



MASSACHUSETTS PROPERTY INSURANCE UNDERWRITING ASSOCIATION

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August 1, 2018

To: All Massachusetts Agents

Re: Dwelling Policy Program (DP 2002 Program)
Revisions to Rule 406. Deductibles and Introduction of Named Storm Deductible Rule, Factors and
Forms
Effective Date: September 1, 2018

The Massachusetts Property Insurance Underwriting Association (MPIUA) has recently received approval from the Massachusetts Division of Insurance to implement a revised Dwelling Deductible Rule (Rule 406.) by replacing our Minimum Windstorm or Hail Deductibles with Minimum Named Storm Deductibles. By replacing the Windstorm or Hail Deductibles with our own Named Storm Deductibles, wind damage claims from all other wind perils will therefore now be covered, subject to the "All Perils Deductible", whereas currently these losses are subject to the Percentage or Higher Fixed Dollar Windstorm or Hail Deductible. The revised rule applies to all Dwelling policies with an inception date of September 1, 2018 or later.

Enclosed are Dwelling Policy Program MPIUA Exception Pages (MPIUA-DP-EXC-1) thru (MPIUA-DP-EXC-6), which detail the revised rule. This revised rule replaces Rule 406. Deductible in ISO's Dwelling Policy Program (DP 2002 Program Manual). The revised Rule 406:

- replaces all references to "Windstorm or Hail Deductible" with "Named Storm Deductible".
- replaces the Windstorm or Hail Percentage Deductible Endorsement **DP 03 12** with MPIUA's own Named Storm Percentage Deductible Endorsement **FP DNSP** which will be attached to all MPIUA Dwelling Policies. (See Rule 406.B.2.a.(2)).
- introduces a new MPIUA Named Storm Fixed-Dollar Deductible Endorsement **FP DNSF** which will be attached to all MPIUA Dwelling Policies. (See Rule 406.B.2.b.(2)).
- introduces Deductible Factors for the 1%, 2% and 5% Named Storm Percentage Deductibles (see Rule 406.B.2.a.(6)).
- introduces Deductible Factors for the \$500, 1,000, 2,000 and 5,000 Named Storm Higher Fixed-Dollar Deductibles. (See Rule 406.B.2.b.(5)).

We have enclosed a copy of the new **FP DNSP** Named Storm Percentage Deductible Endorsement and the new **FP DNSF** Named Storm Fixed-Dollar Deductible Endorsement, for your reference.

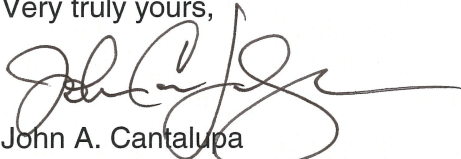
We have also enclosed a copy of the Dwelling Policyholder Notices when the Named Storm Percentage Deductible applies and the Dwelling Policyholder Notices when the Named Storm Fixed-Dollar Deductible applies. A Quick Reference Sheet, which details the Minimum Deductible Named Storm Deductible By Coverage A Limit and Distance of the Property to the Coast is also attached.

To assist producers in determining if a coastal address is located within a mandatory percentage deductible area, the Association provides the ability to determine the distance to the coast through its website located as www.mpiua.com. This functionality, along with instructions for its use, can be viewed on the "Producer Home Page" which is accessed through the "Producer Login" link and requires a user name and password.

Producers must utilize this system, as the Association's Customer Service Department will not provide information regarding proximity to the coast for specific locations.

As mentioned above, these changes will be effective for all new and renewal policies with an inception date of **September 1, 2018 or later**. If you have any questions regarding this letter, please contact the Association's Customer Service Department.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John A. Cantalupa", with a long horizontal flourish extending to the right.

John A. Cantalupa
Vice President and Chief Underwriting Officer

JAC:pd

MASSACHUSETTS PROPERTY INSURANCE UNDERWRITING ASSOCIATION (MPIUA)

DWELLING POLICY PROGRAM (2002 EDITION)

MANUAL PAGES

EFFECTIVE 09 01 18

**PAGE CHECKLIST FOR MASSACHUSETTS STATE PAGES TO BE USED IN
CONJUNCTION WITH MULTISTATE RULES SECTION OF ISO's DWELLING POLICY
PROGRAM MANUAL (DP 2002 PROGRAM).**

EXCEPTION PAGES

DP-E-1	4th Edition 3-09
DP-E-2	4th Edition 7-08
DP-E-3	2nd Edition 9-06
DP-E-4	2nd Edition 9-09
DP-E-5	1st Edition 9-09

MPIUA EXCEPTION PAGE

<u>MPIUA-DP-EXC-1</u>	<u>2nd Edition</u>	<u>Effective 09-01-18</u>
<u>MPIUA-DP-EXC-2</u>	<u>2nd Edition</u>	<u>Effective 09-01-18</u>
<u>MPIUA-DP-EXC-3</u>	<u>2nd Edition</u>	<u>Effective 09-01-18</u>
<u>MPIUA-DP-EXC-4</u>	<u>3rd Edition</u>	<u>Effective 09-01-18</u>
<u>MPIUA-DP-EXC-5</u>	<u>2nd Edition</u>	<u>Effective 09-01-18</u>
<u>MPIUA-DP-EXC-6</u>	<u>1st Edition</u>	<u>Effective 09-01-18</u>

TERRITORY PAGES

DP-T-1	2nd Edition 3-06
DP-T-2	4th Edition 9-09

MPIUA RATE PAGES

DP-R-1	Effective 10 01 06
DP-R -2 thru DP-R-32	Effective 03 31 10
DP-R-33	Effective 07 01 10

ISO's MULTISTATE NOTICE DP - MU -2003 - RU - 1 DISPLAYS THE LATEST PAGE INFORMATION FOR MULTISTATE RULES PAGES TO BE USED.

