

**MISSISSIPPI DEPARTMENT OF INSURANCE
REGULATION 2007-1**

**MISSISSIPPI HOMEOWNER INSURANCE
POLICYHOLDER BILL OF RIGHTS**

TABLE OF CONTENTS:

Section 1.	Purpose
Section 2.	Authority
Section 3.	Scope
Section 4.	Policyholder Bill of Rights
Section 5.	Outline of Coverage and Checklist
Section 6.	Cause of Action
Section 7.	Violations and Penalties
Section 8.	Severability
Section 9.	Effective Date

Section 1. Purpose

After Hurricane Katrina hit the Mississippi Gulf Coast on August 29, 2005, and caused massive destruction within the State, the Department found that many homeowner insurance policyholders who filed property loss claims were inadequately insured or did not fully understand the insurance they had purchased.

The purpose and intent of this Regulation is to address these issues by setting forth procedures and requirements that ensure policyholders understand their rights as policyholders in the State of Mississippi, and by enacting a requirement that property and casualty insurance companies writing homeowners personal lines residential insurance property coverage establish standard checklists of policy contents.

To accomplish these goals, this Regulation sets forth the rights Mississippi policyholders have with respect to their insurance policies and insurance companies. This Regulation also requires that property and casualty insurers provide an outline of coverage and a standard checklist of policy contents to policyholders.

Section 2. Authority

This Regulation is promulgated by the Commissioner of Insurance pursuant to the authority granted to him by Miss. Code Ann. §§ 83-5-1, and 83-5-29 through 83-5-51(Rev. 2001), as well as the provisions of Mississippi Department of Insurance Regulation No. 88-101, said Regulation being the Rules of Practice and Procedure before the Mississippi Insurance Department.

Section 3. Scope

This Regulation shall apply to all insurance companies (including surplus lines companies, the Mississippi Windstorm Underwriting Association, and the Mississippi Residential Property Insurance Underwriting Association) writing homeowners personal lines residential property coverage insurance policies in the State of Mississippi. For the purposes of this Regulation, personal lines residential property coverage shall include renters/tenants insurance and mobile home/manufactured housing property coverage, even if said coverage is classified as an automobile property policy.

Section 4. Policyholder Bill of Rights

The rights set forth below shall serve as standards to be followed by the Mississippi Department of Insurance in exercising the Department's powers and duties, in exercising administrative discretion, in dispensing administrative interpretations of the law, and in adopting rules. These rights include, but are not limited to, the following:

1. Policyholders shall have the right to competitive pricing practices and marketing methods that enable them to determine the best value among comparable coverage.
2. Policyholders shall have the right to insurance advertising and other selling approaches that provide accurate and balanced information on the benefits and limitations of a policy.
3. Policyholders shall have the right to an insurance company that is financially stable.
4. Policyholders shall have the right to be serviced by a competent, honest insurance producer.
5. Policyholders shall have the right to a readable policy.
6. Policyholders shall have the right to an insurance company that provides an economic delivery of coverage and that tries to prevent losses.
7. Policyholders shall have the right to balanced and positive regulation by the Mississippi Department of Insurance.
8. Policyholders shall have the right to request the license status of an insurance company or producer.
9. Policyholders shall have the right to receive in writing from their insurance company the reason for any denial or nonrenewal of coverage. The written statement from the

insurance company must provide an adequate explanation for the denial or nonrenewal of coverage.

10. Policyholders shall have the right to cancel their policy and receive a refund of any unearned premium. If a policy was funded by a premium finance company, the unearned premium will be returned to the premium finance company to pay toward the policyholder's financing loan.
11. Policyholders shall have the right to a written notification detailing any change in coverage at renewal.
12. Policyholders shall have the right to receive a written explanation of why a claim is denied in whole or in part.
13. Policyholders shall have the right to request and receive from the insurance company any adjusters reports, engineer reports, contractor reports, statements or documents which are not privileged documents that the insurance company prepared, had prepared, or used during its adjustment of the policyholder's claim.
14. Policyholders shall have the right to file a written complaint against any insurance company or insurance producer with the Mississippi Department of Insurance, and to have that complaint investigated by the Mississippi Department of Insurance.

