

Title 19, Part 5, Chapter 7: Strengthen Mississippi Homes Program

Rule 7.01. Title

The Mississippi Comprehensive Hurricane Damage Mitigation Program is housed within the Mississippi Insurance Department (MID). The Strengthen Mississippi Homes (SMH) program is a part of the Mississippi Comprehensive Hurricane Damage Mitigation Program and is established to issue financial grants to single-family, site-built, owner-occupied, residential property owners for the retrofitting of their properties to make them less vulnerable to hurricane damage.

Source: *Miss. Code Ann.* §§ 25-43-1.101, et seq. (Rev. 2018); § 83-5-1; § 83-1-191, et seq. (Rev. 2022)

Rule 7.02. Purpose

The purpose of this chapter is to set forth rules and requirements the Commissioner of Insurance deems necessary to carry out the provisions of *Miss. Code Ann.* § 83-1-191. This Regulation shall apply to all aspects of the SMH program.

Source: *Miss. Code Ann.* §83-1-191 and § 83-5-1 (Rev. 2022)

Rule 7.03. Definitions.

1. Strengthen Mississippi Homes (SMH) –a program established pursuant to *Miss. Code Ann.* §83-1-191, and for which funding was made available by House Bill 1705, 2024 Mississippi Legislature Regular Session, as part of the Comprehensive Hurricane Damage Mitigation Program, administered by the Mississippi Insurance Department (MID) to make financial grants to retrofit roofs of qualified dwellings to resist loss due to hurricane, tornado, or other catastrophic windstorm events and to meet or exceed the FORTIFIED roof standard of the Insurance Institute for Business and Home Safety.
2. Insurance Institute for Business and Home Safety (IBHS) – a non-profit research and communications organization of the property and casualty insurance industry that defines the FORTIFIED roofing construction standard for homes. The FORTIFIED standard is the standard adopted by MID in MID Bulletin 2024-4 as the building standard for the SMH Program.
3. Applicant – a person submitting an application for a grant award under the SMH Program. For the purposes of this Regulation, the word “Homeowner” may be used interchangeably with “Applicant”.
4. Qualified Dwellings – a qualified dwelling is a home that meets the following criteria:
 - a. The dwelling must be the owner’s primary residence;

- b. The dwelling must be owner occupied, single family, and cannot be a condominium or a mobile home;
 - c. The dwelling must be in good repair (excluding current condition of the roof covering) unless damaged by a hurricane, non- hurricane wind, or hail. SMH grant funds cannot be used for maintenance or repairs but may be used in conjunction with repairs or reconstruction necessitated by damages from a hurricane, non-hurricane wind, or hail;
 - d. The dwelling must have an in-force insurance policy covering wind and hail;
 - e. If the home is in a Special Flood Hazard Area, the home must have a valid policy covering damage from flood, either through a private insurer or the National Flood Insurance Program; and
 - f. The home has not been previously fortified.
5. Flood Insurance – insurance policies that cover the costs to repair damage to dwelling and their contents caused by floods. This insurance may include insurance policies that cover residential flood and policies written through the National Flood Insurance Program (NFIP), a program enacted by the National Flood Insurance Act of 1968, or through a private insurer.
 6. Special Flood Hazard Area (SFHA) – an area having special flood, mudflow, or floodrelated erosion hazards on a Flood Hazard Boundary Map or a Flood Insurance Rate Map as shown on the Federal Emergency Management Agency’s website. The SFHA is the area where the NFIP’s floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies.
 7. Contractor – Any person certified by IBHS as a FORTIFIED contractor contracting or undertaking as prime contractor or subcontractor to do any retrofit work under this program, who has met the eligibility requirements set forth in Rule 7.07 of this Regulation.
 8. Evaluator – an independent third party certified by IBHS as a FORTIFIED evaluator for hurricane and high wind and hail who can verify that a home meets the FORTIFIED roofing construction standard, who has met the eligibility requirements set forth in Rule 7.09 of this Regulation.
 9. Third-Party Administrator (TPA) – an independent third party administrator as may be retained by MID to assist MID and act on its behalf regarding certain aspects of SMH, in compliance with the provisions set forth in House Bill 1705, 2024 Mississippi Legislature Regular Session.

