

## WINDSTORM AND HAIL COVERAGE – BASIC FORM

**Subject to the terms of this policy, this policy provides coverage for damage to property (Coverage A) and contents (Coverage C) caused by windstorm and/or hail only.**

### AGREEMENT

We will provide insurance for property damage caused by windstorm and/or hail as described in this policy in return for the premium and your compliance with all applicable provisions of this policy.

### DEFINITIONS

In this policy, certain words and phrases are defined as follows:

1. **“Actual Cash Value”** means replacement cost less depreciation.
2. **“Depreciation”** means deductions for age, usage, and/or condition.
3. **“Described Location”** means the premises identified in the Declarations.
4. **“Limit of Liability”** means that limit of coverage shown in the Declarations.
5. **“Named Storm”** means a storm system that has been named by the National Hurricane Center of the National Weather Service.
6. **“Primary Residence”** means a dwelling occupied by you for more than a total of 270 days in the most recent calendar year or dwelling that is your legal residence.
7. **“Replacement cost”** means the cost to repair or replace with like kind and quality without deductions for depreciation.
8. **“We,” “us,” and “our”** refer to the Mississippi Windstorm Underwriting Association.

9. **“You” and “Your”** refer to the named insured shown in the Declarations and the spouse if a resident of the same household.

### DEDUCTIBLE

The following deductible provisions apply:

1. Subject to the policy provisions and the Limit(s) of Liability that apply, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.
2. The above Deductible Clause will not be applied to any loss resulting from wind or hail that occurs when a Named Storm is present. Instead, when a Named Storm is present, the attached Named Storm Deductible Clause applies.

### COVERAGES

This windstorm and hail insurance applies to the Described Location, coverages for which a Limit of Liability is shown and for which a premium is stated.

#### A. Coverage A – Dwelling

##### 1. Covered Property.

Subject to the exclusions and all other provisions of this policy, we cover:

- a. The dwelling on the Described Location shown in the Declarations, including structures attached to the dwelling;
- b. Materials and supplies located on or next to the Described Location used to construct, alter, or repair the dwelling or other structures on the Described Location; and
- c. If not otherwise covered in this policy, building equipment and outdoor equipment

used for the service of and located on the Described Location.

## 2. Property Not Covered.

Unless liability is assumed in this policy by a separate and specific schedule, item, or by endorsement and a premium is paid by you for such assumed liability, this coverage does not include loss caused by windstorm and/or hail to the following:

- a. Land, including land on which the dwelling is located.
- b. Trees, shrubs, plants, or lawns.
- c. Fences or walls, including but not limited to seawalls, property line walls, and similar walls.
- d. Cloth awnings, when outside of buildings.
- e. Signs, radio or television antennas, aerials, or satellite dishes, including lead-in wiring, masts, towers.
- f. Watercraft of all types.
- g. Greenhouses, hothouses, slathouses, trellises, pergolas.
- h. Wharves, docks, piers, boathouses, or other structures located over water. If any part of the wharf, dock, pier, boathouse, or other structure is located over water, it is not covered property.
- i. Grain, hay, straw, or other crops, whether inside or outside the dwelling or other structure on the Described Location and whether the grain, hay, straw, or other crops had been harvested or not.
- j. Windmills, windpumps, or their towers.
- k. Crop silos or their contents.

l. Metal smokestacks.

m. Any vehicle, motor conveyance, or motorized land conveyance owned or operated by you or a resident of the Described Location and/or in your care, custody, or control, including but not limited to all-terrain vehicles, boats, campers, cars, golf carts, motorcycles, mopeds, scooters, trailers (including but not limited to boat, house, travel, and vehicle trailers), and/or any wheeled vehicle, whether mechanized or not and whether operable or not.

## 3. Unoccupied or Vacant Structures

Coverage A applies even if the Described Location is unoccupied or vacant at the time of the loss.

### B. Coverage A – Other Structures

#### 1. Covered Property.

Subject to exclusions and all other provisions of this policy, we cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

#### 2. Property Not Covered.

Unless liability is assumed in this policy by a separate and specific schedule, item, or by endorsement and a premium is paid by you for such assumed liability, this coverage does not include loss caused by windstorm and/or hail to the following:

- a. Land, including land on which the other structures are located.
- b. Fences or walls, including but not limited to seawalls, property line walls, and similar walls.
- c. Cloth awnings, when outside of buildings.

