

MISSISSIPPI
WINDSTORM UNDERWRITING ASSOCIATION

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6455 Wirtz Road
Flowood, Mississippi 39232-7801

BULLETIN 19-03

DATE: 9-30-19

TO ALL LICENSED MS RESIDENT AGENTS-
MISSISSIPPI WINDSTORM UNDERWRITING
ASSOCIATION (MWUA)

Update Revisions to Previous Bulletin 19-02 dated 9-3-2019 concerning Dwelling and Mobile Home Coverage Form Options (ACV or RCV)

This Bulletin is to announce some revisions to the previous distributed MWUA Bulletin 19-02 which outlined the process and requirements for MWUA policy renewals and the required selection of coverage options (ACV or RCV).

MWUA has temporarily postponed the distribution of mailing renewal application packages to the servicing agents and insureds until at least November 1, 2019. This will allow additional time for agent feedback, along with additional time for agents to analyze their MWUA policies. If desired, agents may begin the renewal application process in advance of correspondence being mailed to the insureds.

Attached is a revised condensed version of the Application for Renewal that will be needed for each MWUA policyholder prior to MWUA providing a renewal quotation. The policy servicing agent should meet with the insured to manually complete and sign the Application for Renewal using the Notification of Changes document to help explain coverage differences related to the RCV or ACV coverage form option (plus other changes applicable to both new coverage forms).

MWUA underwriting must receive the completed and signed application for renewal 90 days ahead of each renewal policy expiration date. This will allow MWUA time to underwrite the application for renewal and coordinate any questions or concerns prior to the release of a renewal quote.

This Renewal Application is available for download from the MWUA website.

Any questions on this change can be directed to MWUA Underwriting or MWUA Management 601-981-2915. The link to the MWUA website is: <https://www.msplans.com/mwua>

MWUA MANAGEMENT

This is an Application For A Renewal Quote. No Insurance is Being Placed
 MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
 (MWUA) APPLICATION FOR RENEWAL

MWUA Policy No.

This Application must be typed or printed.

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

<p>Producing Agent Name: _____ Address 1: _____ Address 2: _____ City, St Zip: _____ Phone: _____</p>	<p>Emergency Contact: _____ Phone: _____ Address: _____ Fire Insurance Provider: _____ Fire Insurance Coverage Amount: _____ Expiration: _____ Flood Zone: _____ Flood Ins. Provider: _____ Flood Policy#: _____</p>						
<p>Applicant: Name: _____ Address 1: _____ City, St, Zip: _____ E-mail: _____ Phone: _____</p>	<p>COVERAGE TYPE REQUESTED</p> <p>Replacement Cost – <input type="checkbox"/> Replacement Cost Value: _____</p> <p>Actual Cash Value – <input type="checkbox"/> Estimated Actual Cash Value: _____</p>						
<p>Occupancy and Location Loc. Address 1: _____ City, St, Zip: _____ County: _____ Bldg. Address 1: _____ Bldg. Address 2: _____ Occupancy Type: _____</p>	<p>Description of Building: _____</p> <p>Named Storm Deductible: 2% <input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 15% <input type="checkbox"/> 20% <input type="checkbox"/> Non-storm Deductible: \$500 <input type="checkbox"/> \$1,000 <input type="checkbox"/> \$2,500 <input type="checkbox"/></p>						
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%; text-align: left;">Coverage</th> <th style="width: 30%; text-align: left;">Amount of Coverage</th> </tr> </thead> <tbody> <tr> <td>Building Cov A:</td> <td></td> </tr> <tr> <td>Contents Cov C:</td> <td></td> </tr> </tbody> </table>	Coverage	Amount of Coverage	Building Cov A:		Contents Cov C:		
Coverage	Amount of Coverage						
Building Cov A:							
Contents Cov C:							

Additional Interest(s)
 Interest Type: _____
 Interest Name: _____
 Address 1: _____
 Address 2: _____
 City, St Zip: _____

THIS IS NOT A BINDER. NO INSURANCE HAS BEEN PLACED.

APPLICATION FOR RENEWAL - NO INSURANCE HAS BEEN PLACED

MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION

Applicant/Insured _____ Application/Policy # _____

IMPORTANT NOTICE

NAMED STORM PERCENTAGE DEDUCTIBLE Applicant/Insured Initials _____

Policies with Mississippi Windstorm Underwriting Association include a Named Storm Percentage Deductible which could result in high out-of-pocket expense to you in the event of a loss caused by a Named Storm. By placing your initials at the space above and signing this Notice below, you confirm that you understand and acknowledge that this provision is included in the policy for which you have applied.

