



May 9, 2007

## **2007 BOP FORMS INTRODUCED**

- BACKGROUND** MSO® is introducing 2007 editions of our major Businessowners (BOP) forms.
- MSO ACTION** MSO filed new versions of five forms: BU 04 01, BU 04 02, BU 04 06, BU 04 07 and BU 04 09. We withdrew endorsements whose language is now included in the main forms. In Maryland, we filed a new version of the Mandatory Endorsement (BU 08 40). An explanation of the changes is attached.
- We also developed sample policyholder notices for each BOP policy form.
- EFFECTIVE DATE** Immediately in Delaware, Indiana, New Jersey and Pennsylvania. The filing is still pending in Maryland.
- DISTRIBUTION** The forms and policyholder notices will be added to the CD-ROM. Affiliated companies can access them through our website: [www.msonet.com](http://www.msonet.com).
- QUESTIONS** Contact Jan Kozlowski at (800) 935-6900.

## **2007 BUSINESSOWNERS FORMS EXPLANATORY MEMORANDUM**

The policies being updated include the main Businessowners Policy (BU 04 01), Named Perils (BU 04 02), Condominium Association (BU 04 06), Landlord's Named Perils (BU 04 07), and the Landlord's Expanded Policy (BU 04 09). Most wording changes being incorporated into these policies have previously been approved in the form of stand alone endorsements. These endorsements have therefore been withdrawn: MCL 184 (Silica Exclusion), MCL 194 (Contractual Coverage Limitations), MCL 195 (Known Injury or Occurrence Provisions), MCL 199 (Virus Contamination Exclusions - Part II), MCP 401 (Virus Contamination Exclusion - Part I). These exclusions may still be used with the Home Business BOP (BU 08 01), which has not been revised.

Other revisions include format and editorial modifications including:

### **Part I B - Supplemental Coverages -**

- Sign posts and poles are added to the Outdoor Signs Coverage.
- Collapse is added. Previously Collapse was listed under covered perils. The Supplemental Coverage provides a clearer description of the coverage intended. Collapse is now a defined term in the Glossary.

### **Part I E - Losses Not Insured -**

- Flood/Flooding - Added a reference to "storm surge" and added wording to exclusion to clarify coverage does not apply to losses "aggravated by or resulting from any natural or human made causes".
- Water Damage - Added driveways, floors, foundations, paved surfaces, sidewalks or walls to excluded items.
- Wear and Tear - Added virus contamination to exclusion. Under earth/land movement, added "aggravated by or resulting from any natural or human made causes" and added rock slides and rock falls to exclusion.
- Collapsing of Specified Property - Removed exclusion as Collapse is now a Supplemental Coverage and defined term.

### **Part II A - Main Liability Coverages - Coverage E Liability To Others -**

- Incorporated Known Injury or Occurrence Provision to exclude coverage for losses known to have occurred prior to the policy period.

### **Part II B - Supplemental Coverages**

- Contractual Coverage - Add contractual coverage limitation wording to emphasize that loss must be caused or contributed to by insured or those acting on their behalf.
- Incidental Automobile Coverage - Added wording to provide coverage for operation of devices permanently attached to mobile equipment subject to compulsory, financial responsibility or motor vehicle laws.
- Incidental Mobile Equipment - Added wording to state that equipment subject to compulsory, financial responsibility or motor vehicle laws is now considered an automobile. This tracks changes made to Incidental Automobile Coverage.

### **Part II C - Liability Not Insured -**

- Fungi/Mold Exclusion added.
- Silica Exclusion added.
- Virus Contamination Exclusion added. (Note: This does not apply in Maryland, as specified in the Mandatory Endorsement - BU 08 40).

### **Part II D - Special Liability Conditions -**

- Under Duties of Insureds condition, included the insurer's right to require an examination under oath, signed and sworn statements, and the right to video record any examination.

### **Common Exclusions - Parts I and II -**

- Revised the Government/Legal/War Exclusions to clarify that acts done to defend against any such act or condition, whether actual or expected, are not covered.
- Added CAN-SPAM and Telephone Consumer Protection Act (TCPA) exclusion wording.

### **Common Glossary - Parts I And II -**

- Revised the definition of "Automobile" to be compatible with the revisions to Mobile Equipment. Also, deleted the "persons while driving mobile equipment" paragraph under the definition of "insured", as mobile equipment driven on public highways is not covered with the new revisions to Mobile Equipment.

### **Common Glossary - Part I -**

- Added definition for "Collapse".

### **Common Glossary - Part II -**

- Revised the definition of "Employee" to include wording stating that an independent contractor is not considered an employee.