POLICY AND PROCEDURE MANUAL

OFFICE OF STATE PROPERTY INSURANCE

STATE OF MISSISSIPPI

DEPARTMENT OF FINANCE AND ADMINISTRATION

Revised July 2020

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1 ADMINISTRATIVE

101: MISSION STATEMENT

In 2005, in the Fifth Extraordinary Session, October 24, 2005, The Mississippi Legislature, led by Representatives Brown and Watson, passed and enacted House Bill No. 4. This House Bill amended sections 29-13-1, 29-13-3, 29-13-5, 37-7-303, 37-29-67, 37-101-15, and 41-73-31 of Mississippi Code of 1972.

The duties and powers of the Office of State Property Insurance (DEPARTMENT) are defined within the law, in sections 29-13-1 through 29-13-5 (CODE). The DEPARTMENT serves the State of Mississippi as a property insurance authority at the state level as sanctioned and appointed by the Department of Finance and Administration (DFA) and the CODE. The DEPARTMENT is not a regulatory agency of the State, but a service arm assisting State Institutions/Agencies and Departments with property insurance and related needs. It shall purchase and maintain business property insurance on all state-owned buildings and/or contents as required by federal law and regulations of the Federal Emergency Management Agency (FEMA) as is necessary for receiving public assistance or reimbursement for repair, reconstruction, replacement or other damage to those buildings and/or contents caused by the Hurricane Katrina Disaster of 2005 or subsequent disasters.

102: PURPOSE OF THE POLICY AND PROCEDURE MANUAL

The purpose of this manual is to establish policies and procedures governing the provision of property insurance for all non-IHL state owned properties in the State of Mississippi, including all associated ancillary insurance policies, and the provision of the National Flood Insurance Program (NFIP) flood insurance for all State of Mississippi properties located in Special Flood Hazard Area flood zones.

103: USING THIS POLICY AND PROCEDURE MANUAL

This manual is developed by and shall be used for the reference and resource of information by the public and by all personnel of the DEPARTMENT when procuring and administering property insurance policies for all state owned properties of the State of Mississippi. Currently, the Institute of Higher Learning (IHL) provides their own insurance coverages, and is excluded by all DEPARTMENT services except NFIP flood insurance. This manual is to be used in furtherance of the laws and statutes set forth in Sections 29-13-1 through 29-13-5 of the CODE and any other statutes pertaining to property insurance for the state.

An electronic copy is located at http://www.dfa.ms.gov/media/7488/policies-and-procedures.pdf.

104: OBJECTIVE OF THE POLICY AND PROCEDURE MANUAL

The primary objective of the manual is to establish policies and procedures that will enhance the effectiveness and efficiency of the DEPARTMENT to serve the interests of the State of Mississippi.

2 MANAGEMENT AND ORGANIZATION

201: ORGANIZATION

The DEPARTMENT is responsible for the procurement and administration of all property insurances, FEMA NFIP flood insurance, and other ancillary insurance policies consisting of fine arts, equipment breakdown, boiler and machinery, broadcasters and mobile equipment, terrorism, and cyber liability insurance for all state-owned, non-IHL properties.

202: AUTHORITY

The DFA is given the authority to provide property insurance for the State of Mississippi. The DEPARTMENT was established for this purpose.

The DEPARTMENT is managed by the Director and State Floodplain Manager, who reports directly to the Deputy Executive Director of the DFA or the Executive Director of the DFA in his/her absence.

3 POLICIES

301: PURCHASE OF PROPERTY/PERSONAL PROPERTY INSURANCE

The DEPARTMENT shall source, obtain, and procure business property insurance and business personal property insurance on all state owned buildings, including contents.

The DEPARTMENT works with domestic and international insurance markets each year to develop comprehensive layered insurance programs for state owned buildings and personal property/contents. The DEPARTMENT manages and orchestrates all property claims, working with individual agencies, the Bureau of Building, commercial adjusters, consultants, and insurers to bring about expedient and efficient claims payments and solutions.

302: NATIONAL AND STATE EMERGENCY EVENTS

The DEPARTMENT manages the FEMA Public Assistance program associated with national and state emergencies, and partners with the Mississippi Emergency Management Agency (MEMA) to provide federal assistance for applicable declared emergency events.