ADDITIONAL EXCEPTION(S) TO GENERAL RULES

**RULE 406.
DEDUCTIBLES**

The following replaces Rule 406 Deductibles:

**RULE 406.
DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all perils except Earthquake. A separate deductible type applies to Earthquake Coverage as described in Rule 509.

For Theft Coverage, the deductible amount may differ from the deductible amount that applies to Fire and Allied Lines perils.

Refer to the Earthquake and Theft Coverage rules for the applicable deductible provision.

A. Base Deductible

\$250 Deductible.

B. Optional Deductibles

1. All Perils Deductibles

Multiply the Base Premium for the Base Deductible by the appropriate factors selected from the following table:

Deductible	Fire	E.C., V.&M.M., Broad & Special Forms
\$ 100*	1.05	1.10
500	.97	.91
1,000	.95	.76
2,500	.88	.50
* Refer to company for the minimum annual additional premium charge that applies per policy for all \$100 All Perils Deductibles		

Table 406.B.1. All Perils Deductibles

2. Named Storm Deductibles

The following deductible options are used in conjunction with a deductible applicable to all other perils covered under Extended Coverage, Broad or Special Forms.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher Named Storm percentage deductibles of 1%, 2% or 5% of the limit of liability that applies to Coverage A when the dollar amount of the percentage deductible selected exceeds the amount of the All Other Perils deductible. This option is not available for policies covering only personal property.

(2) Endorsement

Attach Named Storm Deductible Endorsement **FP DNSP** to the policy and enter on the policy declarations the dollar amount of the percentage deductible that applies to Named Storm and the dollar amount that applies to all other perils.

Example

Deductible – \$250 except Named Storm \$____ (2% of the Coverage A limit)

(3) Declarations Instructions

Enter, on the policy declarations, the percentage amount that applies Named Storm and the dollar amount that applies to all other perils. For example:

Deductible – Named Storm 2% of the Coverage A limit and \$250 for all other perils.

(4) Deductible Application

In the event of a loss to covered property caused directly or indirectly by wind during a Named Storm the dollar amount is deducted from the total of the loss for all coverages. For example:

Cov.	Limit Of Liability	1% Ded.	Amount Of Loss	
			Before Ded.	After Ded.
A	\$ 100,000	\$ 1,000	\$ 7,500	–
B	–	–	3,000	–
C	35,000	–	–	–
D	18,500	–	–	–
E	–	–	–	–
			\$ 10,500	\$ 9,500

Table 406.B.2.a.(4) Example

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles shown in Paragraph B.1. above. Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher Named Storm deductible.

(6) Deductible Factors

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the appropriate factor selected from the following table for the deductible amounts desired:

**RULE 406.
DEDUCTIBLES (Cont'd)**

Coverage A, B, D Or E And Coverage Options For Buildings And Non-Building Structures			
All Other Perils Ded. Amt.	Named Storm Amounts		
	1%	2%	5%
\$ 100	1.0023	.9315	.8302
250	.9416	.8707	.7796
500	.8890	.8201	.7188
1,000	.7290	.7290	.6378
2,500	.4940	.4920	.4840

Table 406.B.2.a.(6)#1 Factors

Coverage C And Other Personal Property Coverage Options*	
All Other Perils Ded. Amt.	Named Storm 1%, 2% Or 5% Deductible
\$ 100	1.0740
250	.9920
500	.9020
1,000	.7290
2,500	.4930
* Only use when policy also covers building or non-building structures	

Table 406.B.2.a(6)#2 Factors

b. Higher Fixed-Dollar Deductibles

(1) Deductible Amounts

This option provides for higher fixed dollar deductible amounts of \$500, \$1,000, \$2,000 and \$5,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the All Other Perils deductible. This option is **not** available for policies covering only personal property.

(2) Endorsement and Declarations Instructions

Attach Named Storm Fixed-Dollar Deductible Endorsement **FP DN SF**

Separately enter, on the policy declarations, the deductible amounts that apply to Named Storm and All Other Perils. For example:

Deductible – \$250 except \$1,000 for Named Storm.

(3) Coverage Options

The deductible factors for Coverage **A, B, D** or **E** and coverage options for buildings and non-building structures differ by the deductible amounts that apply to Named Storm and to other perils.

The deductible factors for Coverage **C** and other personal property coverage options differ by the deductible amount that applies to other perils. They do not differ by the amount of the Named Storm deductible.

(4) Use Of Factors

The factors displayed in Paragraph (5) incorporate the factors for the All Perils Deductibles shown in Paragraph **B.1**. Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher Named Storm deductible.

