



MISSISSIPPI

Insurance Matters

Taking insurance matters from over your head to under control.

MISSISSIPPI
INSURANCE DEPARTMENT

MIKE CHANEY *Commissioner and State Fire Marshal*

Mississippi Insurance Department: "Insurance Matters" August 2013

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Commissioner of Insurance/State Fire Marshal Mike Chaney talks with the media at the kick-off of State Fire Marshal's Office new fire safety program "**Operation: SAM (Smoke Alarms Mississippi)**" at the Neshoba County Fair. (Detailed story below).

RE M I N D E R



HURRICANE SEASON 2013

BE SAFE. BE PROTECTED. BE PREPARED.

Remember to take proactive steps to protect your property from loss. The Mississippi Insurance Department (MID) offers tips and advance storm preparations for what has been forecast as a very active Hurricane Season. Below are helpful links on storm preparation information and tips.



MID Looks at Statewide Building Codes

A major insurance concern that the Mississippi Insurance Department is addressing is the lack of uniform, state-wide mandatory building codes. As Commissioner Chaney has publicly mentioned much attention has been paid to a report published by the [Insurance Institute for Business and Home Safety \(IBHS\)](#) in which Mississippi scored lowest of the 18 coastal states analyzed for hurricane safety and property protection.

The study was a first-of-its-kind look at residential building code requirements in hurricane-prone states and Mississippi scored poorly because it has no statewide building codes in effect. There are building codes in effect in five of the six coastal counties most likely to be affected by hurricanes and in over 20 municipalities.

Commissioner Chaney strongly believes strong building codes save lives and property. Plus, there are many more reasons, some economic, to enact and enforce strong building codes. For instance, studies show that every dollar spent on constructing to code saves \$4 in disaster recovery.

Also, disaster costs to the United States are skyrocketing. From 1990- to 2011 federal payouts for natural disasters averaged \$1.6 billion a month. We have to find ways to reduce this cost, not only for the federal government but also for our own local government entities.

Next legislative session MID will be working with stakeholders and the Mississippi Legislature to try and approve mandatory statewide building codes on new construction. This legislation is supported by the Mississippi Building Codes Council and a large portion of homebuilders in our state.

A study by Louisiana State University following Hurricane Katrina found that the effects of Katrina in Mississippi economically would have been reduced by \$3.1 billion and that almost 40,000 buildings would have been spared major wind damage had strong building codes been in effect at the time. Interesting to note that because of the widespread

damage, Hurricane Katrina resulted in the largest displacement of Americans since the Civil War.

Also, the Safe Building Codes Act currently being worked on in Washington would increase the amount of post-disaster grant money to states that have enacted strong building codes.

So even with an “opt-out” option MID has included that will allow counties and municipalities to choose not to participate in building codes, homeowners in the counties that stay in the program will save money because it is estimated that mandatory statewide building codes, even with a local opt-out provision, could lower insurance rates by up to 11 percent.

Of course, the primary reason for stronger codes is to save lives and property. Saving money on insurance premiums is also great.



DEPARTMENT NEWS

Commissioner of Insurance Mike Chaney announces appointment of two to key Department senior staff positions. Bob Williams has been named Director - Life and Health Actuarial Division and Wanda Magers has been named Director of Licensing Division.



Bob Williams has been in the Insurance Industry in Mississippi for over 24 years. He began his career at Blue Cross & Blue Shield of Mississippi in 1989 and was serving as Vice-President and Corporate Secretary in 2009 when he left to pursue a career in Government Programs with UnitedHealthcare. He was instrumental in launching the MississippiCAN program for UnitedHealthcare.

Bob is a graduate of the University of Mississippi School of Law. He presently serves on the Madison County Economic Development Board as well as Vice-Chairman of the Madison County Business League. Bob is married to Laurie Rosenbaum Williams who is a practicing attorney in Jackson. They have a “four-legged child”(blue eyed dog) and his name is Blue.

