



WINDSOR

October 21, 2024

To: Maryland Insurance Administration
200 St Paul Pl Suite 2700
Baltimore, MD 21202

From: James Shannon
Underwriting Manager

RE: Decreasing Availability of Insurance Coverage for Mobile/Manufactured Homes in Coastal Areas

Windsor-Mount Joy Mutual Insurance Company has been a consistent market along the coast in Maryland for decades, including writing new business on manufactured housing in Worcester County. Although Windsor currently writes manufactured homes in Worcester County, the company does have underwriting guidelines that must be met. The company continues to renew many policies that otherwise would not meet the current underwriting guidelines if they were written as new business today.

Building codes are a major component in homes, especially homes that are located in areas that are prone to natural disasters. Manufactured homes do not have the same building codes as site built homes. Instead, manufactured homes are built to the HUD codes. Attached to this letter we have included "[The Evolution of the HUD Code](#)"¹ from the HUD website showing how the HUD Codes have changed over the years.

Many manufactured homes have been altered over the years with additions, carports, and porches. Although many times these alterations add value to the home, they can also create additional vulnerabilities, thus making them a greater risk from a severe weather event. The Insurance Institute for Business and Home Safety have performed tests and studies on carports attached to manufactured homes. We would encourage you to visit their website to review videos and materials from tests they have conducted in the past titled "[Manufactured Homes and Attached Structures](#)"².

To ensure solvency, companies purchase catastrophe reinsurance. Insurers have their portfolio of risks analyzed using catastrophe models. This helps to guide the company in determining the amount of catastrophe reinsurance a company needs to purchase, and reinsurers use this information to determine the appropriate cost of reinsurance. These models take into account the location, type of construction, age, building codes, values, concentration of insured risks, and the likelihood of a specific peril impacting the portfolio. These models are recalibrated over time as more data is gathered following a catastrophic event and as weather trends evolve.

¹ U.S. Department of Housing and Urban Development. *The Evolution of the HUD Code*. Retrieved from <https://www.hud.gov/sites/dfiles/PA/documents/The-Evolution-of-the-HUD-Code.pdf>

² Insurance Institute for Business and Home Safety. *Manufactured Homes and Attached Structures*. Video and publications found at <https://ibhs.org/wind/manufactured-home-high-wind-testing/>

Windsor continues to offer coverage to manufactured homes including those in coastal regions and hopes to continue to offer this coverage in the future. To be able to continue to write this class of business and to ensure solvency and stability, companies must be able to get appropriate rates and terms. In addition, it is important for codes to continue to evolve and strengthen to ensure homes can be more resilient and any alterations to homes are making the home safer and not more vulnerable.

Sincerely,



James P. Shannon
Underwriting Manager

The Evolution of the HUD Code

Throughout its five decades, the HUD Code has and will continue to evolve to meet the needs of those seeking manufactured housing as a comparable alternative to traditional site-built homes:

- **1974:** The National Manufactured Housing Construction and Safety Standards Act of 1974 is passed, directing the HUD Secretary to establish national manufactured housing construction and safety standards and regulations for the country, commonly referred to as the “HUD Code.”
- **1976:** The first version of the HUD Code is implemented. From this point on, all manufactured homes constructed in the United States are required by federal law to be built in compliance with the nationally preemptive HUD Code standards.
- **1984:** The first-ever government issued formaldehyde emission limits for plywood and particleboard are issued by HUD and fire safety improvements are added to the HUD Code (49 FR 31996).
- **1987:** HUD Code updates incorporate reference standards, utility entrance requirements (52 FR 4574), and enhanced testing for windows and doors (57 FR 35542).
- **1998:** Standards requiring lead-free water piping in manufactured homes are added (53 FR 23610).
- **1990:** Congress establishes the National Commission of Manufactured Housing to develop recommendations for modernizing the National Manufactured Housing Construction and Safety Standards Act of 1974.
- **1993:** HUD upgrades energy conservation requirements in the HUD Code (58 FR 58204) with more rigorous thermal values and house ventilation requirements.
- **1994:** In response to the devastation caused by Hurricane Andrew, HUD significantly strengthens the HUD Code wind standards to enhance the structural integrity of manufactured homes.
- **2000:** The Manufactured Housing Improvement Act of 2000 (2000 Act) is passed. This legislation significantly amends the 1974 Act by creating new mandates for manufactured home installation and dispute resolution, requiring that the Secretary of HUD establish the Manufactured Housing Consensus Committee (MHCC). The MHCC is a Federal Advisory Committee, charged with providing recommendations to the Secretary on the revision and interpretation of HUD's manufactured home construction and safety standards and related procedural and enforcement regulations.
- **2002:** HUD updates the HUD Code to revise the location and placement of smoke alarms for increased safety and effectiveness.

