



Mississippi Insurance Department: "Insurance Matters" 2nd Quarter - 2014

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Commissioner Mike Chaney and House Speaker Philip Gunn view tornado damage in Louisville following the April 29, 2014 tornado.



Join Commissioner Chaney each week for the new "Mississippi Insurance Matters" podcast



## **New Statewide Building Code Law Can Save Lives, Money**

Mississippi's citizens can have more confidence in the strength and resilience of their new homes and also potentially save money on insurance premiums with the signing of Senate Bill 2378, creating statewide building codes.

Having statewide building codes has been one of Commissioner of Insurance Mike Chaney's top priorities for years. "Since I first took office, getting statewide building codes has been one of my top goals," Chaney said. "With the signing of this bill, homeowners across the state will benefit by seeing lower insurance premiums because they have a home fortified against storm damage thanks to stronger building codes. Stronger codes will also help save lives and property."

Statewide building codes help builders build homes that can withstand a storm's winds while suffering minimal damage. In 2006, Chaney was instrumental in passing a uniform building code for the state's lower five counties which resulted in approximately \$500 million in Katrina recovery funds for coast schools and an increase in the number of insurance companies willing to write property insurance on the Gulf Coast.

Passage of the mandatory codes took the cooperation of legislators, homebuilders, the insurance industry and local leaders. The result of that unprecedented cooperation is the bill that was signed on April 2, 2014.

The significant provisions of Senate Bill 2378 include:

- Adoption of one of the last three published editions of the International Business Code or International Residential Code plus the codes for plumbing, mechanical, electrical and fuel gas codes as approved by the Mississippi Building Codes Council.
- Specifically exempts fire protection sprinkler systems for one and two-person dwellings. Exempts most farm structures and hunting and fishing camps and factory-built homes.
- Counties or municipalities may adopt construction codes that are not less stringent than the codes authorized by this legislation.
- Cities and counties may "opt out" if they opt out within 120 days of the effective date of the legislation. This requires a resolution spread upon their minutes.

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**April 28, 2014 Tornadoes**



**Tupelo Damage**



**Louisville Damage**

Latest assistance information - [TORNADO DISASTER ASSISTANCE](#)

**Mississippi Insurance Department  
April 28th and 29th Storms  
Claim Reporting as of May 1, 2014**

	Claims Reported	Claims Closed With Payment	Claims Closed Without Payment	Paid Loss	Case Incurred Loss	% Closed
Residential Property	4,866	947	442	12,909,127	52,767,876	28.50%
Commercial Property	543	37	28	2,457,579	10,995,203	12.00%
Personal Auto	1,882	382	117	2,778,191	5,261,620	26.50%
Commercial Auto	89	8	12	54,458	332,648	22.50%

Business Interruption	8	0	0	13,172	124,650	0.00%
Workers' Compensation	0	0	0	0	0	0.00%
Private Flood	0	0	0	0	0	0.00%
All Other Lines	65	13	8	83,182	637,568	32.30%
Totals	7,453	1,387	607	18,295,708	70,119,564	26.80%

## 2014 Hurricane Season



### Don't Get False Sense of Security due to Lower Forecast

Hurricane season has arrived and the National Oceanic and Atmospheric Administration's (NOAA's) Climate Prediction Center has issued their 2014 Hurricane Outlook forecasts. The forecasts project a "near-normal or below normal season" with eight to 13 named storms, three to six hurricanes and one or two major hurricanes.

"Although projections for this hurricane season are low, Mississippians shouldn't let their guard down or be unprepared for a potential hurricane," Commissioner of Insurance Mike Chaney said.

Hurricane deductibles were addressed in the most recent legislative session, with the legislature directing the Mississippi Insurance Department to establish regulations which govern the application of said deductibles in homeowner policies. MID recently circulated a draft regulation for public comment.

Mississippians also need to be aware that hurricane hazards come in many forms, including storm surge, heavy rainfall, inland flooding, high winds, tornadoes and rip currents. As part of Hurricane Preparedness Week, NOAA has produced a series of preparedness videos. <http://www.youtube.com/user/usweathergov> or get more preparedness tips at <http://www.ready.gov/hurricanes>.



### Flood Insurance Update

With the 2014 Hurricane Season just beginning, Commissioner Chaney reminds Mississippians it is still important for

homeowners to purchase flood insurance.

To determine your flood risk or to find an agent who sells flood insurance near you, visit the FloodSmart website at <https://www.floodsmart.gov/floodsmart/>

Mississippi withdrew its lawsuit, without prejudice, against the Federal Flood Insurance program (NFIP) in April, pending the Federal Emergency Management Agency's (FEMA) implementation of a new law passed by Congress intended to alleviate some of the astronomical rate increases facing Mississippi homeowners.

