



September 15, 2003

FUNGI / MOLD ENDORSEMENTS APPROVED FOR PERSONAL LINES PROGRAM IN MARYLAND

BACKGROUND

The Maryland Insurance Administration issued Bulletin 03-12 on July 27, 2003 which rescinds the March 18, 2003 order on mold. The new order now allows insurers to exclude mold coverage. The previous order mandated that insurers offer limited mold coverage.

MSO[®] ACTION

MSO has filed endorsement MPL 126 • Fungi/Mold Exclusions - Liability - Section II. This endorsement excludes liability for losses as a result of fungi/mold.

Property damage caused by mold is excluded in the MSO policies, however, we have filed an endorsement (Fungi/Mold Limited Coverage - Section I • MPL 125) and accompanying rates to provide property coverage in limited amounts for fungi/mold losses.

Endorsements MPL 125 and MPL 126 may be used with the Homeowners/Mobilehomeowners and Combination Dwelling programs.

EFFECTIVE DATE

October 1, 2003

DISTRIBUTION

Endorsements MPL 125 and MPL 126 and the accompanying manual rules/rates will be included in the next CD-ROM update. Affiliated companies can access this through our website <http://www.msonet.com>. Send your order for printed supplies of the endorsements by mail, fax or phone to Tammy Bechtle or e-mail: supplies@msonet.com.

QUESTIONS

Contact Pepper Treuvey, AU at (800) 935-6900 or e-mail: ptreuvey@msonet.com.