The DEPARTMENT has developed a Preapproved Vendor List (PVL) contract with three national emergency services companies. The link to this contract is at:
http://www.dfa.ms.gov/media/8964/remediation-and-emergency-services-pvl-exp-5022022-002.pdf

The DEPARTMENT will work with each affected agency and coordinate with MEMA and FEMA during a declared state or national emergency for the services required. Use of the PVL and emergency services companies will be determined immediately by the agency or DEPARTMENT. Actions and services potentially include:

- The agency shall take steps to protect and mitigate damages.
- Engagement with an emergency services company.
- Loss/damages assessed and reported to broker and adjuster.
- Engagement of the MEMA Office Director.
- Engagement of the DFA Bureau of Building, Grounds and Real Property Management department.

303: NATIONAL FLOOD INSURANCE PROGRAM

The DEPARTMENT participates in the FEMA NFIP flood insurance program. The Director serves as the State Floodplain Manager and maintains the State of MS Floodplain Regulations Manual. The DEPARTMENT works with brokers, insurers, surveyors, engineers, and agencies to manage flood insurance for all state-owned properties, including IHL, located within FEMA Special Flood Hazard Area flood zones. The link to the State of MS Floodplain Manual is: http://www.dfa.ms.gov/media/9296/ms-floodplain-management-manual.pdf.

304: INVENTORY OF BUILDINGS

The DEPARTMENT manages and controls the inventory and documentation of all state-owned properties, and produces the Statement of Values and Underwriting reports for the insurance markets. The DEPARTMENT manages and maintains the DFA Enhanced Information System (EIS) database for use with all state properties and agencies for the State of Mississippi. The link to the State of MS Statement of Values is: http://www.dfa.ms.gov/media/10121/sov-report-from-eis-07272020.pdf.

4 INSURANCE DEFINITIONS

401: DEFINITIONS

ALL RISKS – A broad form of coverage, providing protection against all risks of physical loss or damage from any external cause. It does not embrace loss or damage due to normal wear and tear and age.

APPRAISAL – An evaluation of property made to ascertain either the appropriate amount of insurance to be written or the amount of loss to be paid.

BUSINESS INTERRUPTION – A form of insurance coverage that replaces business income lost as a result of an event or loss that interrupts the operations of the business.

CLAIM – A submission to the insurance company for payment or reimbursement of services rendered to owner of the policy.

CONDITIONS – Provisions stated in an insurance contract that state the rights and duties of the insured, or the rights and duties of the insurer.

CONTINGENT TIME ELEMENT – Covered loss for specific fixed expenses at a location resulting from the interruption of electricity, steam, gas, water, sewer, or telecommunications or any other utility or service to that location which results from an accidental occurrence or loss at a facility or location.

DEBRIS REMOVAL – A consequential coverage commonly included in direct loss policies. For example, fire policies provide limited recovery for the insured's cost of removing the debris after a covered fire.

DEDUCTIBLE – Amount paid by the policy owner before the insurance plan pays out on any claim.

DIRECT LOSS – The immediate consequence of the action of an insured peril. A fire-damaged structure is a "direct loss" by fire.

EXCLUSIONS / LIMITATIONS – Specific conditions or circumstances listed in a policy for which the policy will not provide benefit payments.

FEMA – Federal Emergency Management Agency, located in Washington, D.C.

HURRICANE – A tropical storm marked by extremely low pressure and circular winds with a velocity of 75 miles per hour or more.

INDEMNIFICATION – The compensation to the insurers of a loss, in whole or in part, by payment, repair, or replacement.

INDEPENDENT ADJUSTER – An individual or member of a firm who contracts with insurers to investigate claims and suggest appropriate settlements.

LIABILITY – Any legally enforceable act or obligation.

LIABILITY INSURANCE – Protects business assets and covers the cost of lawsuits resulting from bodily injury (e.g. customer slips on wet floor), personal injury (e.g. slander or libel) and false advertising.

LIMITS OF LIABILITY – The maximum sums listed on a liability policy for which the insurance company provided protection.

LOSS – A natural or man-made exposure or event causing harm, damage, or destruction to any state-owned property. Examples include fire, tornado, hail, hurricane, flooding, vandalism, arson, smoke, lightning, theft, collapse, earth movement, terrorism, etc.