(5) Deductible Factors

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the appropriate factor selected from the following table for the deductible amounts desired:

Coverage A, B, D Or E And Coverage Options For Buildings And Non-Building Structures				
All Other Perils Ded. Amt.	Named Storm Deductible Amounts			
	\$500	\$1000	\$2000	\$5000
\$ 100	1.0410	.9618	.8808	.8403
250	.9618	.9011	.8201	.7796
500	—	.8505	.7695	.7290
1,000	—	—	.6885	.6480
2,500	—	—	—	.4930

Table 406.B.2.b.(5)#1 Factors

Coverage C And Other Personal Property Coverage Options*	
All Other Perils Ded. Amt.	Named Storm Deductible Amounts \$1000, \$2000 Or \$5000
\$ 100	.9821
250	.9112
500	.8302
1,000	.6885
2,500	.4930
* Only use when policy also covers building or non-building structures	

Table 406.B.2.b.(5)#2 Factors

**DWELLING POLICY PROGRAM MANUAL
MPIUA EXCEPTION PAGES**

MASSACHUSETTS

**RULE 406.
DEDUCTIBLES (Cont'd)**

**C. Minimum Named Storm Deductible Requirement -
All Policies That Include Coverage A**

1. For a reduced premium, a minimum Named Storm deductible applies to all policies that include Coverage A provided that the dollar amount of the minimum deductible according to this rule exceeds the amount of the applicable All Other Perils deductible. This minimum deductible varies by Coverage A limit and distance of the property from the coast as shown in Table A and Table B. The Named Insured may select a higher fixed-dollar deductible or a percentage deductible with a dollar amount that exceeds the applicable Minimum Named Storm Deductible amount.
2. To compute the premium for this provision, use the Coverage A limit and location of the risk to determine the applicable Named Storm Deductible and then follow the instructions given in B.2.a. (4) and B.2. a. (5) for a percentage deductible and in B.2.b. (4) and B.2.b. (5) for a higher fixed-dollar deductible.
3. **Minimum Named Storm Deductible By Coverage A Limit And Distance Of The Property From The Coast**

Table A

Cov A Amt In than (000)	Entire Dukes & Nantucket Counties	Barnstable County		Rest of State	
		With in ½ mile of Coast	More than ½ mile from Coast	With in ½ mile of Coast	More ½ mile from Coast
Up to 99	2%	2%	2%	1%	S
100 – 199	2%	2%	2%	1%	E
200 – 299	5%	2%	2%	1%	E
300 – 399	5%	2%	2%	1%	
400 – 499	5%	2 %	2%	1%	T
500 – 599	5%	2%	2%	2%	A
600 – 699	5%	5%	2%	2%	B
700 – 799	5%	5%	2%	2%	L
800 – 899	5%	5%	2%	2%	E
900 – 999	5%	5%	2%	2%	
1000	5%	5%	2%	2%	B

Table B

All Other Perils Ded. Amount	Up to \$59,999	Coverage A Limit			
		\$60,000 to 124,999	\$125,000 to 249,999	\$250,000 to 599,999	\$600,000 and Over
\$ 100	NONE	\$500	\$1000	\$2000	\$5000
\$ 250	NONE	\$500	\$1000	\$2000	\$5000
\$ 500	NONE	NONE	\$1000	\$2000	\$5000
\$1000	NONE	NONE	NONE	\$2000	\$5000
\$2500	NONE	NONE	NONE	NONE	\$5000

4. The Minimum Named Storm Deductible as shown in Table A and B may be removed or reduced as shown in Table C below if the Insured has taken all or some of the required measures (See C.7.) to protect their home from wind damage.

5. Requirements for Removal or Reduction of Minimum Named Storm Deductible

Table C

(1) Mitigation Steps Taken	(2) Named Storm Deductible Requirement As Per Rule (406.C.3.)	(3) Revised Named Storm Deductible Requirement
All (C.7.i-v)	Any	All Perils Deductible
Roof & Foundation	5%	1%
(C.7.v)	5% 2% 1% 5,000 2,000 1,000	1% All Perils Deductible All Perils Deductible 1,000 All Perils Deductible All Perils Deductible
Roof Only	5%	2%
(C.7.v)	2% 1% 5,000 2,000 1,000	1% All Perils Deductible 1,000 500 All Perils Deductible
All Windows & All Glass Doors	5% 2%	2% 1%
(C.7.i-iii)	1% 5,000 2,000 1,000	All Perils Deductible 1,000 500 All Perils Deductible

**RULE 406.
DEDUCTIBLES (Cont'd)**

6. If the Named Storm Deductible is removed or reduced as per column (3), for premium computation use the Named Storm Deductible Factor corresponding to the applicable Minimum Name Storm Deductible shown in column (2).

Example (1): Consider a home in Dukes County with Coverage A Amount of \$250,000 and All Perils Deductible of \$500. According to the Rule 406.C.3.Table A, a Minimum Named Storm Deductible of 5% will apply to the policy. To compute the EC, Broad or Special Form premium for this provision i.e. All Perils Deductible of \$500 and Named Storm Deductible of 5% with Coverage A Amount of \$250,000 multiply the EC, Broad or Special Form Base Premium with the Deductible Factor of .7188 (i.e. a credit of 28.12%) according to the Rule 406. B.2.a.(5).

Suppose the insured has taken the Required Mitigation steps for Roof & Foundation connections (C.7.v.) only. Then the Named Storm Deductible of 5% is reduced to 1% as per Column (3) of Rule 406. C. 5. Table C. For EC, Broad or Special Form premium computation, In lieu of using Deductible Factor of .8890 (i.e. a credit of 11.1%) corresponding to All Perils Deductible of \$500 and Named Storm Deductible of 1%, see Rule 406.B.2.a.(5), use the Deductible Factor of .7188 (i.e. a credit of 28.12%) corresponding to the All Perils Deductible of \$500 and Named Storm Deductible of 5% as provided in Rule 406. C.(6).