NO FLOOD COVERAGE Applicant/Insured Initials _____

Policies with Mississippi Windstorm Underwriting Association do **NOT** include any coverage for damage caused by Flood. Flood means surface water, waves, tidal water, tidal surge, overflow of a body of water, or spray from any of these, whether or not driven by wind. If your property is located within any Flood Zones designated A or V, proof of flood coverage from another company must be provided. By placing your initials at the space above and signing this Notice below, you confirm that you understand and acknowledge that this provision is included in the policy for which you have applied.

FULLY EARNED PREMIUM Applicant/Insured Initials _____

Premium is fully earned and is not refundable except for the following reasons:

- A. MWUA policies may be cancelled on a pro-rata basis for the following reasons.
 - 1. Coverage is placed with another Company. Satisfactory evidence must be provided to MWUA.
 - 2. The property is sold. Satisfactory evidence must be provided to MWUA.
 - 3. There is a total loss of the property.
 - 4. MWUA determines that the property is no longer insurable under the Rules and Procedures of MWUA.
- B. The effective date of mid-term Cancellations will in no event be more than one year prior to receipt of proper written cancellation request along with satisfactory evidence.
- C. **Cancellation for any reason other than reasons stated above shall result in a fully earned, non-refundable premium to MWUA and no future coverage/nor payment options shall be provided until such outstanding balances are paid.**

By placing your initials at the space above and signing this Notice below, you confirm that you understand and acknowledge that this provision is included in the policy for which you have applied.

LOSS SETTLEMENT PROVISIONS Applicant/Insured Initials _____

Dwelling (Non- Commercial applications): The selected coverage valuation option determines the policy coverage form.

Replacement Cost is the cost to repair or replace with like kind and quality without deductions for depreciation on buildings and outbuildings. When the Replacement Cost option is selected, and the policy application is approved; coverage will be issued using form MWUA RCV 001: (07/19). Contents coverage is valued only on an Actual Cash Value basis. Replacement cost coverage does not exceed the limit of liability scheduled on the policy declarations. When Replacement Cost coverage is selected, MWUA underwriting will require the policy limit be established at the full 100% Replacement Cost calculated value for each scheduled building or outbuilding. No coinsurance penalty will apply at the time of a loss, but a depreciation hold back may be applied to loss payment until the repair or replacement work is completed.

Actual Cash Value is replacement cost valuation that is adjusted based on deductions for age depreciation, use, and condition. Depreciation is applied to both materials and labor. When the Actual Cash Value option is selected, and the policy application is approved; coverage will be issued using form MWUA ACV 001: (07/19). Actual Cash Value does not exceed the limit of liability scheduled on the policy declarations. When Actual Cash Value coverage is selected, MWUA underwriting will require the policy limit be established at the full 100% depreciated Actual Cash Value for each scheduled building or outbuilding.

Commercial applications – If Replacement Cost is selected on the front page of the application, the policy will be endorsed to reflect replacement cost in lieu of actual cash value loss settlement for buildings and contents. However, the loss settlement provisions include coinsurance requirements that could amend the valuation to a coinsurance penalty valuation if the policy limit does not meet the coinsurance requirement at the time of loss. Selection of Actual Cash Value provides depreciated for age, use, and condition coverage valuation.

By placing your initials at the space above and signing this notice below; you confirm that you understand and acknowledge the policy loss settlement options explained above.

Signature of Applicant/Insured

Date

Mississippi Windstorm Underwriting Association -Conditions Applying to Applicant(s)

I (we), as the applicant(s) for windstorm and hail insurance in the Mississippi Windstorm Underwriting Association, fully understand and accept the following conditions as part of my (our) contract, if coverage is accepted by this Association. 1. The producing agent is my agent, not the agent of Mississippi Windstorm Underwriting Association. 2. Any documents or statements made by my agent, whether expressed or implied, do not bind this Association in any way. 3. I understand that my agent cannot warrant or guarantee the effective date, the amount of coverage acceptable, the property meeting minimum underwriting standards or any other material fact that may cause this application to be approved or rejected by this Association. 4. Provided the application is acceptable, coverage is not bound until received by this Association. **RECEIPT OF PREMIUMS BY THE AGENCY/PRODUCER IS NOT RECEIPT BY THE ASSOCIATION AND DOES NOT MAKE THE POLICY EFFECTIVE.** 5. If a named storm, as designated by the U.S. Weather Bureau, is within the boundaries of 80 degrees West Longitude and 20 degrees North Latitude, no new applications can be accepted. 6. Coverage is not bound on new applications, unless a signed application, proper premium remittance and submission of a Form J when applicable are submitted with the application.

