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FOR IMMEDIATE RELEASE

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Commissioner Chaney Signs Mitigation Study Contract

Jackson – Mississippi Commissioner of Insurance Mike Chaney and internationally-known wind engineering firm AIR Worldwide have agreed to terms on a contract on a cost/benefit study required by the Mississippi Legislature leading to development of a hurricane wind damage mitigation program.

The study will help lay the groundwork for the Mississippi Insurance Department’s launch of the Mississippi Hurricane Wind Damage Mitigation Program by estimating the costs and benefits associated with various residential and commercial construction features which can “mitigate” or reduce hurricane wind losses.

AIR Worldwide will begin the analysis immediately with further development of the program coming when further funding is available. It will also recommend the best ways to encourage use of these features in both new and existing structures, by providing incentives in property insurance premiums and education to Mississippi homeowners and businesses about the return on investment in mitigation. It will also result in a reduced economic impact of hurricanes due to the ability of housing to withstand hurricane force winds and avoiding the housing-related loss of jobs and businesses.

“This is a very important first step in protecting lives and property in Mississippi,” Chaney said. “Once the specific requirements for Mississippi are established, we can begin to implement further steps in individual homes if funding becomes available. Not only would the property be more wind resistant and safer for the occupants, but this will lead to significantly lower premiums in the hurricane areas.”

The MID Hurricane Wind Damage Mitigation Program relies on Federal Funds being received by the department to reduce the loss of life and property from high velocity hurricane winds.

The program includes improving protection of existing homes by the use of metal shutters, reinforced roofs, metal straps to hold roof trusses and supports to the building walls and foundation and corrective action for garage and carports damage. Homes recently built to the International Residential Code (IRC) or fortified building codes and existing homes that are mitigated may qualify for reimbursement grants and insurance discounts.

Findings of the cost/benefit study, scheduled to be completed this summer, will be used to develop a grant program for homeowners to implement the recommended measures to protect their homes. At this time the anticipated government funding for the second phase has not materialized, but the Mississippi Insurance Department (MID) continues to search for sources of funding.

MID will publish the results of the cost/benefit study so that insurance companies can voluntarily move towards discounts for homeowners who take the appropriate mitigation steps.

AIR Worldwide was founded in 1987 and has pioneered catastrophe modeling technology that has been used in more than 50 countries worldwide. With more than 250 employees - over 100 holding advanced degrees - AIR is headquartered in Boston, MA with additional offices in North America, Europe, and Asia.

"AIR is excited about the opportunity to support the Mississippi Insurance Department's Hurricane Damage Mitigation Program, and lead original and cutting-edge research for Mississippi's residential and commercial hurricane wind loss mitigation project," said John Rollins, FCAS, MAAA, vice president at AIR Worldwide.

"Our goal is to help the Department produce tangible and timely benefits for the Mississippi insurance market and state residents. AIR's industry-leading science, technology, and actuarial expertise will be applied to produce a highly credible study for all stakeholders in reducing hurricane losses."