MID is continuing to monitor FEMA's implementation of "The Homeowner Flood Insurance Affordability Act of 2014," passed as H.R. 3370, to ensure the new law does what is necessary to ease the financial burden on homeowners.



**Q: It seems every summer I get a salesman knocking on my door trying to sell me an alarm system or who tells me my current system is out-of-date or needs an upgrade. How can I tell if he is legitimate?**

**A:** The sale, installation and monitoring of all residential alarm systems in Mississippi are regulated by the Mississippi State Fire Marshal's Office, per the Mississippi Residential Electronic Protection Licensing Act passed by the state legislature in 2006. There is often an influx of unauthorized salesmen in the state during the summer months. The State Fire Marshal's Office cautions citizens to be aware of reports of unauthorized alarm system salesmen in the area.

An important part of the licensing process includes criminal background checks on those who sell and install these systems as well as requiring these individuals to have the proper training to ensure competency. If someone comes to your door trying to sell an alarm system, ask to see their license and photo ID issued by the State Fire Marshal's Office.

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

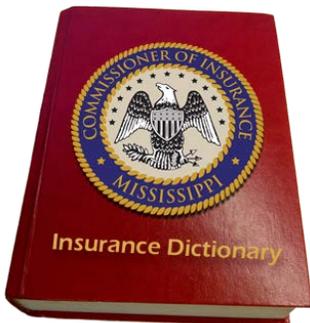


## CLAIMS ACTIVITY REPORT FEBRUARY THROUGH MAY 2014

February - May 2014		Year-To-Date	
	# Claims Handled	# Claims Handled	Claims payments or premium refunds secured

<b>Property and Casualty Insurance</b>	2330	2895	\$336,149.98
<b>Accident &amp; Health</b> (Includes A&H, PPACA, Medicare, and Misc.)	2031	2536	\$28,412.29
<b>Life Insurance</b> (Includes Life, Burial, and Misc.)	1143	1419	\$2,922,457.78
<b>Totals:</b>	5504	6850	\$3,238,505.86

## INSURANCE 101.



### Insurance Terms of the Month:

**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.

**Salvage** – Damaged property an insurer takes over to reduce its loss after paying a claim. Insurers receive salvage rights over property on which they have paid claims, such as badly damaged cars.

**Subrogation** – The legal process by which an insurance company, after paying a loss, seeks to recover the amount of the loss from another party who is legally liable for it.



## Healthcare

The Affordable Care Act (ACA) requires that every State have a health insurance exchange (also called a “Marketplace”) in operation in 2014. A State may operate a Marketplace for individual consumers, small businesses or both. The Mississippi Insurance Department has decided to establish and operate a Health Insurance Marketplace for small businesses called [One, Mississippi™](#). The Marketplace is an easy-to-use, easy-to-understand online tool that assists Mississippi’s small business owners interested in providing quality health insurance to their employees.

*One, Mississippi™* is a one-stop shop where businesses with 2 to 50 full-time equivalent employees may choose from multiple, affordable health insurance options. An employer chooses one of four tiers and the employee chooses a plan in that tier. Employers also designate a contribution percentage toward the employee’s premium cost. Employees can use that contribution toward a health insurance plan that best fits their needs and budgets within the employer-selected tier.

Employers that meet certain qualifications may be eligible for a Small Business Health Insurance Tax Credit. The amount of the tax credit and what qualifications the employer must meet depend on which taxable year a small employer claims the credit. Some of the qualifications remain the same regardless of when the tax credit is claimed.

The eligibility requirements that small employers must meet are:

- Employ no more than twenty-five (25) full-time equivalent employees
- Pay average annual wages below \$50,000
- Pay a uniform percentage for all employees that is equal to at least fifty percent (50% of the premium cost of the individual health insurance for each employee)

*One, Mississippi™* first opened for enrollment in May, 2014, and after only a few short weeks the Marketplace has already helped many small business owners in Mississippi acquire health coverage for their employees. Employers can enroll in the Marketplace online at [www.onemississippi.com](http://www.onemississippi.com) or through a licensed and certified insurance agent or broker. For more information, please call 1-855-9MS-SHOP or 1-855-967-7467.




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## Healthcare Terms

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**Full-Time Employee (FTE)** — An employee who works an average of at least 30 hours per week (so part-time would be less than 30 hours per week).

**Group Health Plan** — In general, a health plan offered by an employer or employee organization that provides health coverage to employees and their families.

**Employer Shared Responsibility Payment (ESRP)** — The Affordable Care Act requires certain employers with at least 50 full-time employees (or equivalents) to offer health insurance coverage to its full-time employees (and their dependents) that meets certain minimum standards set by the Affordable Care Act or to make a tax payment called the ESRP.



## STATE FIRE MARSHAL TO LAUNCH NEW STATE FIRE SAFETY CAMPAIGN

In a few weeks new fire safety messages from the Mississippi State Fire Marshal's Office will begin airing on television, the internet, and radio and will appear on billboards across the state as part of a new fire safety awareness campaign.