Example (2): Consider a home in Barnstable County with a Coverage A Amount of \$250,000 and All Perils Deductible of \$500. According to the Rule 406. C. 3. Table A, a Minimum Named Storm Deductible of 2% will apply to the policy. To compute the premium for this provision i.e. All Perils Deductible of \$500 and Named Storm Deductible of 2% with Coverage A Amount of \$250,000 multiply the EC, Broad or Special Form Base Premium with the Deductible Factor of .8201 (i.e. a credit of 17.99%) according to the Rule 406. B.2.a.(5).

Suppose the insured has taken the required mitigation steps for Roof & Foundation connections (C.7.v.) only. Then the Named Storm Deductible of 2% is removed and the policy is then subject to All Perils Deductible of \$500 as per Column (3) of Rule 406. C. 5. Table C. For EC,

Broad or Special Form premium computation, in lieu of using Deductible Factor of .91 (i.e. a credit of 9%) corresponding to All Perils Deductible of \$500 with Coverage A Amount of \$250,000, see Rule 406.B.1, use the Deductible Factor of .8201 (i.e. a credit of 17.99%) corresponding to the All Perils Deductible of \$500 and Named Storm Deductible of 2% as provided in Rule 406. C.(6).

7. The measures required to protect a home from major wind damage and to remove or reduce the minimum windstorm or hail deductible include installation of:

i. **Windows:** Installation of impact resistant glass or impact resistant shutters that close over window openings to prevent flying debris from breaking window panes. If Plywood Shutters are being used, the following guidelines must be followed:

- Minimum 5/8" thickness
- Must not be used on openings greater than 8'x4'. The plywood must overlap the openings by 4" on each side.
- Must be pressure treated to resist moisture damage and stored inside.
- All panels must be pre-cut, pre-drilled and labeled for ease of installation. Four ¼" holes must be drilled in the center area of each panel to relieve pressure during a hurricane.
- Plywood panels up to 3' x 4' must use ¼" bolts that have contact with the wall anchor of at least 1¼" on frame or masonry walls. Larger sheets of plywood require 3/8" bolts that have contact with the wall anchor of at least 1¾" on frame walls and 1½" on masonry walls.
- The building must be pre-drilled for wall anchors. The anchors and corresponding bolts must be kept in the wall at all times. The holes for the bolts must be 2½" from the edge of the plywood at intervals of not greater than 12".
- All bolts and wall anchors must be corrosion resistant.

**RULE 406.
DEDUCTIBLES (Cont'd)**

- ii. **Entry Doors:** Installation of at least 3 hinges and a dead bolt security lock with a bolt at least one inch long.
- iii. **Patio Doors:** Sliding glass doors are more vulnerable to wind damage than most other doors. Installation of impact resistant door systems made of laminated glass or plastic glazing is necessary to prevent flying debris from breaking the glass.
- iv. **Garage Doors:** Because of their size, garage doors are highly susceptible to wind damage. Install a garage door and track system that is labeled and rated for high wind pressures and debris impact. One such label is SBCC1 (Standard Building Code Congress International). Or, proof that a qualified inspector has determined your garage door and track system can resist high winds and has installed permanent metal stiffeners.
- v. **Roof and Foundation Connections:** The points where the roof and the foundation meet the walls of the home are extremely important if it is to resist high winds and pressures they place on the entire structure.
 - a. The roof must be anchored to the walls with metal clips and straps.
 - b. The walls must be properly anchored to the foundation.
 - c. If the house is more than one story, the upper story wall framing must be firmly connected to the lower framing.

Required Documentation:

- 1. Proof that these measures have been made is required for the named storm deductible to be removed or reduced. Proof may be obtained by the receipt of a signed statement from a qualified contractor certifying these measures are in place. A copy of the certificate must be submitted with the application.

ADDITIONAL EXCEPTION (S) TO GENERAL RULE(S)

**Rule 517.
LIMITED FUNGI, WET OR DRY ROT OR
BACTERIA**

F. MPIUA Requirement

The following paragraph is added:

Use Limited Fungi, Wet or Dry Rot Bacteria Coverage Endorsement DP 04 22 with all Dwelling Program policies. Increased limits as shown in paragraph B. are available.

ADDITIONAL RULE

**RULE A4.
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED
LIQUID FUEL COVERAGE**

A. Coverage Outline

1. Basic Limits

Massachusetts law requires that the following coverage shall be made available:

a. Property Remediation For Escaped Liquid Fuel Coverage

\$50,000 per occurrence to pay for loss to covered real or personal property, owned by an insured, that is damaged by liquid fuel that escapes from a fuel system on any location insured under the policy and declared on the schedule of the subject endorsement or the policy Declarations. Covered real property includes land, other than farm land, on which a building or structure is located. This Property Remediation Coverage applies only for the policy period in which the insured first discovers or learns of the escaped fuel, even if the escape began before that policy period.

2. Deductible

Deductibles shall not exceed \$1,000 per claim.

3. Endorsements

a. Use Property Remediation For Escaped Liquid Fuel Coverage – Massachusetts Endorsement FP 34 09.

b. The subject optional endorsement provides complete details on coverages, limitations, definitions and additional policy conditions applicable to this coverage. Enter the limits of liability that apply to the Property Remediation Coverage on the endorsement. Also enter on this endorsement the address of all locations to be insured for Property Remediation Coverage.

**RULE 406.
DEDUCTIBLES (Cont'd)**

- c. Use Rating Information For Property Remediation For Escaped Liquid Fuel Coverages Endorsement **FP 24 59**.

