

MISSISSIPPI
WINDSTORM UNDERWRITING ASSOCIATION

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MWUA
BULLETIN 09-01

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This Bulletin is to advise of several significant changes to the Mississippi Windstorm Underwriting Association (MWUA). Please read this bulletin carefully and review the attached documents to familiarize yourself with these changes prior to July 1, 2009.

At the request of MWUA Board of Directors, the Mississippi Department of Insurance has approved the following revisions to the MWUA Manual of Rules and Procedures, MWUA basic policy form, and the MWUA application for coverage. The changes and revisions are as follows:

1. New Basic Form (MWUA 001-06/09)
2. Earned Premium and cancellation policy
3. Proof of Flood Coverage
4. Revisions to the MWUA application; additional page (MWAPP 04-09)
5. BCEGS and Retrofit Mitigation Credits

1. NEW BASIC FORM (MWUA 001 - 06/09): The new basic residential property form (MW001-06/09) will replace the MWUA Dwelling and Contents Form (Mississippi 113-9). This new form is being implemented to help modernize and clarify MWUA's wind and hail coverage. We are enclosing a copy of this new form along with an outline of the changes. You may also download this information online at www.msplans.com/mwua

2. EARNED PREMIUM: Effective July 1, 2009 on all new and renewal policies the premium will be considered **FULLY EARNED** unless the policy is cancelled for one of the following reasons which will then be cancelled pro-rata subject to a minimum earned premium of \$150 for dwellings and \$250 for commercial.

1. Total Loss
2. Property is Sold
3. Coverage is Placed in the "Voluntary Market"
4. Business has Ceased Operations

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

3. PROOF OF FLOOD COVERAGE: Effective July 1, 2009 new and renewal policies for property located in all A and V flood zones must provide evidence of flood coverage. **MWUA must be provided with a flood coverage policy number.**

4. CHANGES TO MWUA APPLICATION: The MWUA application for coverage has been revised to obtain the necessary information concerning flood zones /coverage and necessary building code enforcement information. Be sure to review the enclosed application to become familiar with these changes. There has also been an additional page (MWAPP 04-09) added to the application. This new page must be completed and submitted with the application. We would suggest your agency maintain a copy of this form for your records as well.

5. BCEGS AND RETROFIT MITIGATION CREDITS: Effective July 1, 2009 MWUA policies may receive credits for risks constructed in jurisdictions which have been graded with the Building Code Effectiveness Grading Schedule (BCEGS) for residential and commercial structures. BCEGS develops classifications of 1 thru 10 for a community based on the adequacy of its building code and the effectiveness of its enforcement of that code. Refer to Section 6 of the Manual of Rules and Procedures for the applicable credits. The BCEGS rules as defined in the commercial lines manual and Insurance Services Office (ISO) homeowners manual (Rule 410) are applicable. A list of the current BCEGS classifications for the coastal area is enclosed and updates may be obtained from the Mississippi State Rating Bureau (MSRB) website. www.msratingbureau.com **A copy of the certificate of occupancy for the location must be provided to MWUA in order for the credit to be applied.** Please note that structures qualifying for the IBHS Fortified Home designation will also qualify for a BCEGS Class 1.

For risks not receiving credit for BCEGS, retrofit mitigation credits are available for existing structures. This program is a four step program, each item in that group must be completed in order to receive credit for that group. Also **Group A must be fully completed in order to obtain credit from any other group.** The groups are as follows:

Group A Roof System (12% Credit)

1. Roof Wall Connection
2. Collar - Tie / Ridge Board Connection
3. Hip Rafter Connection
4. Gable End Bracing
5. Soffit Protection

*Note - Properly installed pre-engineered trusses will eliminate the need for items 2 & 3.

Group B Opening Protection (8% Credit)

1. Windows
2. Doors
3. Garage Doors

Group C Roof Surface (5% Credit)

1. Install Class H Shingles or UL-90 Rated Metal Panels
2. Underlayment

Group D Site Hazards (5% Credit)

1. Clear all Overhanging Limbs
2. Clear all Trees Greater Than 15 Feet Tall and Within 15 Feet of the Subject Structure.

Each retrofit item will be inspected by an inspector authorized by the Mississippi State Rating Bureau (MSRB) to determine if the above wind mitigation steps have been completed. A non-refundable inspection fee of \$250 for this inspection will apply. Details of these mitigation groups are enclosed and available online along with the necessary request forms

If you have any questions you may contact our office at 601-981-2915.