

MISSISSIPPI
WINDSTORM UNDERWRITING ASSOCIATION

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

REVISIONS TO MANUAL OF RULES AND
PROCEDURES MWUA

This Bulletin announces various MWUA Manual of Rules and Procedures changes filed to be effective on new and renewal policies effective January 1, 2016.

Mandatory Evacuation Coverage – The sub limited Mandatory Evacuation Coverage (ME) is being removed from the MWUA 001 Basic Dwelling Coverage form effective January 1, 2016. Prior to removal, this coverage was part of the Section E. 1. Additional Living Expenses item 1 (f.) and the limit provided was a \$1,500 sub limit. Effective January 1, 2016, the coverage will be offered as an option on dwelling policies with a \$500 limit and a \$25 fully earned annual premium cost if requested. The new business application will have a spot to elect the coverage if desired. On a renewal, a policy change request will be required to add the coverage prior to the renewal effective anniversary date, or after renewal (within binding guidelines outlined in the manual of rules and procedures). This will begin with renewals issued effective 1-1-2016 and subsequent. A notification of coverage change removing the coverage from the basic dwelling coverage form will be sent to all renewal policyholders with the notice of expiration and renewal quote for 1-1-2016 and subsequent effective renewal policies.

When the optional coverage is elected, it will be added using endorsement ME 15-01 (01 16 edition). A copy of the endorsement is attached to this notice.

MWUA wind mitigation retrofit program is revised – MWUA previously offered its own proprietary existing home wind mitigation program. This program consisted of three categories (group A,B, and C) with compliance confirmed by an MWUA contracted engineer site inspection. The group A and B portion of this program will be discontinued effective 1-1-2016.

Go forward new and existing dwelling risk wind resistance certification will need to be routed through the insurance industry recognized Insurance Institute for Business & Home Safety (IBHS) site inspection programs. IBHS is a not-for-profit research organization entirely supported by the insurance industry. IBHS provides a means to inspect new and existing residential and commercial risks to certify various levels of catastrophe resistant construction techniques. MWUA maintains filed wind mitigation premium credits associated with the IBHS Bronze, Silver, Gold, and Fortified for Safer Living, certification programs. IBHS contact information for application and a list of approved IBHS program MS evaluators will be posted on the MWUA website <https://www.msplans.com/mwua> .

When MWUA initiated its own proprietary wind mitigation program, the IBHS alternative was not available. Since that time, the IBHS program has become the industry recognized certification program and as such, the best way for MWUA policyholders to achieve premium credit for wind mitigation while opening the possibility of voluntary market options. IBHS website <http://www.disastersafety.org/> .

Those risks that were previously certified under the MWUA program will continue to receive earned premium credits so long as MWUA inspections confirm no existing roof condition issues or structural changes that would disqualify a risk for continued credits.

Since IBHS does not include the site hazard component (MWUA's group C) MWUA will continue to certify the site hazard credit eligibility for those dwellings achieving a certificate of any type through the IBHS program. The 5% site hazard credit can be added to any credits earned through IBHS certification if inspected by MWUA and approved for site hazard category requirements. Site hazard credit will not apply stand alone. Site credit must be requested on IBHS certified risks only 1-1-2016 forward.

Commercial policyholder service fees capped at \$400 per policy – On commercial policies, the \$40 per building/risk service fee is capped at ten (or \$400) maximum charge for any one location annually. Prior to the change the charge was uncapped, applied \$40 service charge for all risks any one location.

MWUA manual of rules and procedures revised - The manual of rules and procedures is amended to reflect the changes outlined above effective new and renewal January 1, 2016.

MWUA application and dwelling basic coverage form revised to reflect the mandatory evacuation coverage change – These forms will reflect a 1-16 edition date for revised versions replacing the prior forms.

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MANDATORY EVACUATION EXPENSE CLAUSE

(Applicable only to One Through Four Family Dwellings including Farm Dwellings, Trailers, Mobile Homes)

The following provisions and stipulations are effective only when this policy is written to insure against the perils of Windstorm and Hail. In consideration of additional premium included in the Windstorm and Hail premium shown on the face of this policy, and subject to the provisions and stipulations set forth below and in the policy, this policy is endorsed to provide coverage for expenses incurred due to mandatory evacuation from a Named Storm ordered by the civil authority. The following coverage is added to the Windstorm and Hail Coverage – Basic Form under Section E. Other Coverages.

E. Other Coverages.

4. 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. The total Limit of Liability available for this additional living expense loss from a mandatory evacuation is \$500.

This total Limit of Liability applies to each Named Storm regardless of the number of mandatory evacuations ordered for a single Named Storm.

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

The policy deductible does not apply to this mandatory evacuation expense coverage.

“**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.

“**Named Storm**” means a storm system that has been named by the National Hurricane Center of the National Weather Service.