Attach the subject optional endorsement to the policy and enter the applicable Risk Class Number on the policy Declarations. If the insurer shows this rating information elsewhere in the policy, this endorsement does not have to be used.

B. Higher Limits

1. Property Remediation Coverage

- a. This limit may be increased to \$100,000. The limit selected is entered on the coverage endorsement or the policy Declarations.
- b. Refer to Paragraph **D.** for premium computation instructions.

C. Application Of Limits Of Liability

1. For Property Remediation Coverage, the limit selected is a per-occurrence limit and is the most coverage that will be provided for any one "occurrence" during the policy period regardless of the number of locations insured for Property Remediation Coverage or the number of claims made.

D. Rating Basis

1. Property Remediation For Escaped Liquid Fuel Coverage

- a. From the Liquid Fuel Risk Selection table located in Paragraph **4.**, select:
- (1) The liquid fuel risk description that best describes each location, **with or without** a dwelling building, insured for Property Remediation Coverage under this policy; and
- (2) The corresponding Risk Class Number for each description identified.
- b. Use the lowest Risk Class Number selected for all such locations.

2. Premium Selection

- a. From the company rate pages, Table **A4.D.3.#1**, select the appropriate additional premium charges that correspond to the lowest Risk Class Numbers determined in Paragraph **1**.

3. Liquid Fuel Risk Selection Table

Description	Risk Class No.
Liquid fuel storage containers, tanks or vessels are on covered real property; and	
(1) One or more fuel storage containers, tanks or vessels are partially or completely buried below ground (inside or outside of a building or structure); or	100
(2) All are completely above ground (inside or outside of a building or structure).	200

Table A3.D.3. Liquid Fuel Risk Selection

**DWELLING
FP DNSP 04 18**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NAMED STORM PERCENTAGE DEDUCTIBLE
ALL DWELLING PROPERTY FORMS**

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR LOSSES ARISING FROM A NAMED STORM WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

“Named Storm Percentage Deductible” is the percentage deductible provided under “Deductible – Section I” shown on the Declarations (UMADWDEC or UMADWCR) in effect at the time of loss or damage and referred to as “Except Named Storm \$_____ (_____% of Coverage A Limit)”.

“Named Storm” means a hurricane or tropical storm given a name by National Hurricane Center or Weather Prediction Center, both under the National Weather Service.

The following language is added and changes the policies as indicated below.

The following Named Storm Percentage Deductible provision is applicable to the **DWELLING PROPERTY DP 00 01, DP 00 02 and DP 00 03 POLICY FORMS.**

We will pay only that part of the total of all loss or damage payable under these policies that exceeds the Named Storm Percentage Deductible shown above in this endorsement or shown elsewhere in this policy. This deductible applies in the event of direct physical loss or damage to property covered under this policy caused directly or indirectly by wind regardless of any other cause or event contributing concurrently or in any sequence to the loss. The Named Storm Percentage Deductible shall not apply to loss or damage payable under Coverage D or E.

The Named Storm Percentage Deductible shall apply only to losses arising throughout the “duration of a Named Storm”. The “duration of a Named Storm” means twelve hours before a watch or warning for a Named Storm has been issued by the National Weather Service or National Hurricane Center for any part of Massachusetts and for the duration of the Named Storm and then ending the later of (i) twelve hours after the watch or warning for any part of Massachusetts has been lifted or (ii) the time that the Named Storm has been discontinued by the National Hurricane Center.

All other provisions of this policy remain in effect.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED STORM FIXED-DOLLAR DEDUCTIBLE
ALL DWELLING PROPERTY FORMS

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR LOSSES ARISING FROM A NAMED STORM WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

“Named Storm Fixed-Dollar Deductible” is the dollar amount deductible provided under “Deductible – Section I” shown on the Declarations (UMADWDEC or UMADWCR) in effect at the time of loss or damage and referred to as “Except \$_____ For Named Storm”.

“Named Storm” means a hurricane or tropical storm given a name by National Hurricane Center or Weather Prediction Center, both under the National Weather Service.

The following language is added and changes the policies as indicated below.

The following Named Storm Fixed-Dollar Deductible provision is applicable to the **DWELLING PROPERTY DP 00 01, DP 00 02 and DP 00 03 POLICY FORMS.**

We will pay only that part of the total of all loss or damage payable under these policies that exceeds the Named Storm Fixed-Dollar Deductible on the policy declarations. This deductible applies in the event of direct physical loss or damage to property covered under this policy caused directly or indirectly by wind regardless of any other cause or event contributing concurrently or in any sequence to the loss. The Named Storm Fixed-Dollar Deductible shall not apply to loss or damage payable under Coverage D or E.

The Named Storm Fixed-Dollar Deductible shall apply only to losses arising throughout the “duration of a Named Storm”. The “duration of a Named Storm” means twelve hours before a watch or warning for a Named Storm has been issued by the National Weather Service or National Hurricane Center for any part of Massachusetts and for the duration of the Named Storm and then ending the later of (i) twelve hours after the watch or warning for any part of Massachusetts has been lifted or (ii) the time that the Named Storm has been discontinued by the National Hurricane Center.

All other provisions of this policy remain in effect.