10. FORTIFIED - a voluntary construction and re-roofing Program designed to strengthen homes and commercial buildings against specific types of severe weather such as high winds, hail, hurricanes and tornados. This standard has been adopted by the MID as the building standard for SMH in MID Bulletin 2024-4.
11. Retrofit – to make changes to an existing building to protect it from specific hazards; specifically, high winds, hail, hurricanes and tornadoes.
12. Grant Round – a single grant cycle that is opened with the acceptance of new applications for SMH grants and ends with the disbursement of grant awards from funds available for the grant cycle. Each Grant Round will be established pursuant to guidance provided in Rule 7.12.

Source: *Miss. Code Ann.* §83-1-191 (Rev. 2022)

Rule 7.04. Grants.

1. Eligibility. To be eligible for an SMH grant, an applicant must meet the following requirements:
 - a. Homeowner must claim its primary residence in a county where grants are being made available.
 - b. The home that is the subject of the grant must be an owner occupied, single-family, primary residence, and cannot be a condominium or mobile home.
 - c. The home must be in good repair and insurable, unless damaged by a hurricane, non-hurricane wind, or hail. SMH grant funds cannot be used for regular maintenance or repairs but may be used in conjunction with repairs or reconstruction necessitated by damages from a hurricane, non-hurricane wind, or hail. SMH funds cannot be used for payment of deductible or co-insurance requirements on any covered claim by an insurer.
 - d. Homeowner must retrofit the home to the Insurance Institute for Business and Home Safety (IBHS) FORTIFIED Roof™ (Roof) or an IBHS successor designation.
 - e. Homeowner must provide proof of an in-force policy providing wind and hail insurance coverage on the home.
 - f. If the home is in a Special Flood Hazard area, homeowner must provide proof of an in-force flood insurance policy. The flood policy may be from the National Flood Insurance Program (NFIP) or a private carrier.

- g. FORTIFIED projects must be completed within three (3) months of the date of the notification of grant approval. Failure to complete the project timely may result in the forfeiture of the grant. The commissioner may grant a homeowner an extension of time to complete the SMH project if an extension is timely requested in writing and the homeowner provides sufficient proof that extenuating circumstances cause or will likely cause delays in the completion of the SMH project. Whether to grant or deny a request for an extension of time shall be subject to the commissioner's sole discretion.
 - h. Any entity providing funds to the SMH program will be permitted to establish additional rules and guidelines under which those funds may be used, as long as they do not violate state or federal law.
 - i. Grant amounts are limited to \$10,000.00 per home.
2. Application Process.
- a. Homeowner creates an online profile to be eligible for lottery participation.
 - b. If a homeowner is selected for SMH Grant participation through the lottery, the homeowner will be notified by SMH to submit an application to SMH.
 - c. The SMH staff and/or its TPA will review all applications for completeness and will perform appropriate audits to verify the accuracy of the information on the application and that the applicant meets all eligibility rules. Verified applicants are placed in the order received. Grants are awarded through a lottery process, subject to the availability of funds.
 - d. Once notified that application is approved, Homeowner will then provide required documentation for eligibility: evidence of homestead exemption; a copy of the declaration page of homeowner insurance policy and copy of declaration page of flood insurance policy if the home is in a Special Flood Hazard Area.
 - e. Homeowner shall select a Certified IBHS Evaluator from a list of evaluators provided by SMH, www.mid.ms.gov or IBHS, www.fortifiedproviders.com.
 - f. Evaluator pre-qualifies the home to determine whether the home can be FORTIFIED and, if so, identifies all improvements required to achieve IBHS FORTIFIED Roof or an IBHS successor designation and reports findings to SMH or its TPA. The Evaluator's fee is paid by the homeowner.
3. Authorization to Begin Work
- a. Homeowner will select three (3) Contractors from the approved list of Contractors (Contractors found at SMH www.mid.ms.gov or IBHS, www.fortifiedproviders.com).