- **2005:** HUD publishes the first major revisions to the HUD Code via the federal rulemaking process (70 FR 72024) that are based upon the first set of MHCC recommendations for HUD Code updates. These revisions addressed a wide range of revisions including areas of fire safety, roof load and design requirements, and thermal protection.
- **2007:** HUD establishes the Manufactured Housing Dispute Resolution Program which provides timely resolution of disputes between manufacturers, retailers and installers of manufactured homes regarding responsibility, and for the issuance of appropriate orders for the correction or repair of defects in manufactured homes.
- **2008:** HUD establishes the Manufactured Home Installation Program which ensures that minimum installation standards and installation programs are in place and operating in all states.
- **2009:** HUD strengthens its oversight of quality assurance implementation to emphasize quality and focus on improving quality control procedures and quality assurance programs within the manufactured housing industry.
- **2013:** HUD publishes its second revision to the HUD Code based upon the second set of MHCC recommendations (78 FR 73966). The standards address a wide range of revisions including areas of testing, plumbing, heating and cooling, and electrical systems.
- **2014:** HUD implements revisions to “Subpart I” requirements of the Manufactured Home Procedural and Enforcement Regulations, establishing new processes for manufacturers to handle consumer complaints and report problems.
- **2015:** Based upon recommendations from the MHCC, HUD implements on-site completion of construction requirements, and associated procedures, for manufactured homes. Effective in 2016, the regulations addressed manufactured homes that are substantially completed at the installation site.
- **2020:** HUD issues two final rules to address formaldehyde emission standards (85 FR 5562) and adjust minimum payments to States (85 FR 71831), strengthening HUD’s commitment to State Administrative Agencies – its regulatory partners.
- **2021:** HUD publishes a major revision to the HUD Code based upon the third set of MHCC recommendations (86 FR 2496), including changes to carbon monoxide detector requirements, attached garages and carports, zero lot line homes, and other safety and construction innovation improvements. In addition, HUD issues first-ever industry-wide Alternative Construction letters for doors, windows, and circuit breakers to support continued industry construction of manufactured homes amidst supply chain constraints due to the COVID-19 pandemic.

- **2022:** HUD proposes the largest revision to the HUD Code based upon the fourth and fifth sets of MHCC recommendations, including the incorporation of over 80 new or updated reference standards into the HUD Code, standards supporting multi-dwelling unit single family manufactured homes, facilitating more open floor plans, integrating more innovative ridge roof designs, facilitating use of energy-saving appliances, and other improvements.
- **2023:** The Office of Manufactured Housing Programs becomes an independent office within the Office of Housing at HUD, to be led by a Deputy Assistant Secretary for Manufactured Housing Programs reporting directly to the Assistant Secretary for Housing and Federal Housing Commissioner.
- **2024:** The HUD Code celebrates its 50th anniversary. As HUD releases its largest update to the HUD Code in over two decades, it renews its commitment to promote and preserve the quality, durability, safety, and affordability of manufactured homes nationwide.