**Massachusetts Property Insurance Underwriting Association
Two Center Plaza, Boston, MA 02108-1904
800-392-6108 617-723-3800**

DWELLING POLICYHOLDER NOTICE

NAMED STORM PERCENTAGE DEDUCTIBLES

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The total of all loss payable under Section I of this policy is subject to a special higher deductible when direct physical loss or damage to property is caused directly or indirectly by wind during a Named Storm. A "Named Storm" is defined as a hurricane or tropical storm given a name by the National Hurricane Center or Weather Predictions Center, both under the National Weather Service.

You have received a premium credit for this higher deductible. For this credit, you will be responsible for the portion of any loss caused directly or indirectly by wind during a Named Storm, which is less than or equal to your Named Storm deductible as shown on your Policy Declarations page.

The actual dollar amount of the Named Storm deductible is determined by multiplying the percentage deductible amount by the Coverage A limit as indicated on your Policy Declarations. The actual dollar amount can be found in the DEDUCTIBLE Section of your Policy Declarations. If your Coverage A limit changes for any reason, whether by MPIUA's action or at your request, this Named Storm deductible amount will also change. The Named Storm deductible amount is subtracted from the total of the loss caused directly or indirectly by wind during a Named Storm.

Example 1:

Assume the percentage amount is 2% and a Coverage A limit of liability of \$100,000. You would be responsible for the first \$2,000 of any loss, caused directly or indirectly by wind during a Named Storm, to property covered under your policy (2% of \$100,000 is equal to \$2,000).

This deductible is then applied to the total of the loss for all property coverages (except losses payable under Coverage D or E).

Loss due to wind during a Named Storm

\$21,250	Dwelling Building (Coverage A)
\$1,585	Detached Garage (Coverage B)
+ \$775	Personal Property (Coverage C)
= \$23,610	Total Loss
- \$2,000	Deductible
\$21,610	Amount we will pay for the loss

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Example 2:

Assume the percentage amount is 2% and a Coverage A limit of liability of \$200,000. You would be responsible for the first \$4,000 of any loss, caused directly or indirectly by wind during a Named Storm, to property covered under your policy (2% of \$200,000 is equal to \$4,000).

The deductible is then applied to the total of the loss for all property coverages (except losses payable under Coverage D or E).

Loss due to wind during a Named Storm

\$1,585	Detached Garage (Coverage B)
+ \$300	Personal Property (Coverage C)
= \$1,885	Total Loss
- \$4,000	Deductible
\$0.00	No payment will be made for the loss since deductible amount exceeds the loss total

THERE MAY BE OTHER FIXED OR PERCENTAGE DEDUCTIBLE OPTIONS AVAILABLE TO YOU. CONTACT YOUR AGENT OR MASSACHUSETTS PROPERTY INSURANCE UNDERWRITING ASSOCIATION FOR MORE INFORMATION REGARDING THESE OPTIONS.

**Massachusetts Property Insurance Underwriting Association
Two Center Plaza, Boston, MA 02108-1904
800-392-6108 617-723-3800**

DWELLING POLICYHOLDER NOTICE

NAMED STORM FIXED-DOLLAR DEDUCTIBLES

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The total of all loss payable under Section I of this policy is subject to a special higher deductible when a Named Storm, as that term is defined within the Named Storm Fixed-Dollar Deductible endorsement, directly or indirectly causes damage to property.

You have received a premium credit for this higher deductible. For this credit, you will be responsible for the portion of any loss caused directly or indirectly by a Named Storm, which is less than or equal to your Named Storm deductible as shown on your Policy Declarations page.

The deductible amount, shown on the Policy Declarations page in the section captioned "Deductible", is subtracted from the total of the loss caused by a Named Storm.

Example 1:

Assume the deductible amount is \$2,000. You would be responsible for the first \$2,000 of any loss, caused directly or indirectly by wind during a Named Storm, to property covered under your policy.

Loss due to wind during a Named Storm (except losses payable under Coverage D or E).

\$21,250	Dwelling Building (Coverage A)
\$1,585	Detached Garage (Coverage B)
+ \$775	Personal Property (Coverage C)
= \$23,610	Total Loss
- \$2,000	Deductible
\$21,610	Amount we will pay for the loss

Example 2:

Assume the deductible amount is \$2,000. You would be responsible for the first \$2,000 of any loss, caused directly or indirectly by wind during a Named Storm, to property covered under your policy.

Loss due to wind during a Named Storm (except losses payable under Coverage D or E).

\$1,200	Detached Garage (Coverage B)
+ \$300	Personal Property (Coverage C)
= \$1,500	Total Loss
- \$2,000	Deductible
\$0.00	No payment will be made for the loss since the deductible amount exceeds the loss total

THERE MAY BE OTHER FIXED OR PERCENTAGE DEDUCTIBLE OPTIONS AVAILABLE TO YOU. CONTACT YOUR AGENT OR MASSACHUSETTS PROPERTY INSURANCE UNDERWRITING ASSOCIATION FOR MORE INFORMATION REGARDING THESE OPTIONS.

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NAMED STORM LOSS MITIGATION MEASURES NOTICE

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Insureds have the opportunity to **remove** or **reduce** their higher Named Storm Percentage Deductible by performing specific Named Storm loss mitigation measures. Insureds who perform the approved mitigation measures will also receive the benefit of the **premium credit** that would otherwise only apply to their policies with the higher deductible.

The measures identified below to protect your home from wind damage will **remove** or **reduce** your Minimum Named Storm Percentage Deductible, depending on the number and kinds of measures you complete.

