

MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION

Notification of Changes in Coverage

You currently have a Mississippi Windstorm Underwriting Association property insurance policy (Form 001 01/16). Subject to the specific terms of that policy, it provided the following general coverages:

Coverage A: Structure losses were paid at replacement cost value provided certain policy requirements were met. Significantly, you were required to have, at the time of loss, a Limit of Liability for the damaged building that equals 80% or more of the full replacement cost of the building immediately before the loss.

Coverage C: Losses to personal property and other specified items were paid at actual cash value, which means the replacement cost was reduced by depreciation.

Mississippi Windstorm Underwriting Association has simultaneously issued two subsequent editions of its policy (Form RCV 001: 07/19 and Form ACV 001: 07/19). The difference between the two policies is the manner in which structure losses are paid. At this renewal, you are required to select which of the two policies you want to purchase.

If you select the **Replacement Cost Value policy** (Form RCV 001: 07/19), subject to the specific terms of that policy, it provides the following general coverages:

Coverage A: Structure losses will be paid at either the necessary amount actually spent to repair or replace the covered damage or the policy's limit of liability, whichever is less. No replacement cost value is paid if actual repair or replacement isn't completed within 180 days.

Coverage C: Losses to personal property and other specified items will be paid at actual cash value, which means the replacement cost was reduced by depreciation.

If you selected the **Actual Cost Value policy** (Form ACV 001: 07/19), subject to the specific terms of that policy, it provides the following general coverages:

Coverage A: Structure losses will be paid at actual cash value or the policy's limit of liability, whichever is less.

Coverage C: Losses to personal property and other specified items will be paid at actual cash value, which means the replacement cost was reduced by depreciation.

To advise you of the changes from your current policy form to either the **Replacement Cost Value policy** or the **Actual Cash Value policy** (whichever you selected), enclosed with these renewal documents is a Notification of Changes in Coverage (“Notification”) that highlights the changes that affect your insurance coverage.

This Notification does not operate to expand coverage beyond the coverage provided in your new policy. If there is a contradiction between this Notification and the new policy, the terms of your policy govern. To fully understand your Mississippi Windstorm insurance policy, you should read all the provisions contained therein. If you have questions regarding your policy, please contact your agent.

DEFINITIONS

Previous Policy	Current Policy
"Actual Cash Value" means replacement cost less depreciation.	<p>“Actual Cash Value” means replacement cost less depreciation, which includes depreciation of all materials and labor used to calculate the replacement cost.</p> <p><i>In Form ACV 001: 07/19, it also states:</i></p> <p>For purposes of this definition of Actual Cash Value, “replacement cost” means the cost for the materials and labor to repair or replace with like kind and quality and for like use without deduction for depreciation.</p>
"Depreciation" means deductions for age, usage, and/or condition.	“Depreciation” means deductions to labor and materials, based on age, usage, wear and tear, condition, and other similar factors.
“Replacement cost" means the cost to repair or replace with like kind and quality without deductions for depreciation.	<p><i>Only in Form RCV 001: 07/19</i></p> <p>“Replacement Cost” means the cost for materials and labor to repair or replace with like kind and quality and for like use without deduction for depreciation.</p>

COVERAGES

Previous Policy	Current Policy
A.1.a. The dwelling on the Described Locations shown in the Declarations, including structures attached to the dwelling;	A.1.a. The dwelling on the Described Locations shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
A.3. Coverage A applies even if the Described Location is unoccupied or vacant at the time of the loss.	A.3. Subject to the exclusions and all other provisions of this policy, Coverage A applies even if the Described Location is unoccupied or vacant at the time of the loss.
<i>Not in previous policy.</i>	B.2.p. Trees, shrubs, plants, or lawns.