- b. Homeowner provides Evaluator's report to Contractors and obtains Contractor bids necessary to perform work to achieve FORTIFIED roof designation as outlined in Evaluator's report.
 - c. Contractor bids are forwarded to SMH Staff and/or the TPA for review.
 - d. The applicant then selects a Contractor of its choice from bids received and enters into an agreement with the Contractor to perform the FORTIFIED work. Contractors are not authorized to begin work until SMH or its TPA has approved.
 - e. The Evaluator will conduct all required evaluations, including the required interim inspection during construction and the final inspection.
 - f. Once the FORTIFIED work is completed, the Contractor submits a copy of the signed contract to SMH, along with supporting documentation to Evaluator as evidence of work completed to achieve FORTIFIED designation, and an invoice seeking payment.
 - g. Evaluator sends supporting documentation to SMH or its TPA confirming that the work has been completed according to the FORTIFIED specifications.
4. Payment of Grant.
- a. Release of Funds. Grant funds will be released on behalf of an approved applicant once an IBHS FORTIFIED certificate has been issued for the home. The funds will be paid by SMH or another designated entity, on behalf of the homeowner, directly to the Contractor that performed the FORTIFIED work.
 - b. SMH or its designated entity pays the Contractor costs covered by the grant; the homeowner pays the remaining cost, if any, to the Contractor after receiving an IBHS FORTIFIED Certificate.
 - c. SMH may conduct random re-inspections to detect any fraud and submit any irregularities to the MID Investigations and Consumer Protection Division.

Source: *Miss. Code Ann.* §83-1-191 (Rev. 2022)

Rule 7.05 Grant Allocations.

- 1. In the counties the SMH program is made available, grant applications will be awarded through a lottery process.
- 2. The Commissioner of Insurance may establish projects as needed to establish a sustainable distribution system of the SMH program grants in the geographic area within Hancock, Harrison, Jackson, Pearl River, Stone, and George Counties.

Source: *Miss. Code Ann.* §83-1-191 (Rev. 2022)

Rule 7.06. Coordination with Other Funding Sources.

1. Applicants shall report any funds received or anticipated from insurance, disaster relief, or other sources to ensure that the grant only covers actual costs.
2. SMF Funds cannot be used for payment of deductible or co-insurance requirements on any covered claim by any insurer.
3. Insurers shall not reduce settlement payments based on the payment of an SMH grant.

Source: *Miss. Code Ann.* §83-1-191 (Rev. 2022)

Rule 7.07. Contractor Eligibility Requirements.

To be eligible to work on the SMH program as a Contractor, the Contractor must meet all of the following program requirements and must maintain a current copy of all certificates, licenses, and proof of insurance coverages with the program office:

1. The Contractor must hold a valid roofers license or residential home builder's license without limitation, which may be designated as "unlimited", or its successor issued by the Mississippi State Board of Contractors. If the Contractor is a general partnership, limited partnership, corporation, limited liability company, or not-for-profit, the qualifying representative representing the contractor must at all times be the same person designated as the contractor's qualifying representative on the face of that contractor's license. The Contractor must be free from all disciplinary action by the Board.
2. The Contractor must hold any other valid state or jurisdictional business license or work permit required by law in Mississippi.
3. The Contractor and each subcontractor used must independently provide proof of insurance with the following minimum coverages:
 - a. General Liability policy with \$1,000,000 per occurrence; \$1,000,000 personal and advertising injury; \$2,000,000 aggregate; and \$2,000,000 products/completed operations aggregate;
 - b. Automobile Liability covering owned, non-owned, and hired automobiles with \$1,000,000 per occurrence;
 - c. Employer Liability with \$1,000,000 per accident; \$1,000,000 disease policy limit; and \$1,000,000 disease each employee;
 - d. Umbrella Liability with \$1,000,000 each occurrence and aggregate; and
 - e. Contractors Errors & Omission Liability with \$100,000 each occurrence and aggregate.

