

FOR IMMEDIATE RELEASE

May 21, 2024

MEDIA CONTACT

Beth Reiss

Communications Director

beth.reiss@mid.ms.gov

601-359-2403

MITIGATION PROGRAM FUNDED BY LEGISLATURE

By Mississippi Insurance Commissioner Mike Chaney

Mississippi now has funding for a hurricane mitigation program with the passage, and signing by Governor Tate Reeves, of House Bill 1705. The Comprehensive Hurricane Damage Mitigation Program was established within the Mississippi Insurance Department (MID) in 2007. However, appropriations were never made to fund the program.

The bill transfers \$5 million from the Mississippi Surplus Lines Association (MSLA) to the Comprehensive Hurricane Damage Mitigation Program Fund, a trust fund established for the program. These funds are not from the general fund, but are considered public funds.

The law lays out other parameters for the program. It limits financial grants under the program to \$10,000 per recipient. And requires that MID issue a Request for Proposal (RFP) for administration of the program, or operate the program internally. I want thank the legislature and Governor Tate Reeves for supporting this legislation.

One of the top complaints I receive as Commissioner of Insurance is regarding the rate increases policyholders are seeing in this difficult market. I am certainly sympathetic to this, as I have seen rate increases on my own property as well. With funding in place, we can now do something positive and offer some relief to the policyholders in the lower six counties of the State. I had asked the legislature to extend the program statewide, since over 60 % of the funding comes from outside the coast, but politics blocked the expansion. We will continue the efforts to provide statewide benefits.

Mitigation efforts can include building at a higher elevation, adding hurricane shutters, fastening your roof to the walls with hurricane straps and buying flood insurance, among other efforts. For every one dollar spent on mitigation, the average payback on the investment happens within 2.7 years. Mitigation makes communities more resilient following catastrophic events as it can lessen loss severity and allow homeowners to get back on their feet quicker.

Mississippi state law requires insurance companies to give discounts for homes mitigated to the Insurance Institute for Business and Home Safety (IBHS) standards. State law does not require a specific amount for discounts; however, most insurers have filed discounts with MID ranging from 15 percent to 30 percent for those fortified homes. Research from IBHS shows that investing a few hundred extra dollars, when replacing your roof, can save you thousands in damage later. However, not everyone has a few hundred dollars lying around to spend on mitigating your home. HB 1705 now provides the money needed to help our citizens.

With the passage of HB 1705, the Department has begun the initial phases of implementing this mitigation program, which includes the development of a website dedicated to containing vital consumer education information and details regarding the grant application process. Further details will be released to the public once the website is up and live.

###