Section 5. Outline of Coverage and Checklist

No homeowners personal lines residential property coverage insurance policy shall be delivered or issued for delivery in this state unless an appropriate outline of coverage has been delivered prior to issuance of the policy or accompanies the policy when issued. This outline of coverage shall include a comprehensive checklist which contains a list of the standard provisions and elements that may typically be included in these policies, whether or not they are included in the particular policy being issued, in a format that allows the insurer to place a check mark next to the provisions that are included so that the policyholder can see both what is included and what is not included in the policy. The outline of coverage and checklist shall also be furnished at each renewal of the policy.

- A. The Outline of Coverage shall contain, at a minimum, the information set forth below.
 1. A brief description of the principal benefits and coverage provided in the policy, broken down by each class or type of coverage provided under the policy for which a premium is charged, and itemization of the applicable premium.

2. A summary statement of the principal exclusions and limitations or reductions contained in the policy by class or type, including, but not limited to, deductibles, coinsurance, and any other limitations or reductions.
3. A summary statement of any renewal or cancellation provisions.
4. A description of the credit or surcharge plan that is being applied. The description may display numerical or alphabetical codes on the declarations page or premium notice to enable the insured to determine the reason or reasons why the policyholder's policy is being surcharged or receiving a credit.
5. A summary of any additional coverage provided through any rider or endorsement that accompanies the policy.

B. An insurer must insert the following language on the outline of coverage:

"The following outline of coverage and checklist is for informational purposes only. Mississippi law prohibits this outline and checklist from changing any of the provisions of the insurance contract which is the subject of this Notice. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits will be sent separately.

Policyholders should read their policy thoroughly. Policyholders should review their insurance policy annually with their insurance producer to ensure they are adequately covered."

C. Policy Checklist:

As part of the Outline of Coverage for homeowners personal lines residential property coverage insurance policies, an insurance company shall prepare a Policy Checklist. This comprehensive checklist shall contain a list of the standard provisions and elements that may typically be included in these policies, whether or not they are included in the particular policy being issued, in a format that allows the insurer to place a check mark next to the provisions that are included so that the policyholder can see both what is included and what is not included in the policy, including, but not limited to:

1. Property coverage for the principal premises shown in the declarations and the location of said coverage in policy.

2. Property coverage for other structures on the residence premises and the location of said coverage in policy.
3. Whether the principal premises and other structures are insured against the following perils and the location of said coverage or exclusion in the policy:
 - a. Fire
 - b. Lightening
 - c. Explosion
 - d. Named Windstorm damage
 - e. Flood
 - f. Earthquake
 - g. Collapse
 - h. Mold
 - i. Theft
4. Personal property/contents coverage and amounts and location of said coverage or exclusion in the policy.
5. Whether personal property/contents are insured against the following perils and location of said coverage or exclusion in the policy:
 - a. Fire
 - b. Lightening
 - c. Explosion
 - d. Named Windstorm damage
 - e. Flood
 - f. Earthquake
 - g. Collapse
 - h. Mold
 - i. Theft
6. Whether the policy provides the following additional coverage and location of said coverage or exclusion in the policy:
 - a. Debris Removal
 - b. Loss assessment
 - c. Additional living expenses
 - d. Personal Liability coverage
 - e. Medical payments coverage
 - f. Discounts applied to the premium
 - g. Named Windstorm Deductible
 - h. Building ordinance or law coverage

- i. Replacement cost coverage
- j. Actual cash value coverage

Section 6. Cause of Action

No provision contained herein shall be construed as creating a civil cause of action by any individual policyholder against any individual insurer or insurance producer.

Section 7. Violations and Penalties

The failure of an insurance company writing homeowners personal lines residential property coverage insurance policies in this State to comply with a material provision of this regulation shall be considered a violation of Miss. Code Ann. § 83-5-1 and §§ 83-5-29 through 83-5-51 (Rev. 1999). Violation of said statutes may subject the insurance company to the suspension or revocation of the insurer's Certificate of Authority, the imposition of an administrative fine, or both.

Section 8. Severability

If any section or portion of a section of this Regulation or the application thereof is held by a court to be invalid, such invalidity shall not affect any other provision of that section or application of the Regulation which can be given effect without the invalid provision or application, and to this end the provisions of the Regulation are declared to be severable.

Section 9. Effective Date

The Effective Date of Section (5) of this Regulation shall be April 1, 2007. The Effective Date of the remainder of this Regulation shall be upon adoption.