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**FOR IMMEDIATE RELEASE**

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## **Chaney Announces Wind Pool Rate Reduction**

Jackson – Commissioner of Insurance Mike Chaney announced today he has approved the rate reduction request filed by the Mississippi Windstorm Underwriting Association. The Mississippi Windstorm Underwriting Association, known as the Wind Pool, was established by the Mississippi Legislature in 1987 for the purpose of providing wind and hail insurance policies for high risk properties in the six Mississippi Coastal Counties that private insurers will not insure.

The pool is funded through customer premiums. Losses in the Pool are paid by a combination of assets on hand, reinsurance and if necessary, assessments against property policies written by private insurance companies throughout the state.

During the 2007 Regular Legislative Session, the Mississippi Legislature passed into law House Bill 1500 creating "The Mississippi Economic Growth and Redevelopment Act of 2007", commonly known as the Wind Pool Bill.

One of the key elements of this bill was the creation of the "Mississippi Windstorm Underwriting Association Reinsurance Assistance Fund" wherein the State of Mississippi will provide up to \$20 million a year for four years to help the Wind Pool pay its Reinsurance Premiums.

This morning Commissioner Chaney authorized the transfer of \$25 million into that fund.

"It pleases me to make this announcement today. The revisions to the Wind Pool put in place by the Legislature in 2007 are working just as we said they would. The fruits of the effort of this program have resulted in an average of 11% reduction in Wind Pool premium rates for residential properties," said Commissioner Chaney.

The reductions will vary in different geographic zones, but will average 11% for residential. The new rates are expected to be in effect after June 1, 2008. However, Chaney stressed that any reconstruction of 50% or more or any new construction must be built to the International Residential Building Codes (IRC) or the International Commercial Building Codes (ICC) in order to qualify for Wind Pool Coverage. The rate reductions will apply to new policies and when policies are renewed and will not apply to policies following a mid-term cancellation.

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