

**MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE
UNDERWRITING ASSOCIATION REPORT OF PREMIUMS
FOR 2012 POLICY YEAR PARTICIPATION**

CONTENTS

- Cover letter to members
 - Sample Report of Premium – 2011 Direct Written Premium
 - Filing instructions
- ✓ Separate Excel template of Report of Premium

Mississippi Residential Property Insurance Underwriting Association

Phone (601) 981-2915 2685 Crane Ridge Drive P.O. Box 5389 Jackson, Mississippi 39296-5389

January 16, 2012

TO ALL MEMBER COMPANIES

REPORT OF 2011 PREMIUMS FOR USE IN DETERMINING MEMBERS PARTICIPATION FOR THE 2012 POLICY YEAR

The passage of House Bill 1113, by the 2003 Mississippi Legislature, amended the laws of Mississippi, Section 83-38-1 through 83-38-21, to create the Mississippi Residential Property Insurance Underwriting Association (MRPIUA), replacing the Mississippi Rural Risk Underwriting Association (MRRUA). This revision was made in order to expand the market for Fire and Extended coverage for one (1) and two (2) Family dwellings to all Public Protection Classes in Mississippi, excluding Wind and Hail coverage for the three (3) coastal counties of Harrison, Hancock and Jackson. All licensed companies writing residential property insurance, in Mississippi, on a direct basis are required to be members.

Prior to 2008, the MRPIUA accepted and used consolidated or grouped premium and voluntary credit information. The Board of Directors has determined that the statutes that created the MRPIUA do not allow companies to use grouping in the determination of participation percentages. Member Companies can no longer group affiliates for either premium reporting or voluntary credit purposes. Separate reports should be filed for each individual company.

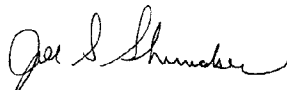
In order to determine your participation in the Mississippi Residential Property Insurance Underwriting Association (MRPIUA), we ask that you promptly complete and return the attached "INSURERS REPORT". This information is to be given for the calendar year 2011. It is requested that your report be submitted by April 1, 2012. Failure to submit a report by that date will necessitate referral to the Insurance Commissioner.

Credit for voluntary writings, should be reported to the Association for the current period on either a quarterly or annual basis. Voluntary writings are due March 1, 2012. ***Reports of voluntary writings received after March 1, will not be considered.***

Instructions for preparing the "INSURER'S REPORT", and voluntary premium information is included on the Association's website at www.msplans.com. Reports and voluntary writings may be emailed to preporting@msplans.com.

Should you have any questions or need additional information, please contact Joel Ferriss at the address or telephone number listed on our letterhead, or email at jferriss@msratingbureau.com.

Yours very truly,



Joe S. Shumaker
Manager

INSURER'S REPORT TO NAIC Co Code _____
MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION

P.O. Box 5389, Jackson, Mississippi 39296-5389

Name of Member Company (DO NOT GROUP COMPANIES): _____

PART I: Annual Statement - Direct Premiums Written - "Statutory Page 14", Column 1 - Mississippi - 2011

Fire (Line 1)	Allied Lines (Line 2.1)	Farmowners (Line 3)	Homeowners (Line 4)	Total (Line 1 thru 4)

PART II: Refinement of Premiums written for 2010 as shown on lines 1, 2.1, 3 and 4 of "Statutory Page 14" of the Company's Annual Statement to the Insurance Commissioner of the State of Mississippi **Direct Premiums Written Statewide***