<i>Not in previous policy.</i>	B.4. Subject to the exclusions and all other provisions of this policy, Coverage B applies even if the Described Location is unoccupied or vacant at the time of the loss.
C.1. 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.	C.1. Subject to the exclusions and all other provisions of this policy, after a loss and at your request, we will cover personal property owned by a guest or servant provided that property was on the Described Location at the time of the loss.
C.2.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.	C.2.e. Any vehicle, motor conveyance, or motorized land conveyance, whether mechanized or not and whether operable or not.
<i>Not in previous policy.</i>	C.3. Subject to the exclusions and all other provisions of this policy, Coverage C applies even if the Described Location is unoccupied or vacant at the time of the loss.
E.1.f. 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.	E.1.f. 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 location by windstorm or hail, we cover the additional living expense loss as provided in this additional coverage for no more than 2 weeks from the date the civil authority prohibited you from use of the Described Location.
E.3. 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.	Only in Form ACV 001: 07/19 E.3. To mitigate against further damage, in the event that covered property is damaged by windstorm and/or hail, although this is an actual cash value only policy, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage from windstorm and/or hail.

PERIL INSURED AGAINST

Previous Policy	Current Policy
<p>1. This policy does not cover loss:</p> <p>a. Caused directly or indirectly by</p> <p style="padding-left: 20px;">i. frost or cold weather or</p> <p style="padding-left: 20px;">ii. ice (other than hail), snow, or sleet, whether driven by wind or not</p> <p>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.</p> <p>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.</p>	<p>1. This policy does not cover damage 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 a wall and the rain, water, snow, sleet, sand, or dust enters through this opening.</p>

EXCLUSIONS

Previous Policy	Current Policy
<p>1. Water Damage</p>	<p>1. Water</p> <p><i>Added:</i> This Exclusion applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall, or any other boundary or containment system.</p>
<p><i>Not in previous policy.</i></p>	<p><i>Added:</i></p> <p>3. Intentional Property Damage Intentional Property Damage means any property damage arising out of any act you, any resident of the Described Location, or any person or entity with an insurable interest in the insured property commits or conspires to commit with the intent to cause property damage.</p>
<p>These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.</p>	<p><i>Not in current policy.</i></p>

CONDITIONS OTHER THAN LOSS SETTLEMENT

Previous Policy	Current Policy
<p>2. Insurable Interest and Limit of Liability</p> <p>Even if more than 1 person has an insurable interest in the covered property, we will not be liable in any 1 loss:</p> <p>a. For an amount greater than the interest of a person, insured under this policy at the time of the loss; or</p> <p>b. For more than the applicable limit of liability.</p>	<p>2. Insurable Interest and Limit of Liability</p> <p>Even if more than 1 person has an insurable interest in the covered property, we will not be liable in any 1 loss:</p> <p>a. For an amount greater than the interest of a person, insured under this policy at the time of the loss; or</p> <p>b. For more than the applicable limit of liability. less any applicable deductible.</p>
<p>4. Duties After Loss</p> <p>a. Give prompt notice to us or your insurance agent;</p> <p>***</p> <p>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;</p>	<p>4. Duties After Loss</p> <p>a. Give prompt notice of your loss to us or your insurance agent;</p> <p>***</p> <p>d. Within a reasonable time after the loss but no more than 60 days after our request, prepare an inventory of damaged personal property that shows the quantity, age, description, actual cash value, and amount of loss. Attach all bills, receipts, and related documents that justify the information in the inventory of damaged personal property</p> <p>***</p> <p><i>Added:</i></p> <p>f.viii. Receipts for additional living expenses actually incurred.</p>
<p>6. Loss to a Pair or Set</p> <p>In case of a loss to a pair or set, we may elect to:</p> <p>***</p> <p>b. Pay the difference between the actual cash value of the property before and after the loss.</p>	<p>6. Loss to a Pair or Set</p> <p>In case of a loss to a pair or set, we may elect to:</p> <p><i>Only in Form RCV 001: 07/19</i></p> <p>***</p> <p>b. Pursuant to the Loss Settlement provisions of this policy, pay the difference between the value of the property before and after the loss.</p> <p><i>Only in Form ACV 001: 07/19</i></p> <p>***</p> <p>b. In case of a loss to a pair or set, we will pay the difference between the actual cash value of the property before and after the loss.</p>
<p>7. Glass Replacement</p>	<p>7. Glass Replacement</p>

