



For Immediate Release

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Wind Pool Savings Offset Veto

Jackson - Governor Haley Barbour's veto of legislation giving an additional \$20 million to the Mississippi Windstorm Underwriting Association (Wind Pool) will not increase coastal rates this year and will not have an immediate impact on coastal Wind Pool rates, according to Insurance Commissioner Mike Chaney.

"In the previous fiscal year, the Legislature had given the Wind Pool an extra \$20 million in subsidy, which I held in reserve to maintain level rates in case there was a budget shortfall, which has now happened," Commissioner of Insurance Mike Chaney said.

"With these reserves we are able to maintain stable rates throughout the remainder of this year and, through careful negotiations with reinsurers, possibly next year as well."

"Wind Pool Executive Director Joe Shumaker has confirmed to me that the Wind Pool Board, which meets next week, does not anticipate any projected Wind Pool rate increases in 2010, and I will not approve any rate increase," Chaney said.

Chaney added that this is the latest in a number of pre-emptive actions taken by the Board that has greatly contributed to the Wind Pool's ability to keep premium rates on the coast constant in the past three years.

Near the end of 2009 and the beginning of 2010, the Wind Pool received additional funding of \$18 million from the Hurricane Disaster Reserve Fund. This fund was created in 2006 to defray the state's share of any non-federal matching requirements for Federal Emergency Management Agency grants associated with Hurricane Katrina and other disasters.

Coastal consumers are urged to use any of the several options the Wind Pool and other insurance companies offer to lower their premiums. Among those options are the sliding deductible and utilization of the mitigation credits which were implemented in 2009.

"We reduced rates an average of 11% in 2008 and have kept rates constant for three years; however given the current state of the economy, state subsidy funding is not always going to be readily available. The key to long term rate stabilization solutions are through Hazard Mitigation

programs like those offered by the Wind Pool and some commercial underwriters. I will announce the awarding of a \$20 million dollar mitigation program for coast homeowners next week and this program will also help to reduce rates," Chaney said.

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