Wanda Magers is an employee in the Licensing Division and was serving as Deputy Director of the Division when appointed. She holds a Masters' Degree in Public Administration and Health Care, a Bachelor's Degree in Management and Human Resources, and an Associate Degree in Business. Wanda is a CPM



graduate and working towards her SILA Associate designation. She retired from the United States Marine Corps. She is married with one daughter and two grandsons. Wanda and her family live in Terry, MS.



STATE FIRE MARSHAL



Pictured, from left - State Fire Marshal/Commissioner of Insurance Mike Chaney, Senator Giles Ward, Chief Deputy Fire Marshal Ricky Davis and Rep. Scott Bounds kick off the new State Fire Marshal Fire Safety program, Operation: SAM (Smoke Alarms Mississippi), by presenting free smoke alarms to Neshoba County residents.

State Fire Marshal Kicks Off

Operation: SAM (Smoke Alarms Mississippi)



Jackson, MS –Commissioner of Insurance/State Fire Marshal Mike Chaney and deputies from the State Fire Marshal's Office (SFMO) kicked-off a new state-wide fire safety program, Operation: SAM (Smoke Alarms Mississippi) by distributing free smoke alarms at the Neshoba County Fair. In 2011, 15 cabins were destroyed in a massive fire at the campgrounds. "There is no question that having a working smoke alarm in the home saves lives, it can cut your risk of dying in a fire in half," Chaney said.

The State Fire Marshal's Office is on a mission to prevent fire deaths in our state by implementing SAM (Smoke Alarms Mississippi). Since SFMO has been keeping such records, the state recorded its lowest number of fire deaths (62) for a single year in 2012. There were 80 fire deaths recorded in 2011.

Using funds made available through the Cigarette Fire Safety Standard and Firefighter Protection Fund [Miss. Code Ann. § 45-12-17], the SFMO has purchased 3,000 smoke alarms to be distributed throughout the state. The intent is for these smoke alarms to be installed in target homes throughout Mississippi.

Target homes include, but are not limited to:

- **Residential homes;**
- **Manufactured/mobile homes;**
- **Homes of persons who may not be able to afford smoke alarms;**
- **Homes of the elderly;**
- **Homes with young children (under fourteen years of age);**
- **Homes of persons with disabilities; and,**
- **Homes that may be considered by the SFMO to be an exception based on the potential life-saving impact presented by the request.**

Smoke alarms will be distributed to target homes while supplies last. Priority for these alarms is given to those who cannot afford to purchase the device on their own. Furthermore, it is important to note that the goal of this program is not simply to hand out alarms, but to also encourage the proper installation of these alarms in homes while educating residents of fire safety measures. Additional events to distribute the free smoke alarms will be announced soon.

The SFMO wants all Mississippians to have these vital devices in their homes. To learn more about the use of a smoke alarm in your home, or to request a smoke alarm through SAM, please contact the SFMO at 1-888-648-0877 or 601-359-1061, or make a request through the State Fire Marshal page of the MID website at www.mid.ms.gov.

Fire safety tips and information are also available through the State Fire Marshal page on Facebook and on Twitter from [@msfiresafe](#) and [@MSInsuranceDept.](#)



Healthcare FAQ's

Humana Extends Federal Exchange Coverage

"It is with great gratitude and thanks that MID and I make this announcement that affects the citizens of our great state." - Commissioner Mike Chaney

Through the efforts of many individuals, we are pleased to announce that Humana has stepped forward to cover the 36 counties in Mississippi that did not have health plans available under the Federally facilitated Health Insurance Marketplace. As many people know, we have had real concerns about being able to have full coverage for the entire state. Humana's decision to extend their coverage in Mississippi demonstrates their good corporate citizenship. We appreciate both Humana and Magnolia Health Plan's work to cover all counties in the state on behalf of our citizens.

Humana has released the following statement:

"Humana filed to amend our qualified health plans offered on the individual exchange in Mississippi to include an additional 36 counties (for a total of 40 counties). The additional counties represent those that we recently learned would otherwise have had no individual exchange offerings – thus, no subsidy-eligible coverage options for qualifying residents. This builds on Humana's current presence in the state of Mississippi, where Humana already covers well over 200,000 Mississippians, including individuals, employer groups,

military retirees and their families, as well as Medicare beneficiaries. By working together with local health care providers, we believe we can enhance quality of care and improve health outcomes in the state. Humana's goal is to help people achieve lifelong well-being." ■



Q: Is the Internet the only way to purchase policies in the Health Insurance Marketplace?