A. Fire	1. All 10th Class 1-2 Family Dwelling Property Including Farm Dwelling Property**	\$ _____
	2. All 9th Class 1-2 Family Dwelling Property**	\$ _____
	3. All 3rd through 8th Class 1-2 Family Dwelling Property**	\$ _____
	4. All other 1-2 Family Dwelling Property not included in Class 3 through 10	\$ _____
	5. Non-residential fire premium (commercial)	\$ _____
	6. Total fire premium reported on line 1, col 1 of "Statutory Page 14"(Sum 1 - 5)	\$ _____
B. Extended Coverage		
	1. All 10th Class 1-2 Family Dwelling Property Including Farm Dwelling Property**	\$ _____
	2. All 9th Class 1-2 Family Dwelling Property**	\$ _____
	3. All 3rd through 8th Class 1-2 Family Dwelling Property**	\$ _____
	4. All other 1-2 Family Dwelling Property not included in Class 3 through 10	\$ _____
	5. Non-residential extended coverage premium (commercial)	\$ _____
	6. Total ext coverage (Allied Lines) prem reported on line 2.1, col 1 of "Stat Page 14"(Sum 1 - 5)	\$ _____
C. Homeowners/Farmowners Multi-Peril		
	1. All 10th Class 1-2 Family Homeowners (Total Policy Premiums)**	\$ _____
	2. All 9th Class 1-2 Family Homeowners (Total Policy Premiums)**	\$ _____
	3. All 3rd through 8th Class 1-2 Family Homeowners (Total Policy Premiums)**	\$ _____
	4. All other 1-2 Family Homeowners not included in Class 3 through 10	\$ _____
	5. Total homeowners prem reported on line 4.0 pf "Stat Page 14"(Sum 1-4)	\$ _____
	6. Farmowners (Total Policy Premiums)**	\$ _____
	7. Total Homeowners and Farmowners reported on lines 3 and 4, col 1 of "Stat Page 14" (Sum 5 - 6)	\$ _____

PART III: Any Fire and Extended Coverage Premium Indicated on "statutory page 14" of Company's Annual Statement to the Insurance Commissioner of the State of Mississippi on lines other than 1,2.1,3 or 4.

1. All 10th Class 1-2 Family Dwelling Property Including Farm Dwelling Property**	\$ _____
2. All 9th Class 1-2 Family Dwelling Property**	\$ _____
3. All 3rd through 8th Class 1-2 Family Dwelling Property**	\$ _____

*NOTE 1 - "Direct Premium Written" means gross direct premiums (excluding reinsurance assumed and ceded to the Mississippi Residential Property Insurance Underwriting Association) written on property in this State for Fire and Extended Coverage insurance, including Fire and Extended Coverage components of Comprehensive Dwelling and Other Dwelling Package Policies and the total policy premiums for Homeowners and Farmowners; less returned premiums on cancelled contracts, dividends paid or credited to policyholders or the unused or unabsorbed portion of premium deposits.

**NOTE 2 - "Protection Classes" refers to those protection classes as classified by the Mississippi State Rating Bureau.

PART IV: MEMBER COMPANIES CAN NO LONGER FILE AS A GROUP. THE INSURER'S REPORT OF PREMIUM AND VOLUNTARY PREMIUM WRITINGS MUST BE FILED ON AN "INDIVIDUAL" COMPANY BASIS.

PART V: I certify that the premiums reported herein are correct to the best of my knowledge.

(Must be signed by officer responsible for accuracy of report.)

Signed _____
Print Name _____
Contact Person _____
(Print)
E-Mail _____

Title _____
Date _____
Tel. # _____

MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION
INSTRUCTIONS FOR COMPLETING INSURERS REPORT OF PREMIUMS AND FILING
FOR VOLUNTARY CREDITS

The Mississippi Residential Property Insurance Underwriting Association (MRPIUA) was created by Section 83-38-1 through 83-38-21 of the Mississippi Insurance Code during the 2003 Regular Session of the Mississippi Legislature to assure an adequate market for residential Fire and Extended Coverage insurance in Mississippi, excluding Wind and Hail coverage for the three (3) coastal counties of Harrison, Hancock and Jackson. All licensed companies writing property insurance in Mississippi on a direct basis are required to become members.

Mississippi Statutes provide that all members of the Association shall participate in the writings of the Association in the proportion that each member's "subject premium" bears to the aggregate of such premium written in the state by all member companies. "Subject premium" is defined as net direct fire and extended coverage premium on one and two family dwelling property, including the fire and extended coverage components of comprehensive dwelling policies and homeowner policies.

The calculation of the subject premium may be reduced by farm dwelling property premium. For purposes of this calculation "Farm Dwelling Property" is considered to be all 10th class (refers to Protection Class 10 as classified by the Mississippi State Rating Bureau) one and two family dwelling property including regular dwelling, farm dwelling, CDP, Homeowner, etc. which include the perils of fire and extended coverage. This reduction must be supported by policy detail submitted in bordereau format as described in the "Filing Instructions".