1. **Windows or Shutters:** Installation of impact resistant glass or impact resistant shutters that close over window openings to prevent flying debris from breaking window panes. If Plywood Shutters are being used, the following guidelines must be followed:
 - Minimum 5/8" thickness
 - Must not be used on openings greater than 8'x4'. The plywood must overlap the opening by 4" on each side.
 - Must be pressure treated to resist moisture damage and stored inside.
 - All panels must be pre-cut, pre-drilled and labeled for ease of installation. Four 1/4" holes must be drilled in the center area of each panel to relieve pressure during a hurricane.
 - Plywood panels up to 3' x 4' must use 1/4" bolts that have contact with the wall anchor of at least 1 1/4" on frame or masonry walls. Larger sheets of plywood require 3/8" bolts that have contact with the wall anchor of at least 1 3/4" on frame walls and 1 1/2" on masonry walls.
 - The building must be pre-drilled for wall anchors. The anchors and corresponding bolts must be kept in the wall at all times. The holes for the bolts must be 2 1/2" from the edge of the plywood at intervals of not greater than 12".
 - All bolts and wall anchors must be corrosion resistant.
2. **Entry Doors:** Installation of at least 3 hinges and a dead bolt security lock with a bolt at least one inch long.
3. **Patio Doors:** Sliding glass doors are more vulnerable to wind damage than most other doors. Installation of impact resistant door systems made of laminated glass or plastic glazing is necessary to prevent flying debris from breaking the glass.
4. **Garage Doors:** Because of their size, garage doors are highly susceptible to wind damage. Install a garage door and track system that is labeled and rated for high wind pressures and debris impact. One such label is SBCC1 (Standard Building Code Congress International). Or, proof that a qualified inspector has determined your garage door and track system can resist high winds and has installed permanent metal stiffeners.
5. **Roof and Foundation Connections:** The points where the roof and the foundation meet the walls of the home are extremely important if it is to resist high winds and pressures they place on the entire structure.
 - a. The roof must be anchored to the walls with metal clips and straps.
 - b. The walls must be properly anchored to the foundation.
 - c. If the house is more than one story, the upper story wall framing must be firmly connected to the lower framing.

Required Documentation:

Proof that these measures have been completed is required for the wind deductible to be **removed** or **reduced**. Proof may be obtained by the receipt of a signed statement from a qualified contractor or the policyholder certifying that these measures are in place. A copy of the certificate must be submitted with the application or request for endorsement.

Remove or Reduce Named Storm Deductible:

The reduction or removal of the Windstorm or Hail Deductible varies based on the initial Named Storm Deductible and the mitigation efforts performed. These can be summarized in the following chart:

Pre-mitigation Named Storm Deductible	Mitigation Steps	Post-mitigation Named Storm Deductible
Any	All	All Perils Deductible
5%	Roof & Foundation	1%
2%		All Perils Deductible
1%		All Perils Deductible
5%	Roof Only	2%
2%		1%
1%		All Perils Deductible
5%	All Windows &	2%
2%	All Glass Doors	1%
1%		All Perils Deductible

If the Named Storm Deductible is **removed** or **reduced** due to mitigation steps taken by the insured, the **premium credit** used in the calculation of the policy premium will be based on the original higher Minimum Named Storm Deductible that would have been applicable to the policy.

Example

Assume that you have an All Perils Deductible of \$500 with a Named Storm Deductible of 5% and a Coverage A (Building) Limit of Liability of \$200,000, you will be responsible for the first \$10,000 of any loss payable to property covered under your policy which is caused by Named Storm (5% of \$200,000 equals \$10,000). If, however, you perform all of the required mitigation measures your deductible would be **reduced** to your All Perils Deductible of \$500. Consequently, in the event of a property coverage loss due to Named Storm of \$20,000, your loss payment will be increased from \$10,000 to \$19,500 due to the completion of all of the required mitigation measures.

Additionally, your policy premium will reflect a credit based on the original higher Named Storm Deductible of 5%. Therefore, by performing all of the required mitigation measures, you not only get the benefit of a **reduced** Named Storm Deductible but also the benefit of a **reduced** premium.

Premium credits vary based on the coverage amount, the mitigation measures performed and the reduction of the deductible. Contact your Agent or Massachusetts Property Insurance Underwriting Association for further details.

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NAMED STORM LOSS MITIGATION MEASURES NOTICE

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Insureds the opportunity to **remove** or **reduce** their higher Named Storm Fixed-Dollar Deductible by performing specific wind loss mitigation measures. Insureds who perform the approved mitigation measures will also receive the benefit of the **premium credit** that would otherwise only apply to their policies with the higher deductible.

The measures identified below to protect your home from wind damage will **remove** or **reduce** your Minimum Named Storm Fixed-Dollar Deductible, depending on the number and kinds of measures you complete.

- 1. Windows or Shutters:** Installation of impact resistant glass or impact resistant shutters that close over window openings to prevent flying debris from breaking window panes. If Plywood Shutters are being used, the following guidelines must be followed:

- Minimum 5/8" thickness
- Must not be used on openings greater than 8'x4'. The plywood must overlap the opening by 4" on each side.
- Must be pressure treated to resist moisture damage and stored inside.
- All panels must be pre-cut, pre-drilled and labeled for ease of installation. Four 1/4" holes must be drilled in the center area of each panel to relieve pressure during a hurricane.
- Plywood panels up to 3' x 4' must use 1/4" bolts that have contact with the wall anchor of at least 1 1/4" on frame or masonry walls. Larger sheets of plywood require 3/8" bolts that have contact with the wall anchor of at least 1 3/4" on frame walls and 1 1/2" on masonry walls.
- The building must be pre-drilled for wall anchors. The anchors and corresponding bolts must be kept in the wall at all times. The holes for the bolts must be 2 1/2" from the edge of the plywood at intervals of not greater than 12".
- All bolts and wall anchors must be corrosion resistant.