Additionally, this application is made with the understanding that, upon request, I (we) agree to accompany your inspectors, or designated inspectors, while inspecting this property. I (we) understand that this application in no way binds any company to afford insurance on the described property. Inspection(s) made under the program and any report of the inspection(s) is for insurance underwriting purposes. Regardless of whether a policy is issued, neither the Insurer, the Mississippi State Rating Bureau nor the Mississippi Windstorm Underwriting Association will be liable for any injury or damage claimed to arise from the inspection(s), omissions from such inspection(s) or report(s) or from compliance or non-compliance by the property owner or owners with the recommendations, if any, contained in said inspection report(s). Permission is granted to submit copies of any inspection or action report(s) to the Mississippi Insurance Commissioner, Mississippi State Rating Bureau, insurers and their agents or representatives.

CANCELLATIONS:

- A. MWUA policies may be cancelled on a pro-rata basis for the following reasons.
 - 1. Coverage is placed with another company. Satisfactory evidence must be provided to MWUA
 - 2. The property is sold. Satisfactory evidence must be provided to MWUA.
 - 3. There is a total loss of the property
 - 4. MWUA determines that the property is no longer insurable under the Rules and Procedures of MWUA.
- B. The effective date of mid-term Cancellations will in no event be more than one year prior to receipt of proper written cancellation request and satisfactory evidence.
- C. **Cancellation for any reason other than the reasons stated above result in a fully earned non-refundable premium to MWUA and no future coverage will be provided, nor payment options provided until such outstanding balances are paid.**

Conditions Applying To Applicant's Agent

I, as a Licensed Mississippi Agent, fully understand and accept the provisions of the Mississippi Windstorm Underwriting Association and the following conditions applicable thereto: 1. I am the applicant's agent, not Mississippi Windstorm Underwriting Association's. 2. I cannot bind coverage or in any way obligate this Association. 3. If a named storm, as designated by the U.S. Weather Bureau, is within boundaries of 80 degrees West Longitude and 20 degrees North Latitude, no new applications can be accepted. 4. If the application is acceptable, coverage is not bound until received by this Association. 5. Coverage is not bound on new applications, unless a signed application, proper premium remittance and submission of a Form J when applicable are submitted with the application. 6. If minimum underwriting standards are not met, or the application is lacking any of the above mentioned, the application will be returned, and no coverage is bound. 7. In the event a policy is issued and then cancelled, or a change is made resulting in a return premium due, I agree that my commission will be adjusted accordingly.

PLEASE READ CAREFULLY: THIS POLICY CONTAINS A FLOOD EXCLUSION AND AN EARTHQUAKE EXCLUSION. MWUA DOES NOT OFFER EITHER FLOOD COVERAGE OR EARTHQUAKE COVERAGE. PLEASE SPEAK WITH YOUR AGENT IF YOU DESIRE TO PURCHASE FLOOD COVERAGE AND/OR EARTHQUAKE COVERAGE. PROOF OF FLOOD INSURANCE IS REQUIRED IF RISK IS LOCATED IN ANY A OR V FLOOD ZONES.

APPLICANT'S CERTIFICATION

I (We) hereby certify that the information contained herein is true and correct to the best of my (our) knowledge and belief, and that I (we) **have no unpaid premium due MWUA on the property which is subject of this application.** I (we) have reviewed, fully understand and accept the provisions of the Mississippi Windstorm Underwriting Association and the conditions applicable thereto listed on this application under "CONDITIONS APPLYING TO APPLICANT". (First Named Applicant is required to sign.)

Applicant(s) Signature _____

Date _____

APPLICANT'S AGENT CERTIFICATION

I hereby certify that I am a licensed resident property insurance agent in the State of Mississippi and have reviewed the provisions and conditions of the Mississippi Windstorm Underwriting Association with the applicant(s) to his or their satisfaction: I fully understand and accept the provisions of the Mississippi Windstorm Underwriting Association and the conditions applicable thereto listed on this application under "CONDITIONS APPLYING TO APPLICANT'S AGENT".

Agent Signature _____

Mississippi License No: _____

Expiration Date: _____

(Note: In compliance with Public Law 91-508, this is to inform you that in connection with this application for insurance (1) an investigation may be made as to your insurability, including, if applicable, information as to character, general reputation, personal characteristics and mode of living; and (2) additional information as to the nature and scope of any investigation requested will be furnished to you, upon your written request made within a reasonable time after you received this notice.