MEMA – Mississippi Emergency Management Agency, located in Pearl MS.

NAMED PERILS – Coverages in a policy that provide protection from loss of perils specifically listed in the insurance policy. Examples of named perils are fire, windstorm, theft, smoke, etc.

NON-DISCLOSURE – The failure of the insured or their broker to disclose a material circumstance to be underwriter before acceptance of the risk. A breach of good faith.

NOTICE OF LOSS – Notice to an insurer that a loss has occurred. Notice of loss is a condition of most policies, and it is frequently required within a given time and particular manner.

OCCURRENCE – An event that results in a loss that is insured.

PERIL – The cause of a loss insured against in a policy.

POLICY – The legal document issued by the company (insurer) to the policyholder (insured), which outlines the conditions and terms of the insurance; also called the policy contract or the contract.

PREMIUM – Amount paid by policy owner to own an insurance policy.

PROPERTY INSURANCE – Protects business assets (buildings and structures) and contents against loss.

PROXIMATE CAUSE – The effective cause of loss or damage; an unbroken chain of events between the occurrence and damage.

REPLACEMENT COST – The cost to repair or replace property without considering depreciation.

RISK – The chance of loss. Also used to refer to the insured or to property covered by a policy.

SOV – Statement of Values of state owned property

5 FORMS

The link to the forms is: http://www.dfa.ms.gov/dfa-offices/state-property-insurance/forms/.

Mississippi Department of Finance & Administration
Office of State Property Insurance
501 N West St., Suite 1402
Jackson, MS 39201

WHAT TO DO IN THE EVENT OF A PROPERTY LOSS

Immediate Steps to Take

1. Contact local Emergency Services as needed (Fire, Police, Medical, etc.).
2. Contact Executive Director(s) or Head of Agency/office involved.
3. Contact DFA:
    a. Primary – Call George Roberson / 601-720-4207 - mobile 601-576-2553 office
    b. Secondary – Call Daphne Baker / 601-576-2554 office
4. If loss is major or sustaining, contact a Remediation/Emergency Services Company. Our state has contracts through a Preferred Vendor List: (http://www.dfa.ms.gov/media/8427/remediation-and-emergency-services-pvl-exp-5022022-002.pdf) :
    a. Guarantee Restoration Services, LLC/**228-255-9000**
    b. Cotton Commercial USA, Inc./**877-511-2962**
    c. ServPro Commercial, LLC/**800-737-8776**

Current or Next Business Day

5. Complete State Property Loss Notice form (next page) and email to George Roberson (george.roberson@dfa.ms.gov) .
6. Open a new general ledger account to record all costs/expenses/expenditures related to the loss. Use the Elements of Extra Expense Claim form as needed.

Mississippi Department of Finance & Administration
Office of State Property Insurance
501 N West St., Suite 1402
Jackson, MS 39201

STATE PROPERTY LOSS NOTICE

Agency Name _____

Agency Mailing Address _____

_____

Date/Time of Occurrence _____

Location of Occurrence (Building and Address)_____

_____

Agency Head _____

Agency Head email _____

Agency Head Office phone _____

Agency Head Cell phone _____

Alternate Contact Person _____

Alternate Contact Person email _____

Alternate Contact Person Office phone _____

Alternate Contact Person Cell phone _____

Description/Cause of Loss _____

_____

_____

_____

_____ Building Damaged _____ Contents Damaged

Complete and return to george.roberson@dfa.ms.gov .

Questions? Contact George Roberson 601-576-2553 or 601-720-4207

6 SIGNATURES

As Executive Director of the Department of Finance and Administration and by the authority empowered to me, I authorize the implementation of this policy and the procedure manual on this date of July 30, 2020.

Approved by: _____

Liz Welch
Executive Director
Department of Finance and Administration

_____

George Roberson
Director / State Floodplain Manager
Office of State Property Insurance
Department of Finance and Administration

THIS POLICY IS EFFECTIVE IMMEDIATELY AND REPLACES ALL INCONSISTENT POLICIES. IT IS SUBJECT TO REVISION AS NECESSARY BY THE OFFICE OF STATE PROPERTY INSURANCE.