



June 2, 2006

ADDITIONAL TRIA ENDORSEMENT REVISIONS APPROVED

BACKGROUND The Terrorism Risk Insurance Extension Act of 2005 extended the federal terrorism insurance mechanism through 2007.

We previously announced approvals of various filings for the revised terrorism endorsements to incorporate a December 31, 2007 sunset of TRIA.

MSO[®] ACTION We filed revised terrorism endorsements for commercial property, commercial liability, commercial multi-peril, dwelling property and dwelling liability in Delaware, Maryland, New Jersey and Pennsylvania. We also filed commercial inland marine and commercial umbrella in Delaware and Maryland, as required by those state filing laws.

We have received additional approval of the following filings:

Maryland - Commercial property, commercial liability, commercial umbrella and commercial inland marine.

New Jersey - Dwelling lines.

All of the revised forms are now approved in Maryland, New Jersey and Pennsylvania. We will advise you when we secure approvals of the dwelling and commercial filings in Delaware.

EFFECTIVE DATE June 1, 2006

ENDORSEMENTS The revised endorsements use the same endorsement numbers as the previous versions, but with an 03 06 edition date. This way, companies do not need to program for new forms.

POLICYHOLDER NOTICES There should be no need to issue policyholder notices with the 03 06 editions as there is no change in coverage from the prior editions.

DISTRIBUTION

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

You may exhaust your existing stock of endorsements before ordering the 03 06 editions. But you need to use the 03 06 editions with policies effective on or after January 1, 2007.

QUESTIONS

Contact Jan Kozlowski at (800) 935-6900 or e-mail: jkozlowski@msonet.com.