



May 31, 2005

## **REVISED PERSONAL LINES PROGRAM APPROVED IN NEW JERSEY AND PENNSYLVANIA**

### **BACKGROUND**

Based on suggestions of the user companies, we have developed an updated Personal Lines Program. The new 2005 editions will replace the current 1997 versions.

### **PROGRAM CHANGES**

#### **COMMON PROVISIONS FORM - MPL 01**

- **Section I A - Coverage**

Pg 2, Coverage B

Revised wording to clarify that paved surfaces are covered. Intent is not to cover a dirt driveway.

Pg 2, Coverage C

Included references to “tangible” property in personal property. This clarifies that coverage is not intended for intangible property.

- **Section I B - Supplemental Coverages**

Pg 3, Water Damage Expense

Revised to better convey that it is the particular part causing the damage that is covered and also now include a \$100 sublimit in the coverage forms.

Pg 3, Collapse Coverage

Revised collapse to include the “known loss” exclusion for hidden decay and insect damage. Included “decks” in the list of noncovered items. Moved the bulging etc. exception to new definition of collapse.

Pg 4, Fire Expense

Included a new limited coverage for fire extinguisher recharge expenses with a \$500 sublimit in the coverage forms.

- **Section I D - Losses Not Insured**

Pg 6, Earth Movement

Included “rockslides or rock falls” in paragraph 2 of the exclusion as these are intended to be excluded types of earth movement.

Included wording to clarify that the earth movement exclusions apply regardless if damage is in a limited or widespread area.

Pg 6, Electrical Damage

Revised the wording to better convey the intent.

**PROGRAM  
CHANGES (cont'd.)**

Pg 6, Freezing

Included a reference to living units within a building to convey that the exclusion would apply if a living unit is unoccupied or vacant. Also included a reference to “adequate” to convey that there should be an effort to maintain the appropriate amount of heat.

Pg 7, Water Damage

Included “sewage” in the water damage exclusion. This addresses recent adverse court decisions that ruled sewage is not water.

Pg 7, Wear and Tear

Included reference to other creatures kept by an insured in Paragraph D to take into account different types of exotic pets that people acquire.

Included “drought” in paragraph K specifically rather than rely on the weather related exclusion.

Pg 7, Note

Made this wording consistent with the lead-in statement on page 6.

- **Section I E - Conditions**

Pg 9, How Losses Are Settled

Added a new paragraph A.2 to include specific wording that coverage is for damaged property. The company will replace damaged property with material that is as close a match as possible, but should not be responsible for replacement of undamaged property. Claimants sometimes request replacement of undamaged property such as replacement of an entire roof, when only one section had been damaged; or replacement of siding on an entire house, when only one side has been damaged. We currently have this type of wording in the Mobilehomeowners coverage forms.

Added, as paragraph G, a satisfaction of your loss condition. A similar condition is in our commercial forms.

- **Section II B - Supplemental Coverages**

Pg 12, Defense Coverage

Increased the payment for time off from work from \$100 to \$250 per day.

Pg 12, Incidental Business

Revised the student business activities wording to appropriately describe the kind of business that was intended to be covered. Included references to “part time or seasonal” and to “no employees”.

**PROGRAM  
CHANGES (cont'd.)**

Pg 12, Incidental Motorized Land Vehicle

Revised the golf cart wording to extend the use to golfing facilities and communities.

Revised the handicapped vehicle coverage to qualify that such vehicle has to actually be used to assist a handicapped person or be parked on the premises.

- **Section II C - Conditions**

Pg 13, Duties

Included a provision to allow examination under oath for Section II. This is identical to the provision that applies under Section I. This can be used as a means to combat fraud in liability claims.

Included, as paragraph F, the duties of coverage beneficiaries condition for medical payments. This is in the commercial forms.

- **Section II D - Liability Not Insured**

Pg 15, Fuel Oil

Moved the fuel oil exclusion from the state mandatory endorsement to the common provisions form as exclusion 10.

