MISSISSIPPI DEPARTMENT OF INSURANCE
REGULATION 2007-1, as amended.

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 Comprehensive Policy Checklist
Section 6. Burden of Proof
Section 7. Cause of Action
Section 8. Violations and Penalties
Section 9. Severability
Section 10. 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.

Policyholders should be aware that Mississippi law provides that insureds have an affirmative duty to read a contract of insurance and are bound by the contents thereof. Any outline of coverage and comprehensive policy checklist is for informational purposes only, and does not change the coverage selected and paid for by the policyholder. This Regulation is being promulgated by the Commissioner of Insurance in order to facilitate the public's understanding of homeowners policies.

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. 1999), 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 condominium insurance, dwelling fire policies, renters/tenants insurance and mobile home/manufactured housing property coverage, even if said coverage is classified as an automobile property policy. Creditor-placed property coverage and condominium association or homeowner association property coverage is excluded from the provisions of this Regulation.

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 regulating insurance companies pursuant to the Unfair and Deceptive Trade Practices Act, Miss. Code Ann. §§83-5-29 through 83-5-51. 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 assurance that the insurance market in general and their insurance company in particular is financially stable.

4. Policyholders shall have the right to receive good service from competent, honest individuals and producers, and to have their questions addressed promptly.

5. Policyholders shall have the right to a policy in an easily readable format, to receive a complete policy, and to request a duplicate or replacement policy as needed.

6. Policyholders shall have the right to assurance that their insurance company is regulated to comply with Mississippi laws requiring economic delivery of coverage and loss prevention measures.

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 cancellation or nonrenewal of coverage. The written statement from the insurance company must provide an adequate explanation for the cancellation 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 policy provisions relating to their 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 adjuster reports, engineer reports, contractor reports, statements or documents which are not legally privileged documents that the insurance company prepared, had prepared, or used during its adjustment of the policyholder's claim. A company may keep confidential any documents they prepare in conjunction with a fraud investigation.

14. Policyholders shall have the right to have any decision regarding the denial or nonrenewal of their policy, or the adjustment of their rates not be based solely on the basis of their credit history without consideration of other factors. If an insurance company uses credit history, it must comply with the provisions set forth in Mississippi Department of Insurance Regulation 2003-1, "Use of Credit History and Insurance Scores for Determining Rates and Eligibility for Personal Insurance", and the Federal Fair Credit Reporting Act.

15. Policyholders shall have the right to prevent an insurance company, agent, adjuster or financial institution from disclosing their personal financial information to

companies or entities that are not affiliated with the insurance company or financial institution, subject to the provisions set out in Mississippi Department of Insurance Regulation 2001-1, "Privacy of Consumer Financial and Health Information Regulation".

16. Policyholders shall have the right to receive at least thirty (30) days notice of the nonrenewal of their policy pursuant to the provisions of Miss. Code Ann. § 83-5-28.

17. Policyholders shall have the right to be treated fairly and honestly when making a claim.

18. Policyholders shall have the right to reject any settlement amount offered by the insurance company.

19. 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.

On or after September 1, 2009, no homeowners personal lines residential property coverage insurance policy shall be delivered or issued for delivery in this state, or at renewal, unless a copy of the Policyholder Bill of Rights is included with the policy.

Section 5. Outline of Coverage and Comprehensive Policy 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 and comprehensive policy checklist have been delivered to the policyholder prior to or shortly thereafter issuance of the policy under separate cover, or accompany the policy when issued. The comprehensive policy checklist shall contain a list of provisions and elements, as required by this Regulation, whether or not they are included in the particular policy being issued, in a format that allows the insurer to indicate whether the provision is included so that the policyholder can see both what is included and what is not included in the policy. The outline of coverage and comprehensive policy checklist shall also be furnished at each renewal of the policy. The outline of coverage and comprehensive policy checklist shall provide information on the policy and may, but is not required, to include coverage by endorsement.

To be in compliance with this section, an insurer may use the Outline of Coverage and Comprehensive Policy Checklist prepared by the Department and attached hereto as Exhibit "A", or the insurer may create its own Outline of Coverage and Comprehensive Policy Checklist, provided the following information is included.

A. The Outline of Coverage shall provide information on the policy and may, but is not required, to include coverage by endorsement, and shall contain, at a minimum, the

information set forth below.

1. A brief description of the type of coverage provided in the policy, amount of coverage, and whether the coverage is replacement cost or actual cash value ("ACV").

2. A summary statement of the principal exclusions and limitations or reductions contained in the policy, and any other limitations or reductions.

3. A summary of any additional coverage provided through any rider or endorsement that accompanies the policy, amount of that coverage, and whether the coverage is replacement cost or ACV.

Any insurer electing not to use Exhibit "A", or deviating from Exhibit "A" , shall file its Outline of Coverage and Comprehensive Policy Checklist with the Department for approval prior to use.

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

> "The following is an outline of coverage and comprehensive policy checklist of your insurance policy and is for informational purposes only. Mississippi law prohibits this checklist from changing any of the provisions of the insurance contract which is the subject of this checklist. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits is not included in this checklist, unless otherwise indicated. This checklist does not operate to expand coverage beyond the coverage provided in the policy. If there is a contradiction between this checklist and the policy, the terms of the policy govern.
>
> Policyholders should read their policy thoroughly. Policyholders should review their insurance policy annually with their insurance producer to ensure they are adequately covered."

