



MISSISSIPPI INSURANCE DEPARTMENT

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BULLETIN 2009-7 MISSISSIPPI DEPARTMENT OF INSURANCE

PROPER CLASSIFICATION OF MISSISSIPPI COTTAGES

TO: ALL LICENSED PROPERTY AND CASUALTY INSURANCE COMPANIES
AND PRODUCERS WRITING HOMEOWNERS INSURANCE

FROM: COMMISSIONER MIKE CHANEY

DATE: AUGUST 20, 2009

RE: PROPER CLASSIFICATION OF MISSISSIPPI COTTAGES

The Mississippi Alternative Housing Program provides Mississippi cottages, more commonly known as Katrina Cottages, to coastal residents. As the federal funding for these Mississippi Cottages fell under the Stafford Act, the homes could not at the time of issuance, nor for twenty-four months thereafter, be considered a permanent structure. However, these homes were built as modular homes and meet local building codes and the International Residential Code. Therefore, the cottages were given dual designations as being built to both HUD-code requirements for manufactured housing, and as also meeting the International Residential Code requirements for modular housing. The Mississippi Cottages are considered to be temporary manufactured housing until the expiration of the grant period. Upon the expiration of the grant period, the homes can be made into permanent structures once the homes meet jurisdictional foundation requirements.

For the purposes of rating these Mississippi Cottages, the Mississippi Department of Insurance ("Department") advises insurance companies that if a home is installed pursuant to HUD-code manufactured housing requirements, the home should be rated as a manufactured home. If the cottage meets the foundational requirements established by the local building codes and the International Residential Code, the home should be rated as a modular home.

Insurance companies and producers should also be advised that prior to the prospective insured purchasing insurance, the insured will have been advised by MEMA whether the insured has a manufactured home installation, or has a foundation as required for modular homes.

Should you have any questions concerning this letter or the information requested herein, please contact the Legal Division at the Mississippi Department of Insurance at (601) 359-3577.



MIKE CHANEY
COMMISSIONER OF INSURANCE