- d. Signs, radio or television antennas, aerials, or satellite dishes, including lead-in wiring, masts, towers.
- e. Greenhouses, hothouses, slathouses, trellises, pergolas.
- f. Wharves, docks, piers, boathouses, or other structures located over water. If any part of the wharf, dock, pier, boathouse, or other structure is located over water, it is not covered property.
- g. Windmills, windpumps, or their towers.
- h. Crop silos or their contents.
- i. Metal smokestacks.
- j. The connecting item between the structure and other structure if it isn't covered under Coverage A – Dwelling.
- k. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.
- l. Other structures used in whole or part for commercial, manufacturing, or farming purposes.
- m. Gravemarkers, including mausoleums.
- n. Any vehicle, motor conveyance, or motorized land conveyance owned or operated by you or a resident of the Described Location and/or in your care, custody, or control, including but not limited to all-terrain vehicles, boats, campers, cars, golf carts, motorcycles, mopeds, scooters, trailers (including but not limited to boat, house, travel, and vehicle trailers), and/or any wheeled vehicle, whether mechanized or not and whether operable or not.
- o. Watercraft of all types

### **3. Limit of Liability for Other Structures**

You may use up to 10% of the Coverage A Limit of Liability for loss by windstorm or hail to other structures as described in B.1.

Payment under this coverage reduces the Coverage A Limit of Liability by the amount paid for the same loss.

## **C. Coverage C – Personal Property**

### **1. Covered Property.**

Subject to exclusions and all other provisions of this policy, we cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

### **2. Property Not Covered.**

This coverage does not include loss caused by windstorm and/or hail to the following:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards, smart cards.
- b. Animals, birds, or fish.
- c. Aircraft, meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.

However, we do cover model or hobby aircraft not used or designed to carry people

or cargo.

d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flare craft and air cushion vehicles.

e. Any vehicle, motor conveyance, or motorized land conveyance owned or operated by you or a resident of the Described Location and/or in your care, custody, or control, including but not limited to all-terrain vehicles, boats, campers, cars, golf carts, motorcycles, mopeds, scooters, trailers (including but not limited to boat, house, travel, and vehicle trailers), and/or any wheeled vehicle, whether mechanized or not and whether operable or not.

i. This includes:

a. Their accessories, equipment, and parts; or

b. Any device or instrument for the transmitting, recording, receiving, or reproduction of sound or pictures which is operated from the electrical system of boats, motor vehicles, and/or all other motorized conveyances and related accessories. Accessories include but are not limited to antennas, depth finders, discs, monitors, music or media players, navigation systems, tapes, records, satellites, wires, or other media that can be used with any device or instrument described above.

The exclusion of property described in Paragraphs i.a. and i.b. above applies only when such property is attached to, in, or upon the boat, vehicle, or conveyance.

ii. We do cover motor vehicles or other motorized land conveyances, whether mechanized or not, including but not

limited to golf carts, scooters, and/or wheelchairs, that are not required to be registered for use on public roads and property which are:

(1) Used solely to service the Described Location; or

(2) Designed to assist the handicapped.

f. Watercraft of all types.

g. Data, including data stored in:

i. Books of account, drawings, or other paper records; or

ii. Computers and related equipment.

We do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market.

h. Credit cards, gift certificates, gift cards, store cards, debit cards, electronic fund transfer cards, or access devices used solely for deposit, withdrawal, or transfer of funds.

i. Gravemarkers, including mausoleums;

#### **D. Consequential Loss.**

The coverages listed in D.1 and D.2 below are not additional insurance and do not increase the limit of liability for Coverage C - Personal Property. The expense for these coverages is included in the Coverage C Limit of Liability.

1. Subject to the terms and provisions shown in Coverage C - Personal Property, we cover:

a. Property contained in the dwelling or other structure on the Described Location insured under Coverage A against loss due to change in temperature as a direct result of physical damage to the dwelling, or any equipment contained in the dwelling, caused

by windstorm or hail.

- b. You may use up to 5% of the Coverage C Limit of Liability for loss by windstorm or hail as described in D.1.