- **Sections I And II - General Conditions**

Pg 16, Other Insurance

Included a provision in the other insurance condition that makes this insurance excess over any home service or warranty agreement.

- **Sections I And II - Glossary**

Pg 17, Collapse

Included a definition of collapse to explicitly state that a building in danger of collapse is not covered.

Pg 17, Insured

Revised the age to under 21 from under 19 for non relatives in the household. This conforms to the standard industry program.

Included full time students away from home as insureds. This conforms to the standard industry program.

Revised the Part II "insured" definition to better convey the intent.

Pg 18, Money / Securities

Revised the definitions of money and securities to describe what is intended without using the term within the definition. Include prepaid phone cards and stored value cards as money.

**PROGRAM  
CHANGES (cont'd.)**

Pg 18, Occurrence  
Included a provision that occurrence does not include misrepresentation or omission in the sale of property.

Pg 18, You, Your & We, Us and Our  
Revised definitions to refer to the declarations.

**COVERAGE FORMS - MHO 2, MHO 3, MHO 4, MHO 6, MBO 2,  
MBO 3, MBO 4**

Revised the coverage forms to include the sublimits for water damage expense and fire extinguisher recharge expense. Included the qualifying wording "on the residence premises" in the water damage cause of loss definition. This limits loss if such discharge occurs off the premises.

Included a new supplemental coverage and sublimit for lock replacement.

Included exclusions if premises is not owner occupied to support the Owner Occupancy condition. Trigger endorsement MPL 150 would delete this exclusion when the insurer agreed to insure the premises as such, conforming to the wording of the condition. This exclusion is not included in MHO 4 or MBO 4.

**COVERAGE FORMS - MDW 1, MDW 2, MDW 3, MDW 6**

Revised the coverage forms to include the sublimits for water damage expense and fire extinguisher recharge expense. Also included the qualifying wording "on the residence premises" in the water damage cause of loss definition. This limits loss if such discharge occurs off the premises.

**FORMS MPL 02 AND MDL 1**

Made changes in these forms tracking with the changes in MPL 01.

**ENDORSEMENTS**

The following endorsements have been revised to track with the changes made in MPL 01 and the various coverage forms:

MPL 15, MPL 23, MDW 29, MPL 32, MPL 38, MPL 39, MPL 48, MPL 53, MPL 54, MPL 55, MPL 58, MPL 61, MDL 63, MPL 80, MDW 85, MPL 89, MPL 95 (NJ only), MPL 99 (PA only).

**PROGRAM  
CHANGES (cont'd.)**

Additional changes in these endorsements are as follows:

**MPL 32**

Revised paragraph 2.B.1 to indicate that the limit is for the specific structure listed. Revised paragraph 2.B.2 to delete the exclusion in MPL 01.

**MPL 38**

As this home business coverage is intended to track with the coverage in our BOP program, we revised this endorsement to track with changes made in the 2003 BOP program revision.

**MPL 39**

Revised to follow MPL 38.

**MPL 48**

Revised to indicate that when used with MDW 6, the references to Coverage A are replaced by Coverage C.

**MPL 61**

Revised to clearly indicate the scope of the additional coverage provided.

**MPL 80 (NJ)**

Added definition of farming activities to track with endorsement MPL 30 which is the farming endorsement. Also added a pollution exclusion that applies when the underlying policy is a dwelling form that includes a tenant occupied dwelling pollution exclusion.

**MPL 140**

Introduced a Companion Coverage endorsement which extends insured status to the companion named in the endorsement.

All other endorsements retain their current edition dates.

Also, endorsements MPL 53 and 54 will now apply in New Jersey.

We also developed sample policyholder notices for the program changes.

**EFFECTIVE  
DATE**

June 1, 2005 - New Jersey and Pennsylvania.  
Filing is pending in Delaware and Maryland.

**DISTRIBUTION**

The new forms and endorsements will be added to the CD-ROM. Affiliated companies will be able to access these through our website:  
<http://www.msonet.com>.

**QUESTIONS**

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