirements as may from time to time be adopted by the Institute for Business and Home Safety, or other mitigation program, or other construction technique, or standardized code that is recommended by the Mississippi Windstorm Mitigation Coordination Council and approved by the Commissioner of Insurance. Zone three HUD code manufactured homes installed to specifications and regulations promulgated by the Commissioner of Insurance shall be considered. An insurable property shall be certified as conforming to Fortified for Safer Homes requirements only after evaluation and certification by an Institute for Business and Home Safety certified evaluator. Certification of conformity of an insurable property with the other mitigation program, other construction technique, or other standardized code shall be made only by a building official or other certified or licensed building evaluator.

(3) An owner of insurable property claiming an adjustment under this section shall maintain sufficient certification records and construction records including, but not limited to, a

certification of compliance with an approved mitigation program as promulgated by the Mississippi Windstorm Mitigation Coordination Council and approved by the Commissioner of Insurance or valid certification from the Institute for Business and Home Safety for compliance with a program described in subsection (2) of this section.

(4) Insurers required to submit rates and rating plans to the commissioner shall submit actuarially justified rating plans for any person who retrofits an insurable property to comply with the sets of alternatives provided in subsection (2) of this section. The adjustment shall only apply to policies that provide wind coverage and may apply to that portion of the premium for wind coverage or to the total premium if the insurer does not separate out its premium for wind coverage in its rate filing. The adjustment shall apply exclusively to the premium designated for the improved insurable property. In addition to the requirements of this section, an insurer may voluntarily offer any other mitigation adjustment that the insurer deems appropriate.

SECTION 3. For the purposes of this act, the term "insurable property" includes single-family residential property. "Insurable property" also includes modular homes satisfying the codes, standards, or techniques as provided in Section 1 or 2 of this act. Manufactured homes or mobile homes are excluded from "insurable property," except as expressly provided in Section 2(2) of this act.

SECTION 4. The Commissioner of Insurance shall promulgate such rules and regulations as are necessary to implement and administer this act.

SECTION 5. This act shall take effect and be in force from and after July 1, 2012.

PASSED BY THE HOUSE OF REPRESENTATIVES
March 13, 2012

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
April 4, 2012

PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR

GOVERNOR

4:09 pm