4. The Contractor and each subcontractor used must independently comply with all state and federal Workman's Compensation laws.
5. Contractor must successfully complete FORTIFIED Roof Contractor for High Wind and Hail and Hurricane training AND FORTIFIED Professional for High Wind and Hail and Hurricane training provided by the Insurance Institute for Business and Home Safety (IBHS) or its successor and provide a certificate of successful completion of the training. The training may be offered as separate courses and the contractor is responsible for paying all fees associated with the training.
6. Contractor must agree to the terms and successfully register with the State of Mississippi MAGIC application and receive direct deposit of payment for FORTIFIED work performed under this program. An entity may register as a vendor at the following link: <https://www.dfa.ms.gov/vendors>.
7. Contractor must maintain internet access and a valid email address on file with the SMH program and remain active in MAGIC while working on the program.
8. Contractor must maintain an active email address for the communication with the program.
9. Contractors must agree to follow SMH program procedures, rules and regulations established by the Commissioner of Insurance.
10. Contractor must avoid any conflicts of interest in any work performed on projects funded by SMH, and as more particularly defined in Rule 7.08 of this Regulation.
Source: *Miss. Code Ann.* §83-1-191 (Rev. 2022)

Rule 7.08. Contractor Conflict of Interest.

1. Contractors may not have a financial interest in any project for which they perform work toward a FORTIFIED designation other than for payment on behalf of the homeowner by the SMH program for work performed.
2. Contractors cannot be the Evaluator for a FORTIFIED designation on any project funded by the SMH program.
3. It is the Contractor's responsibility to report to the SMH program any potential conflicts of interest before work commences on any job funded by the program.

Source: *Miss. Code Ann.* §83-1-191 (Rev. 2022)

Rule 7.09. Evaluator Eligibility Requirements.

To be eligible to work on the SMH program as an Evaluator, the Evaluator must meet all program eligibility requirements, must submit and maintain a copy of all current certificates and licenses, and comply with the following:

1. The certification as a FORTIFIED Home Evaluator for Hurricane and High Wind and Hail certificate or its successor. Evaluator must be in good standing with the IBHS and maintain an active certification as a FORTIFIED Home Evaluator for Hurricane and High Wind and Hail certificate or its successor.
2. Evaluator must possess a Mississippi Business license and any other necessary business license to perform the work required.
3. Evaluator must be registered with Mississippi Secretary of State.
4. Evaluator must be in compliance with all regulatory and tax laws regulating businesses in this state.
5. Evaluator must avoid any conflicts of interest in any work performed on projects funded by SMH, and as more particularly defined in Rule 7.10 of this Regulation.
6. Evaluator must maintain an active email address for the communication with the program.

Source: *Miss. Code Ann.* §83-1-191 and § 83-5-1 (Rev. 2022)

Rule 7.10. Evaluator Conflict of Interest.

1. Evaluators may not have a financial interest in any project for which they inspect for designation purposes for the SMH program (SMH).
 2. Evaluators cannot be a contractor or supplier of any materials and/or products or systems installed in any home that they inspection for designation purposes for the SMH program.
 3. Evaluators cannot be a sales agent for any home being designated for the SMH program.
 4. Evaluators have a duty to inform the SMH program of any potential conflicts of interest.
- Source: *Miss. Code Ann.* §83-1-191 (Rev. 2022)

Rule 7.11. Online Submissions.

Once a Grant Round is opened, grant applications may be submitted online at the following link: www.mid.ms.gov.

Contractor eligibility submissions may be submitted online at the following link: www.mid.ms.gov.

Evaluator eligibility submissions may be submitted online at the following link: www.mid.ms.gov.

All information regarding the acceptance of any application or submission will be provided by either SMH or its TPA.

Source: *Miss. Code Ann.* §83-1-191 (Rev. 2022)

Rule 7.12. Notice of Grant Rounds.

The MID will issue a Bulletin at the time of each Grant Round advising applicants of the submission rules, timeframes, criteria, and geographical area subject to the round. Once a Bulletin is issued, a copy will be uploaded to the Strengthen Mississippi Homes webpage at www.mid.ms.gov and also onto MID's Administrative Procedures Bulletin webpage at <https://www.mid.ms.gov/mississippi-insurance-department/legal/bulletins/>.

Source: *Miss. Code Ann.* §83-1-191 (Rev. 2022)

Rule 7.13. Severability.

If any rule or portion of a rule or its applicability to any person or circumstance is held invalid by any court, the remainder of this chapter or the applicability of the provision to other persons or circumstances shall not be affected.

Source: *Miss. Code Ann.* §25-43-1.103 (Rev. 2018)

Rule 7.12. Effective Date

This chapter shall become in effect and apply to grant applications on and after January 1, 2025.

Source: *Miss. Code Ann.* §25-43-1.106 (Rev. 2018)