<p>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.</p> <p>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.</p>	<p>Only in Form ACV 001: 07/19</p> <p>Loss for damage to glass caused by windstorm or hail will be settled on an actual cash value basis with the underlying replacement cost based on replacement with safety glazing materials when required by ordinance or law.</p> <p>In both Forms</p> <p>b. <i>Not in current policy.</i></p>
<p>8. Appraisal</p> <p>If you and we fail to agree on the amount of loss, either party 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.</p>	<p>8. Appraisal</p> <p>If you and we agree on the cause of the property damage but fail to agree on the value of the loss, either you or we may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 30 days after receiving written request from the other. The 2 appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in Rankin County, Mississippi.</p>
<p>9. Other Insurance and/ or Service Agreement.</p> <p>If a covered loss to the property covered by this policy is also covered by:</p> <p>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;</p>	<p>9. Other Insurance and/ or Service Agreement.</p> <p>If a covered loss to the property covered by this policy is also covered by:</p> <p>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 windstorm and hail insurance covering the property;</p>
<p>11. Suits Against Us</p> <p>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.</p>	<p>11. Suits Against Us</p> <p>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 will apply to any lawsuit brought against us.</p>
<p>15. Mortgage Clause</p> <p>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</p>	<p>15. Mortgage Clause</p> <p>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.</p>

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.

d. 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.

b. A mortgagee's interest is limited to the whole principal on the mortgage plus any accrued interest as of the date of the loss. If more than 1 mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

c. No act or omission by the mortgagor or owner of the mortgaged insured property nor any foreclosure or other proceeding nor any change in the title, ownership, or occupation of the insured property will invalidate the mortgagee's interest provided the mortgagee:

i. Notifies or has notified us within a reasonable time of any change in ownership or occupancy or any substantial change in risk of which the mortgagee is aware and

ii. Pays or has paid any premium due under this policy on demand if you have neglected to pay the premium, including premium due as a result of the mortgagee notifying us of a change in the risk.

b. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

i. Notifies or has notified us within a reasonable time of any change in ownership or occupancy or any substantial change in 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, including any additional premium due as a result of the mortgagee notifying us of a change in the risk; and

iii. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Paragraphs 5 (Loss Settlement), 8 (Appraisal), 11 (Suit Against Us), and 13 (Loss Payment) also apply to the mortgagee.

f.ii. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest as of the date of the loss, subject to the amount of the loss or coverage limits

	shown on the Declarations page, whichever is less. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
17. Fully Earned Premium iv. The business operated in the Described Location has ceased operations at the Described Locations.	17. Fully Earned Premium <i>Not in current policy.</i>
18. Minimum Earned Premium i. All commercial policies have a minimum earned premium of \$250.00.	18. Minimum Earned Premium <i>Not in current policy.</i>
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. 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. iv. The business operated in the Described Location has ceased operations at the Described Locations.	19. Cancellation a. You may cancel this policy at any time by returning it to us or by letting us know by providing proper documentation of the date cancellation is to take effect. In no event shall the date of cancellation be more than 1 year prior to the date proper documentation of cancellation was provided. d. When your policy is cancelled for failure to pay the premium, we may cancel at any time by letting you know at least 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 30 days before the date cancellation takes effect. This cancellation notice may be sent to you at your designated address. Proof that we sent this notice will be sufficient proof you received this notice. e. iv. <i>Not in current policy.</i>
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.	20. Nonrenewal We may elect to not offer renewal of this policy. We may do so by sending written notice of non-renewal to you at your designated address. Proof that we sent this notice will be sufficient proof you received this notice.