Additionally, each member shall receive credit for all rural residential property insured against fire and extended coverage losses and all coastal residential property insured against fire. Rural residential is defined as all 9th and 10th class net direct fire and extended coverage premium for one and two family dwelling property voluntarily written in the state. Qualifying coastal residential property is defined as all residential property (one and two family dwelling property) insured against direct loss as provided by a standard fire policy located in the coastal counties of Hancock, Harrison, and Jackson. Note that the qualifying coastal premium does not require that the policy cover wind and hail, only fire, however if the policy does include fire and extended coverage the total should be reported. This credit must be supported by policy detail submitted in bordereau format as described in the "Filing Instructions".

Filing Instructions

The participation for each company for a particular year will be based on the prior year's direct written premium adjusted for certain rural and coastal premium as defined herein.

Annually (see section on due dates), each member company will report its subject premium on

the “Insurer’s Report of Premium”, furnished by the Association. The lines of business that typically include one and two family residential premium are as follows:

<u>Line No.</u>	<u>Description</u>
1.0	Fire
2.1	Allied Lines
3.0	Farmowners
4.0	Homeowners

Within each line of business the member company will report the subject premium comprising each protection class code, i.e. 10th class, 9th class, and class 3 through 8. If the member company has subject premium not coded to a particular protection class (i.e. mobile homes) a separate space is provided for that premium. Any non-residential premium (i.e. commercial) is reported separately for purposes of reconciling to the direct written premium reported in the member company’s statutory annual statement.

The form should include the member company contact person and contact information and be signed by a company officer responsible for the accuracy of the information reported.

As previously noted member companies may receive certain credits which affect how the member companies participation in the Association’s policy year operations are computed. These credits are in two forms, as follows:

Farm Dwelling Property

Direct written premium reported may be reduced by farm dwelling property premium for the calculation of statewide participation.

The net direct 1 and 2 family residential premium may be directly reduced by “Farm 1 and 2 Family Dwelling Property Premium”. Farm 1 and 2 family dwelling premium is defined as written premiums derived from all Tenth Class 1 and 2 Family Dwelling Property, including Tenth Class 1 and 2 Family Homeowners and other Tenth Class 1 and 2 Family Dwelling Package Policies, insured against the perils of Fire and Extended Coverage. The Association adjusts homeowner and other package policies by 15% to remove estimated liability coverage included in the indivisible policy premium.

Farm dwelling premium credits must be supported by policy bordereau’s submitted to the association either quarterly, or annually (see due date section). The following is a suggested format for submitting data:

Policy Number	Line of Business	Insured	Address of Property Insured	Policy Term	Net Premium	Protection Class
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The premium reported should coincide with the net written premium for the year and the bordereau may reflect policy activity such as new/renewal premium and subsequent

adjustments, or just the net premium may be reported.

Rural Residential Property and Coastal Residential Property

Included in the allocation process is a credit for writing qualifying rural and coast premium. The reporting of this premium is as follows:

The member company may report and receive participation credit of all rural residential property insured against fire and extended coverage losses and all coastal residential property insured against fire. Rural residential is defined as all 9th and 10th class net direct fire and extended coverage premium for one and two family dwelling property voluntarily written in the state. Qualifying coastal residential property is defined as all residential property (one and two family dwelling property) insured against direct loss as provided by a standard fire policy located in the coastal counties of Hancock, Harrison, and Jackson. Note that the qualifying coastal premium does not require that the policy cover wind and hail, only fire, however if the policy does include fire and extended coverage the total should be reported.

The suggested format for filing rural and coastal residential premium:

Policy Number	Line of Business	Insured	Address of Property Insured	Policy Term	Net Premium	Protection Class
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The premium reported should coincide with the net written premium for the year and the bordereau may reflect policy activity such as new/renewal premium and subsequent adjustments, or just the net premium may be reported.

Note that the coastal premium reported is for all protection classes. The preparer should be cautioned not to double count policies as both 9th and 10th class, and coastal premium. Premium may reported as 9th and 10th class statewide and all other qualifying coastal, or some other method with proper disclosures.

Filing Dates and Procedures

The Insurer's Report of Premium is filed annually on or before April 1.