C. Comprehensive Policy Checklist:

As part of the Outline of Coverage for homeowners personal lines residential property coverage insurance policies, an insurance company shall prepare a Comprehensive Policy Checklist. This comprehensive checklist shall contain a list of provisions and elements as required by this Regulation, whether or not they are included in the particular policy being issued, in a format that allows the insurer to indicate whether the provision is included so that the policyholder can see both what is included and what is not included in the policy. The comprehensive Policy

checklist shall address, at a minimum, the following:

1. Property coverage for the principal premises shown in the declarations;

2. Property coverage for other structures on the residence premises;

3. Whether the principal premises and other structures are insured against the following perils:

    a. Fire
    b. Lightening
    c. Explosion
    d. Wind and Hail
    e. Flood
    f. Earthquake
    g. Collapse
    h. Mold
    i. Theft;

4. Personal property/contents coverage and amounts or percentage of coverage;

5. Whether personal property/contents are insured against the following perils:

    a. Fire
    b. Lightening
    c. Explosion
    d. Wind and Hail
    e. Flood
    f. Earthquake
    g. Collapse
    h. Mold
    i. Theft; and,

6. Whether the policy provides the following additional coverage;

    a. Debris Removal
    b. Loss assessment
    c. Additional living expenses
    d. Personal Liability coverage
    e. Medical payments coverage
    f. Named Windstorm Deductible
    g. Building ordinance or law coverage

Section 6. Burden of Proof

As demonstrated by the ruling of the Fifth Circuit Court of Appeals in Leonard v. Nationwide, insurance companies are advised that in an all risk homeowners insurance policy an "insurer bears the burden of proving that a particular peril falls within a policy exclusion; the insurer must plead and prove the applicability of an exclusion as an affirmative defense". Leonard v. Nationwide Mutual Ins. Co., 499 F.3d 419, 429 (5th Cir. 2007).

Section 7. 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. This Regulation does not operate to expand coverage beyond the coverage provided by the policy.

Section 8. 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 9. 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 10. Effective Date

The Effective Date of this amended Regulation shall be thirty (30) days from date of final filing with the Secretary of State.

Filed this the 10th day of February, 2009.

MIKE CHANEY
COMMISSIONER OF INSURANCE

EXHIBIT "A"

OUTLINE OF COVERAGE AND COMPREHENSIVE POLICY CHECKLIST

The following is an outline of coverage and comprehensive policy checklist (hereinafter "checklist") of your insurance policy and is for informational purposes only. Mississippi law prohibits this checklist from changing any of the provisions of the insurance contract which is the subject of this checklist. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits is not included in this checklist, unless otherwise indicated. This checklist does not operate to expand coverage beyond the coverage provided in the policy. If there is a contradiction between this checklist and the policy, the terms of the policy govern.

You should read your policy thoroughly. You should review your insurance policy annually with your insurance producer to ensure you are adequately covered.

Reviewing this checklist together with your policy can help you gain a better understanding of your policy's actual coverages and limitations, and may even answer general questions. By addressing any questions now, you will be more prepared later in the event of a claim. A clear understanding of your policy's coverages and limitations will reduce confusion that may arise during claims settlement.

To fully understand your insurance policy, you should read all provisions contained therein. If you have questions regarding your policy, please contact your agent. Consumer assistance is available from the Department of Insurance, Division of Consumer Services, 1-800-562-2957 or www.doi.state.ms.us.

Policy Type: (Homeowners, mobile/manufactured housing, renters/tenant)
Provide general description:

Example: **Policy Type:** Homeowners
Your homeowners insurance policy is a package policy that combines coverage for your property that is destroyed or damaged by various perils, and provides you certain coverage for liability exposure.

Dwelling Structure Coverage

Limit of Insurance: (Policy Limits) Loss Settlement Basis: (ACV or Replacement)

Other Structure Coverage (Detached from Dwelling)

Limit of Insurance:_____ Loss Settlement Basis:_____

Policy Checklist of Coverage (continued)

Personal Property Coverage

Limit of Insurance:_____ Loss Settlement Basis:_____

Deductibles

Deductible: (Amount)
Hurricane/Named Windstorm Deductible:(Amount; if applicable)

Residence and Other Structure Coverage

Items marked with a **Y(Yes)** indicate coverage **IS** included; those marked with a **N(No)** indicate coverage is **NOT** included. **Special limits and loss settlements exceptions may apply to certain limits. Refer to your policy for details. If there is a contradiction between this checklist and your policy, the terms of the policy govern.**

Coverage	Peril
Y	Fire
	Lightening
	Explosion
	Wind and Hail
N	Flood
	Earthquake
	Collapse
	Mold
	Theft

Personal Property/Contents Coverage

The Limit of Insurance, Deductibles, and Loss Settlement Basis apply to the following perils insured against. Items marked with a **Y(Yes)** indicate coverage **IS** included; those marked with a **N(No)** indicate coverage is **NOT** included. **Special limits and loss settlements exceptions may apply to certain limits. Refer to your policy for details. If there is a contradiction between this checklist and your policy, the terms of the policy govern.**

Coverage	Peril
Y	Fire

	Lightening
	Explosion
	Wind and Hail
N	Flood
	Earthquake
	Collapse
	Mold
	Theft

Additional Coverage

Items below marked **Y(Yes)** indicate coverage **IS** include; those marked **N(No)** indicate coverage is **NOT** included. **Special limits and loss settlements exceptions may apply to certain limits. Refer to your policy for details. If there is a contradiction between this checklist and your policy, the terms of the policy govern.**

Coverage	Peril	Limit of Insurance	Time Limit
Y	Debris Removal	$5,000	n/a
	Loss Assessment		
Y	Additional Living Expenses	Actual loss sustained	24 months
	Personal Liability Coverage		
	Medical payments coverage		
	Building, Ordinance or Law coverage		
	Named Windstorm Deductible	Percentage of Deductible	n/a