CONDITIONS

5. LOSS SETTLEMENT

Replacement Cost Value Policy (Form RCV 001: XX/19)

Previous Policy	Current Policy
<p>a. Actual cash value at the time of loss but not more than the amount required to repair or replace for</p> <ul style="list-style-type: none"> i. Personal property; ii. Carpeting, household appliances, and outdoor equipment, whether attached to the building or not; and iii. Structures that are not buildings. 	<p>a. Actual cash value at the time of loss but not more than the amount required to repair or replace and not more than the limit of liability shown in the Declarations that applies to:</p> <ul style="list-style-type: none"> i. Personal Property; ii. Freestanding carpet and rugs; iii. Household appliances, whether attached to the building or not; iv. Outdoor equipment, whether attached to the building or not; and v. Structures that are not buildings.
<p>b. Dwelling and Other Structures at replacement cost without deduction for depreciation, subject to the following:</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<p>b. Buildings under Coverage A or B:</p> <ul style="list-style-type: none"> i. If you repair or replace the loss to restore the building structure for the same occupancy and use, we will pay the lesser of the following amounts: <ul style="list-style-type: none"> (1) The limit of liability shown in the Declarations that applies to the damaged or destroyed building or structure or (2) The necessary amount actually spent to repair or replace the covered loss to the building or structure but not more than the cost to repair or replace with like kind and quality and for like use without deduction for depreciation. <p>If the building is rebuilt at a new location, the cost described in this Paragraph 5(b) is limited to the cost which would have been incurred if the building had been rebuilt at the original location.</p>
<ul style="list-style-type: none"> 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: 	<ul style="list-style-type: none"> ii. If you do not repair or replace or notify us of your intent to repair or replace the damaged or destroyed structure within 180 days of the date of loss, we will pay the lesser of the following amounts:

<p>(1) The actual cash value of that part of the building that is damaged; or</p> <p>(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.</p>	<p>(1) The limit of liability shown in the Declarations that applies to the damaged or destroyed structure or</p> <p>(2) The actual cash value for the covered loss to the damaged or destroyed structure.</p>
<p>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:</p> <p>(1) excavations, foundations, piers, or any supports that are below the under surface of the lowest basement floor;</p> <p>(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</p> <p>(3) underground flues, pipes, wiring, and drains.</p>	<p><i>Not in current policy.</i></p>
<p>iv. We will pay no more than actual cash value of the damage unless:</p> <p>(1) Actual repair or replacement is complete; or</p> <p>(2) The cost to repair or replace is both</p> <p style="padding-left: 20px;">a. Less than 5% of the Limit of Liability on the damaged building; and</p> <p style="padding-left: 20px;">b. Less than \$5,000.00.</p>	<p>iii. We will pay no more than the actual cash value of the damage unless:</p> <p>(1) Actual repair or replacement is completed within 180 days of the date of loss or</p> <p>(2) The cost to repair or replace is less than \$5,000.</p>
<p>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.</p>	<p><i>Not in current policy.</i></p>
<p>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.</p>	<p><i>Not in current policy.</i></p>

CONDITIONS

5. LOSS SETTLEMENT

Actual Cash Value Policy (Form ACV 001: XX/19)

Previous Policy	Current Policy
<p>Covered property losses are settled as follows:</p> <p>a. Actual cash value at the time of loss but not more than the amount required to repair or replace for</p> <ul style="list-style-type: none"> i. Personal property; ii. Carpeting, household appliances, and outdoor equipment, whether attached to the building or not; and iii. Structures that are not buildings. <p>b. Dwelling and Other Structures at replacement cost without deduction for depreciation, subject to the following:</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> (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 	<p>a. Covered losses are settled at actual cash value at the time of loss but not more than the limit of liability shown in the Declarations that applies to the damaged property</p>

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.