Rural and coastal premium as well as farm residential premium may be filed quarterly sixty (60) days after the end of each calendar quarter, or annually sixty days after year end, or March 1 which is later. Voluntary and Farm premium received after March 1 will not be considered.

Information may be emailed to preporting@msplans.com.

Mailing Address: P.O. Box 5389, Jackson, MS 39296-5389. Street address: 2685 Crane Ridge Drive, Jackson, MS 39216. Tel. 601-981-2915 Fax. 601-981-2924.

The Association request that bordereau information be filed utilizing spreadsheets if possible.

Due dates and procedures may be amended subject to changes in the Plan of Operations.

Allocation of Association Activity (Operations)

All underwriting activity of the Association, premiums written and earned, commissions, loss and loss expenses paid and pending will be charged to the year in which the policy is written (referred to as the "Policy Year"). All general and administrative expenses and investment income will be charged or credited to the current policy year.

The allocation of general and administrative expense to the member companies is made without the benefit of the credit noted above for 9th and 10th class one and two family dwelling property and coastal dwelling property. However premium subject to the allocation may be reduced by qualifying farm dwelling premium.

Each member company is required to voluntarily write its pro-rata share of 9th and 10th class rural one and two family dwelling property premium and coastal residential fire premium. The required voluntary premium is calculated by adding the actual voluntary premium submitted to the Association by the member companies with the Association's written premium for the same year. This total (or maximum) amount is allocated to each company based on its percent of statewide subject premium and compared to the actual voluntary premium submitted by each company. Where a member company's actual voluntary premium exceeds the maximum, the company is eliminated from the allocation of underwriting activity. The company may be said to have "written itself out of the pool exposure". Those companies that do not exceed this maximum requirement are allocated their proportionate share of the Plans underwriting gain or loss.

See attached allocation example:

Allocation Plan Example

Assumptions:

1. Net Direct Premium Written (Prior Year)(less Farm Dwelling)	\$1,000,000
2. Voluntary Premium Written by Member Co's(Prior Year)	1,450,000
3. Association Premium Written (Prior Year)	50,000
4. Total Voluntary and Assoc. Premium Written (2+3)	1,500,000

	(1)	(2)	(3)	(4)	(5)	(6)
Company	Net Direct Premium Written By All Members in the State	Percent of Net Direct Premiums Written in the State	Maximum Required Participation	Actual Voluntary Premium Writings	Maximum Possible Allocation From Association (3) –(4)	Percentage Distribution of Column 5
A	250,000	25%	375,000	345,000	30,000	46.15%
B	100,000	10%	150,000	145,000	5,000	7.69%
C	400,000	40%	600,000	580,000	20,000	30.77%
D	200,000	20%	300,000	290,000	10,000	15.39%
E	50,000	5%	75,000	90,000	0	0
TOTAL	1,000,000	100%	1,500,000	1,450,000	65,000	100.00%

Net Direct Premiums Written – All fire and extended coverage premiums written on one and two family dwelling property throughout the State, less fire and extended coverage premiums written on one and two family farm dwelling property. For purposes on this calculation “Farm Dwelling Property” is considered all 10th class one and two family dwelling property including regular dwelling, farm dwelling, CDP, Homeowner, etc. which include the perils of fire and extended coverage.

Voluntary Premiums Written – Fire and extended coverage premium written on 9th and 10th class one and two family dwelling property throughout the state, including farm one and two family dwelling property, and all fire premium for coastal residential property (allows the inclusion of premium coverage that excluded wind and hail).

Association Premium – Premium written by the MRPIUA in the prior calendar year for fire and extended coverage of one and two family dwelling property, farm dwelling property and coastal fire only coverage.

Maximum Required Participation – Represents each company’s proportionate share of the voluntary premium submitted plus the association premium for the prior year.

Maximum Possible Allocation from Association – Represents each company’s proportionate share of the excess, if any, of the maximum required Participation over the actual voluntary premium writings submitted. Where the voluntary premiums exceed the maximum required no allocation is required (possible allocation cannot be less than -0-).

Note – General and administrative expenses plus 10% of losses and lae are allocated based on the “statewide percentage” and underwriting income (using 90% of losses and lae) are allocated using the voluntary writings percentage. Member companies can “write themselves out” of the underwriting gain or loss.

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