- 2. Entry Doors:** Installation of at least 3 hinges and

a dead bolt security lock with a bolt at least one inch long.

- 3. Patio Doors:** Sliding glass doors are more vulnerable to wind damage than most other doors. Installation of impact resistant door systems made of laminated glass or plastic glazing is necessary to prevent flying debris from breaking the glass.
- 4. Garage Doors:** Because of their size, garage doors are highly susceptible to wind damage. Install a garage door and track system that is labeled and rated for high wind pressures and debris impact. One such label is SBCC1 (Standard Building Code Congress International). Or, proof that a qualified inspector has determined your garage door and track system can resist high winds and has installed permanent metal stiffeners.
- 5. Roof and Foundation Connections:** The points where the roof and the foundation meet the walls of the home are extremely important if it is to resist high winds and pressures they place on the entire structure.
- a. The roof must be anchored to the walls with metal clips and straps.
 - b. The walls must be properly anchored to the foundation.
 - c. If the house is more than one story, the upper story wall framing must be firmly connected to the lower framing.

Required Documentation:

Proof that these measures have been completed is required for the Named Storm deductible to be **removed** or **reduced**. Proof may be obtained by the receipt of a signed statement from a qualified contractor or the policyholder certifying that these measures are in place. A copy of the certificate must be submitted with the application or request for endorsement.

Remove or Reduce Named Storm Deductible:

The reduction or removal of the Named Storm Deductible varies based on the initial Named Storm Deductible and the mitigation efforts performed. These can be summarized in the following chart:

Pre-mitigation Named Storm Deductible	Mitigation Steps	Post-mitigation Named Storm Deductible
Any	All	All Perils Deductible
\$5,000	Roof & Foundation	\$1,000
\$2,000		All Perils Deductible
\$1,000		All Perils Deductible
\$5,000	Roof Only	\$1,000
\$2,000		\$500
\$1,000		All Perils Deductible
\$5,000	All Windows &	\$1,000
\$2,000	All Glass Doors	\$500
\$1,000		All Perils Deductible

If the Named Storm Deductible is **removed** or **reduced** due to mitigation steps taken by the insured, the **premium credit** used in the calculation of the policy premium will be based on the original higher Minimum Named Storm Deductible that would have been applicable to the policy.

Example

Assume that you have an All Perils Deductible of \$500 with a Named Storm Deductible of \$5,000 and a Coverage A (Building) Limit of Liability of \$200,000, you will be responsible for the first \$5,000 of any loss payable to property covered under your policy which is caused by Name Storm. If, however, you perform all of the required mitigation measures, your Named Storm Deductible would be reduced to your All Perils Deductible of \$500. Consequently, in the event of a property coverage loss due to a Named Storm of \$20,000, your loss payment will be increased from \$15,000 to \$19,500 due to the completion of all of the required mitigation measures.

Additionally, your policy premium will reflect a credit based on the original higher All Perils Deductible of \$500 with a Deductible of \$5,000. Therefore by performing all of the required mitigation measures, you not only get the benefit of a **reduced** Named Storm but also the benefit of a **reduced** premium.

Premium credits vary based on the coverage amount, the mitigation measures performed and the reduction of the deductible. Contact your Agent or Massachusetts Property Insurance Underwriting Association for further details.

Quick Reference Sheet - Named Storm Deductible

I. Named Storm Deductible Rule for Properties located in Barnstable, Dukes and Nantucket Counties or located within ½ mile of the coast in rest of the state:

MINIMUM NAMED STORM DEDUCTIBLE					
Cov. A Limit In (000)	Entire Dukes & Nantucket Counties	Barnstable County		Rest of State	
		With in ½ mile of the Coast	More than ½ mile from the Coast	With in ½ mile of the Coast	More than ½ mile from the Coast
Up to 99	2%	2%	2%	1%	AS PER CURRENT
100 – 199	2%	2%	2%	1%	
200 – 299	5%	2%	2%	1%	NAMED STORM
300 – 399	5%	2%	2%	1%	
400 – 499	5%	2%	2%	1%	DEDUCTIBLE
500 – 599	5%	2%	2%	2%	
600 – 699	5%	5%	2%	2%	REQUIREMENT
700 – 799	5%	5%	2%	2%	
800 – 899	5%	5%	2%	2%	AS SHOWN
900 – 999	5%	5%	2%	2%	
1000	5%	5%	2%	2%	BELOW

II. Named Storm Deductible Rule for Properties located more than ½ mile from the coast anywhere in the state except properties in Barnstable, Dukes and Nantucket Counties:

MINIMUM NAMED STORM DEDUCTIBLE					
Coverage A Limit					
All Other Perils Ded. Limit	Up to \$59,999	\$60,000 to 124,999	\$125,000 to 249,999	\$250,000 to 599,999	\$600,000 and Over
\$ 100	NONE	\$500	\$1000	\$2000	\$5000
\$ 250	NONE	\$500	\$1000	\$2000	\$5000
\$ 500	NONE	NONE	\$1000	\$2000	\$5000
\$1000	NONE	NONE	NONE	\$2000	\$5000
\$2500	NONE	NONE	NONE	NONE	\$5000