Payment under this coverage reduces the Coverage C Limit of Liability by the amount paid for the same loss.

- 2. Subject to the terms and provisions shown in Coverage C - Personal Property, we cover:

- a. Property contained in the dwelling or other structure insured under Coverage A on the Described Location against loss due to change in temperature as a direct result of physical damage to any power, heating, or cooling equipment (including connections and supply pipes) located on the Described Location when such damage was caused by windstorm or hail.

- b. You may use up to 5% of the Coverage C Limit of Liability for loss by windstorm or hail as described in D.2.

Payment under this coverage reduces the Coverage C Limit of Liability by the amount paid for the same loss.

## **E. Other Coverages.**

The coverages listed in E.1, E.2, and E.3 below are not additional insurance and do not increase the limit of liability for Coverage A - Dwelling. The expense for these coverages is included in the Coverage A Limit of Liability.

### **1. Additional Living Expense.**

- a. If a loss covered by this policy makes the Described Location which you use as your Primary Residence uninhabitable, we cover any reasonable, necessary increase in living expenses, incurred by you, so that your household can maintain its normal standard

of living.

- b. The total limit of liability for all additional living expense is 10% of the limit of liability available under Coverage A – Dwelling as shown in the Declarations.

This is not additional insurance. It reduces the limit of liability applicable to Coverage A – Dwelling. Payment under this coverage reduces the Coverage A Limit of Liability by the amount paid for the same loss.

- c. The deductible does not apply to additional living expense coverage.

- d. Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere

- e. The periods of time for additional living expense are not limited by expiration of this policy.

- f. If the civil authority for the area in which your Primary Residence is located orders a mandatory evacuation for an area that includes your Primary Residence, we cover the additional living expense loss, such as transportation, food, lodging, incurred by you to comply with the mandatory evacuation.

- i. In order to receive additional living expense as a result of a mandatory evacuation, you must present receipts for the paid expenses.

- ii. The total Limit of Liability available for the additional living expense coverage available under E.1.f. is \$1,500.

- (1) This total Limit of Liability applies to each Named Storm regardless of the number of mandatory evacuations

ordered for a single Named Storm.

- iii. Payment of the additional living expense coverage available under E.1.f. reduces the Limit of Liability available for additional living expenses as described in E.1.b.
- g. If a civil authority prohibits you from use of the Described Location which you use as your Primary Residence as a result of direct damage to neighboring premises by windstorm or hail, we cover the additional living expense loss as provided in this additional coverage for no more than two weeks.
- h. We do not cover loss or expense due to cancellation of a lease or agreement.
- i. This additional coverage is available only to your Primary Residence. Primary Residence means a dwelling occupied by you for more than a total of 270 days in the most recent calendar year or dwelling that is your legal residence.
- j. This coverage does not apply to an Insured's business, whether conducted on or off any insured location.

## 2. Debris Removal.

We will pay your reasonable expense for the removal of:

- a. Debris of covered property if windstorm or hail caused the loss.
- b. The removal of contents is limited to those contents covered under Coverage C – Personal Property.

This is not additional insurance. It reduces the limit of liability applicable to Coverage A – Dwelling. Payment under this coverage reduces the Coverage A Limit of Liability by the amount paid for the same

loss.

## 3. Reasonable Repairs.

To mitigate against further damage, in the event that covered property is damaged by windstorm and/or hail, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage from windstorm and/or hail. This coverage does not:

- i. Increase the Limit of Liability that applies to the covered property; or
- ii. Relieve you of your duties, in case of a loss to covered property, as set forth in this policy.

This is not additional insurance. It reduces the limit of liability applicable to Coverage A – Dwelling. Payment under this coverage reduces the Coverage A Limit of Liability by the amount paid for the same loss.

## PERIL INSURED AGAINST: WINDSTORM AND HAIL

We provide coverage for direct physical loss(es) to the property covered caused by windstorm and/or hail unless otherwise provided for in this policy.

1. This policy does not cover loss:

- a. Caused directly or indirectly by
  - i. frost or cold weather or
  - ii. ice (other than hail), snow, or sleet, whether driven by wind or not
- b. Caused by water from a sprinkler equipment or other piping unless the equipment or piping was damaged as a direct result of wind or hail.
- c. To the inside of a building or the property contained in a building caused by rain,

water, snow, sleet, sand, or dust unless the direct force of wind or hail damages the building, causing an opening in the roof or wall and the rain, water, snow, sleet, sand, or dust enters through this opening.