A: No. While there will be a website, www.healthcare.gov, for seeking access to coverage, you can also submit your application over the telephone or in-person with a licensed agent or broker. Local community organizations will also be trained to assist you.

Q: What kinds of insurance policies may I purchase in the Health Insurance Marketplace?

A: Under Federal law, only two (2) kind of insurance policies may be sold in the Marketplace:

1. Major medical coverage, commonly referred to as Health Insurance
2. Dental insurance that includes at least the minimum essential pediatric dental benefits



INSURANCE BY THE NUMBERS: HAILSTORM 2013

Reported as of July 31, 2013

Line Reporting

of Claims

Payments Received in \$

Homeowners Multi-Peril	26,921	\$161,924,906
Commercial Multi-Peril	1,657	\$30,690,092
Personal Auto Physical Damage	47,423	\$191,023,491
Commercial Auto Physical Damage	417	\$1,257,934
TOTAL	76,418	\$384,896,424

Commissioner's Corner



Mike Chaney

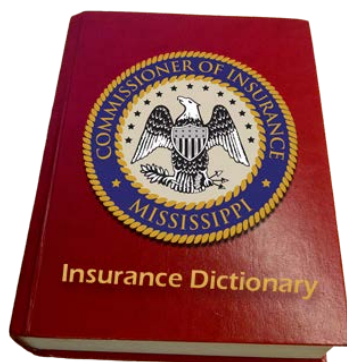
Insurance Commissioner and State Fire Marshal



Q: We now have the option of electronic renewal. When will we have the option of electronic testing for Licensing?

A: Electronic testing is something we are looking at. As we did with our electronic renewal initiative we will see how to best implement it and we will continue to look at this possibility. Making things easier for our agent community has always been a priority of the Mississippi Insurance Department and we will continue working towards that goal.

Have an insurance consumer question for Commissioner Chaney? Email your question to info@mid.ms.gov and you might be featured in our next newsletter!



Insurance Terms of the Month:

Deductible - The amount of loss paid by the policyholder. Either a specified dollar amount, a percentage of the claim amount, or a specified amount of time that must elapse before benefits are paid.

Discount - A reduction in the premium if able to meet certain conditions that reduce the insurer's losses or expenses. For example, auto insurance discounts are given for cars with anti-theft devices and for drivers and passengers who use seatbelts.

Multiple Peril Policy - A package policy, such as a homeowner or business insurance policy that provides coverage against several different perils. It also refers to the combination of property and liability coverage in one policy.

REGULATOR 101



The [Property and Casualty Rating Division](#) review the filings of rates, rules, and [forms](#) of licensed property and casualty insurance companies, and rating/advisory organizations for lines of insurance under §83-19-1, prior to their use in the state (§83-2-7). They work with outside consulting actuaries on rate filings reviews and assist companies in making filings compliant with Department rules, regulations, bulletins and statutes. The Division provides recommendations and advises Commissioner on approval/disapproval of rates under regulated lines. Representatives from the Division represent the Commissioner at meetings of all residual market plans including: [Workers Compensation Assigned Risk Plan](#), [MS Automobile Insurance Plan](#), [MS Windstorm Underwriting Association](#), and the [MS Residential Property Insurance Underwriting Association](#).

In 2012, the Property and Casualty Rating Division closed 3134 electronic filings through [SERFF](#), the NAIC electronic filing system, from January 1, 2012, through December 31, 2012, including 1046 rate and rule filings and 2088 form filings.

Various extraneous regulated lines continue to file using paper format, however, the number for the 2012 year was less than 1% of all filings. As of January 1, 2013, all paper filings are entered into the SERFF system and are maintained in an electronic format eliminating paper copies.

Mississippi Municipal League: Biloxi, MS



Consumer Services Director Andy Case and Outreach Coordinator Shelly Griffin visit with an attendee of the Mississippi Municipal League conference in Biloxi.



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