The campaign is part of the Fire Marshal's ongoing outreach efforts to combat fire deaths in Mississippi. As of early June, 2014, there have been 33 fire deaths in the state. Messages will focus on the use of smoke alarms and cooking fire safety.

A Federal grant from the Department of Homeland Security's FY 2012 Assistance to Firefighters Grant Program – Fire Prevention and Safety Grant, is funding this new statewide effort. The Fire Marshal's Office was awarded \$300,000.00 for the media campaign and \$113,000.00 for a fire safety trailer and various fire prevention supplies. This grant is a 100% Federally funded grant.

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## REGULATOR 101 UPDATE



In the November 2013 edition of the Mississippi Insurance Matters newsletter, the new Elevator and Building Safety Division was highlighted.

Since the Elevator Safety Division's inception we have issued the following Licenses:

- 21 Companies
- 37 Inspectors
- 263 Mechanics
- 4 Limited Mechanics

Since March 13th we have issued 32 permits to either install or alter elevators.

We have received 448 inspection reports - the earliest dates back to December 2013.

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## EMPLOYEE RECOGNITION



Consumer Services Life & Health Specialist Ryan Blakeney – for helping an 84-year old consumer recover her retirement income (an investment representing about half of her life savings) after the woman had been pressured into purchasing an unwanted annuity.



Licensing Division Director Wanda Magers – for being chosen Secretary of the Insurance Professionals of Jackson, International Association of Insurance Professionals.





Public Fire Safety Educator Tammy Peavy accompanied members of the 2014 Fire Safety Team (FST) on a trip to Katete, Zambia, Africa to deliver a fire truck to the village. Upon their arrival in Africa, the team visited with the Honorable John Kufuna, Deputy Minister of Local Government and Housing and Abraham Samu, the Chief Inspector of Fire Services, to discuss the donation of the fire truck and future efforts for the country. The FST then drove the fire truck to Katete. While in Katete, part of the FST trained firefighters in the use of fire truck and firefighting techniques while the remainder of the team taught fire prevention in some of the local schools and hospital.



Congratulations to State Fire Marshal Deputies Jonathan Owens, second from left and Kevin Martin, second from right for being named Top Cops at the annual Top Cop and Police Memorial Ceremony Held at the Trade Mart in Jackson.



## MARK YOUR CALENDAR

- **June 1 - November 30, 2014** is Hurricane Season
- **June 19, 2014** - [Power Forward Expo](#) - Lake Terrace Convention Center - Hattiesburg, MS
- **June 23 - 24, 2014** - [Mississippi Municipal League Annual Conference](#) - Mississippi Coast Coliseum and Convention Center - Biloxi, MS

- **June 24 - 27, 2014** - [Mississippi Bar 2014 Annual Meeting](#) - Sandestin Beach Hilton - Sandestin, FL
- **July 4** - Independence Day Holiday
- **July 25 - August 1, 2014** - [Neshoba County Fair](#) - Philadelphia, MS
- **September 6 - 8** - [National Association of Insurance and Financial Advisors Career Conference & Annual Meeting](#) - Manchester Grand Hyatt - San Diego, CA
- **September 24 - 26, 2014** - [Mississippi Association of Self-Insurers 17th Annual Fall Conference](#) - The Beau Rivage - Biloxi, MS



The Mississippi Insurance Department and State Fire Marshal's Office reminds you to practice grilling and fireworks safety on July 4th and wishes everyone a safe and



**HAPPY FOURTH OF JULY!**

### How to contact the Mississippi Insurance Department:



Questions about:	Division	Phone	Email
Consumer Complaints	Consumer Services Division	800-562-2957 601-359-2453	consumer@mid.ms.gov
Agent Licensing Info	Licensing Division	601-359-3582	licensing@mid.ms.gov
Bail Bondsmen	Licensing Division	601-359-3582	licensing@mid.ms.gov
Elevator Inspectors	Conveyance Safety Division	601-359-3569	conveyance@mid.ms.gov
Liquified Compressed Gas	Fire Marshal	800-595-6504 601-359-1064	lccgas@mid.ms.gov
Residential Electronic Protection	Fire Marshal	601-359-1066	firemarshal@mid.ms.gov
Manufactured Housing	Fire Marshal	800-648-0877 601-359-1055	firemarshal@mid.ms.gov
Fire Safety Education	Fire Marshal	601-359-1061	firemarshal@mid.ms.gov

**Mailing Address:**

Mississippi Insurance Department  
P.O. Box 79  
Jackson, MS 39205

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Website



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**Our mailing address is:**

Mississippi Insurance Department  
501 North West St., Suite 1001, Woolfolk Bldg.  
P.O. Box 79  
Jackson, MS 39205-0079