## EXCLUSIONS

We do not provide coverage for direct physical loss(es) to property covered under this policy if the loss is caused directly or indirectly by any of the following:

### 1. Water Damage.

Water Damage means:

- a. Flood; storm or tidal surge; surface water; waves; tidal water or tidal wave; overflow of oceans, bays, bayous, inlets, rivers, streams, or other bodies of water; or spray from any of them, all whether driven by wind or not;
- b. Water or water-borne material that backs up through sewers or drains or which overflows or is discharged from a sump, sump pump, or related equipment; or
- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure;

caused by or resulting from human or animal forces or any act of nature.

### 2. Neglect.

Neglect means your neglect to use all reasonable means to save and preserve property at and after the time of loss.

### 3. Power Failure.

Power failure means the failure of power or other utility service unless the loss is caused by covered

damage to the power equipment at the Described Location.

### 4. Ordinance or Law.

Ordinance or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation, or repair of property, including but not limited to changes in applicable building codes and/or the removal of any resulting debris;
- b. The requirements of which result in loss in value to your property; or
- c. Requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.
  - i. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

This Exclusion applies whether or not the property has been physically damaged.

### 5. Governmental Action.

Governmental Action means the destruction, confiscation, or seizure of the covered property by order of any governmental or public authority.

### 6. Mold, Fungi, Wet or Dry Rot, or Bacteria.

Any other language of the policy and endorsements notwithstanding, this policy does not provide any coverage for any loss, damage, or cost directly or indirectly caused by, resulting from, contributed to, or aggravated by fungi, wet or dry rot, or bacteria, even if such fungi,

wet or dry rot, or bacteria were caused or contributed to directly or indirectly by a covered windstorm or hail event.

“Fungi” means any type or form of fungus or fungi, including but not limited to mold, mildew, mycotoxins, spores, and includes scents and byproducts produced or released by such fungi.

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

## **CONDITIONS**

### **1. Policy Period.**

This policy applies only to loss that occurs during the policy period provided the policy was in force.

### **2. Insurable Interest and Limit of Liability.**

Even if more than one person has an insurable interest in the covered property, we will not be liable in any one loss:

- a. For an amount greater than the interest of a person, insured under this policy at the time of the loss; or
- b. For more than the applicable limit of liability.

### **3. Concealment or Fraud.**

We provide coverage to no persons insured under this policy if, whether before or after a loss, one or more persons insured under this policy have:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements relating to this insurance.

### **4. Duties After Loss.**

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you or your representative:

- a. Give prompt notice to us or your insurance agent;
- b. Protect the property from further damage. If repairs to the property are required, you must:
  - i. Make reasonable and necessary repairs to protect the property; and
  - ii. Keep an accurate record of repair expenses;
- c. Cooperate with us in the investigation of a claim;
- d. Prepare an inventory of damaged personal property that shows the quantity, quality, description, actual cash value, and amount of loss. Attach all bills, receipts, and related documents that justify the figures in the inventory;
- e. As often as we reasonably require:
  - i. Show the damaged property;
  - ii. Provide us with records and documents we request and permit us to make copies; and
  - iii. Submit to an examination under oath, while not in the presence of another named insured, and sign the same;
- f. Send to us, within sixty (60) days after our request, your signed and sworn proof of loss that sets forth, to the best of your knowledge and belief;

- i. The time and cause of loss;
- ii. Your interest and that of all others in the property involved and all liens on the property;
- iii. Other insurance which may cover the loss;
- iv. Other insurance benefits you have already received for the loss;
- v. Changes in title or occupancy of the property during the term of the policy;
- vi. Specifications of damaged buildings and detailed repair estimates;
- vii. The inventory of personal property described in Paragraph 4.d.

**5. Loss Settlement.**

Covered property losses are settled as follows:

- a. Actual cash value at the time of loss but not more than the amount required to repair or replace for
  - i. Personal property;
  - ii. Carpeting, household appliances, and outdoor equipment, whether attached to the building or not; and
  - iii. Structures that are not buildings.
- b. Dwelling and Other Structures at replacement cost without deduction for depreciation, subject to the following:
  - i. If, at the time of loss, the Limit of Liability for the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after

application of deductible and without deduction for depreciation, but not more than the least of the following amounts:

- a. The Limit of Liability shown in the Declarations that applies to the damaged building;
  - b. The replacement cost of that part of damaged building for like construction and use on the same premises; or
  - c. The necessary amount actually spent to repair or replace the damaged building.
- ii. If, at the time of loss, the Limit of Liability for the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Liability applicable to the damaged building:
    - (1) The actual cash value of that part of the building that is damaged; or
    - (2) That proportion of the cost to repair or replace, after application of the deductible and without deduction for depreciation, that part of the building that is damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
  - iii. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
    - (1) excavations, foundations, piers, or any supports that are below the

under surface of the lowest basement floor;

(2) those supports in 5.b.3.1. that are below the surface of the ground inside the foundation walls, if there is no basement; and

(3) underground flues, pipes, wiring, and drains.

iv. We will pay no more than actual cash value of the damage unless:

(1) Actual repair or replacement is complete; or

(2) The cost to repair or replace is both

a. Less than 5% of the Limit of Liability on the damaged building; and

b. Less than \$5,000.00.

v. The replacement cost loss settlement provisions outlined above can be disregarded at your request and you can make a claim under this policy for loss of damage to a covered building on an actual cash value basis. You may then make an additional claim within 180 days after the loss for any additional liability on a replacement cost basis.

vi. The underlying fire policy must provide for replacement cost basis. If it does not, then loss settlement is done on an actual cash value basis.

## 6. Loss to a Pair or Set.

In case of a loss to a pair or set, we may elect to:

a. Repair or replace any part to restore the pair or set to its value before the loss; or

b. Pay the difference between the actual cash value of the property before and after the loss.

## 7. Glass Replacement.

a. Loss for damage to glass caused by windstorm or hail will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

b. If replacement with safety glazing materials is not required by ordinance or law, loss for damage to glass caused by windstorm or hail will be settled on the proportion of the insurance on any building covers plate, stained, leaded, or cathedral glass therein, to the value of such glass which is damaged bears to the total value of the building.

## 8. Appraisal.

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within thirty (30) days after receiving written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

a. Pay its own appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

## **9. Other Insurance and/or Service Agreement.**

If a covered loss to the property covered by this policy is also covered by:

- a. Other insurance, we will pay only the proportion of a covered loss under this policy that the limit of liability that applies to the covered loss under this policy bears to the total amount of insurance covering the property; or
- b. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty, or other similar service warranty agreement, even if it is characterized as insurance.

## **10. Subrogation.**

You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

## **11. Suit Against Us.**

No action can be brought against us unless there has been full compliance with all of the terms under this policy. The applicable statute of limitations or prescriptive period will apply to any lawsuit brought against us.

## **12. Our Option.**

If we give you written notice within thirty (30) days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

## **13. Loss Payment.**

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable ninety (90) days after we receive your signed, sworn proof of loss and:

- a. We reach an agreement with you;
- b. There is an entry of final judgment; or
- c. There is a filing of an appraisal award with us.

## **14. Abandonment of Property.**

We need not accept any property abandoned by you.

## **15. Mortgage Clause.**

- a. If a mortgagee is named in this policy, any loss payable under Coverage A will be paid to the mortgagee and you as the interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
- b. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
  - i. Notifies us of any change in ownership, occupancy, or substantial change in the risk of which the mortgagee is aware;
  - ii. Prior to the loss, pays any premium due under this policy on demand if you have neglected to pay the premium; and
  - iii. Submits a signed, sworn statement of loss within sixty (60) days after receiving notice from us of your failure to do so. Policy conditions relating to Paragraphs 5 (Loss Settlement), 8 (Appraisal), and

11 (Suit Against Us) also apply to the mortgagee.

- c. If we decide to cancel or not to renew this policy, the mortgagee will be sent a notice of such decision at least ten (10) days before the date the cancellation or nonrenewal takes effect.
- d. If we pay the mortgagee for any loss and deny payment to you:
  - i. We are subrogated to all the rights of the mortgagee under the mortgage on the property; or
  - ii. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
- e. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

#### **16. No Benefit to Bailee.**

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing, or moving property for fee regardless of any other provision of this policy.

#### **17. Fully Earned Premium**

- a. This policy has a fully earned premium. When this policy is canceled, no premium will be returned to you or the mortgagee.
- b. The only exceptions to the fully earned premium requirement is when the policy is cancelled by you for any of the following reasons:

- i. the property insured under this policy has suffered a total loss;
- ii. you sold the property insured under this policy;
- iii. The property insured under this policy is covered for the perils of windstorm and hail under another policy; or
- iv. The business operated in the Described Location has ceased operations at the Described Locations.

For policies that cancel for any other reason than those outlined above, the full policy premium is considered earned and must be paid before the policy can be renewed or a new policy is issued for the same insured at same location.

#### **18. Minimum Earned Premium**

If this policy is cancelled for one of the reasons listed in Paragraph 17.b., this policy is subject to a minimum earned premium.

- i. The minimum earned premium is \$150.00 for policies that cover dwellings; one through four families or tenant occupied, multi-unit dwellings; trailers or mobile homes; and policies that cover contents only. All commercial policies have a minimum earned premium of \$250.00.

#### **19. Cancellation.**

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
  - i. Cancellation will take effect no sooner than thirty (30) days prior to the notice provided by you.
- b. When this policy has been in effect for less

than sixty (60) days and is not a renewal with us, we may cancel for any reason by letting you know at least ten (10) days before the date cancellation takes effect.

- c. When your policy has been in effect for sixty (60) days or more, or at any time if it is a renewal with us, we may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect.
  - i. non-payment of premium;
  - ii. default in payment under a premium finance arrangement;
  - iii. evidence of incendiarism;
  - iv. misrepresentation or concealment of any material fact either before or after loss;
  - v. cause which would have been grounds for non-acceptance of the risk had such cause been known at the time of acceptance; or
  - vi. cause arising subsequent to the inspection which would have been grounds for non-acceptance of the risk had such cause existed at the time of acceptance.
- d. When your policy is cancelled for failure to pay the premium, we may cancel at any time by letting you know at least ten (10) days before the date cancellation takes effect. When your policy is cancelled for any other reason, we may cancel at any time by letting you know at least thirty (30) days before the date cancellation takes effect. This cancellation notice may be mailed to you at your mailing address showing in the Declarations. Proof of mailing will be sufficient proof of notice.
- e. In accordance with Paragraph 17, when this

policy is canceled, no premium will be returned except when the policy is cancelled by you for any of the following reasons:

- i. the property insured under this policy has suffered a total loss;
  - ii. you sold the property insured under this policy;
  - iii. The property insured under this policy is covered for the perils of windstorm and hail under another policy; or
  - iv. The business operated in the Described Location has ceased operations at the Described Locations.
- f. If the policy is cancelled for one of the reasons listed above, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata, subject to the minimum premium as described in Paragraph 18. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

## **20. Nonrenewal.**

We may elect to not offer renewal of this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least thirty (30) days before the expiration date of the policy. Proof of mailing will be sufficient proof of notice.

## **21. Liberalization Clause.**

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change, provided that this implementation falls within sixty (60) days prior to or during the policy period stated in the

Declarations.

This Liberalization Clause does not apply to changed implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program is implemented through the introduction of:

- a. A subsequent edition of this policy; or
- b. An amendatory endorsement.

**22. Waiver or Change of Policy Provisions.**

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

**23. Assignment.**

Assignment of this policy will not be valid unless we give our written consent.

**24. Death.**

If you die, we insure:

- a. Your legal representatives but only with respect to the property of the deceased covered under this policy at the time of death;
- b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

**25. Recovered Property.**

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained

by you, the loss payment will be adjusted based on the amount you received for the recovered property.

**26. Windstorm or Hail Period.**

One or more windstorm or hail events that occur within a 72 hour period will be considered as one windstorm or hail event.

**27. Loss Payable Clause.**

If the Declarations show a loss payee for certain listed insured personal property, that person is considered an insured in this policy with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be sent a written notice of cancellation or nonrenewal.