



January 14, 2008

REVISED COMMERCIAL LIABILITY POLICIES APPROVED IN NEW YORK

BACKGROUND

We have updated the Commercial Liability Policies in New York to match the updates previously approved elsewhere.

PROGRAM CHANGES

This revision introduces new versions of the commercial liability policy forms. The new 01 08 editions will replace the following policies: MCL 010 (04 07), MCL 020 (12 05), MCL 030 (12 05), MCL 040 (12 05) and MFL 060 (04 07).

The revision highlights include the following:

GENERAL FORM - MCL 010

Part II B • Supplemental Coverages

Personal Injury / Advertising Injury Coverage

Indicated that the Fungi/Mold, Pollution/Environmental Damage, and Silica Exclusions also are applicable to the Advertising Injury and Personal Injury Supplemental Coverage. **New York State Mandatory endorsement MCM 860 removes the Fungi/mold exclusion.**

Part II C • Liability Not Insured

Business Activities / Business Risk Exclusions

Revised the “recall” text to include recall by you or any other organization to clarify the intent of the policy.

Employee, Employment, And Related Injury Exclusions

Removed Paragraph F. as mobile equipment that is registered under a motor vehicle law is considered an auto and therefore not covered under the GL policies.

Mobile Equipment Exclusions

Removed the note that referred to 10.D as this paragraph has been eliminated.

Pollution / Environmental Damage Exclusion

Revised to include Personal Injury / Advertising Injury.

Added language to clarify that controlled fires would not be excluded as long as the premises is not or was not used for the handling, storing, disposing of, processing or treatment of waste. Also referenced material that is to be reclaimed, reconditioned or recycled. This language mirrors the definition of “pollutants” in the Glossary.

**PROGRAM
CHANGES - Cont.**

Premises / Other Property Additional Exclusions

Removed Paragraph D. as mobile equipment that is registered under a motor vehicle law is considered an auto and therefore not covered under the GL policies.

Virus Contamination Exclusion

Included the exclusion from endorsement MCL 199. **However, NY State Mandatory endorsement MCM 860 removes the Virus Contamination exclusion.**

ADDITIONAL CHANGES

Format revised to remove the bullet characters and replace with alpha or numerical characters. Also removed parenthesis around letters or numbers.

The words “above” or “below” used when referencing other text in the policy has been revised to say “in the preceding paragraph” or “in the following paragraph”. This change is being made as companies may reproduce the policies from their systems and due to different spacing, margins etc., the items referred to may not always fall “above” or “below.”

Similar changes as applicable have been made to policies MCL 020, MCL 030, MCL 040, MFL 060.

ENDORSEMENTS

Hired / Nonowned Automobile endorsements (MCL 410, MCL 411 and MCL 412) and Additional Insured - Contractors / Lessees/ Owners endorsement MCL 325 are applicable to both the Commercial Liability program and the Special Contractors program. (Special Contractors program not currently available in New York). Within these endorsements, there were references to specific sections of the policies. The recent updates to the Special Contractors policy (MSC 010) required us to update the references in these 4 endorsements.

State Mandatory Endorsement - New York MCM 860 (09 06) is replaced by MCM 860 (06 08). The Virus Contamination Exclusion added to the policies is removed. The Other Insurance Condition has been amended to say “we defend” instead of “we may defend” as required by the New York Department of Insurance.

MANUAL PAGES

References to endorsement MCL 199 • Virus Contamination have been eliminated from the Commercial Liability manual.

**EFFECTIVE
DATE**

June 1, 2008

Previously approved in New Jersey, Pennsylvania, Delaware, Maryland and Virginia.

DISTRIBUTION

The revised Commercial Liability policies, manual pages, endorsements and policyholders' notice will be added to the CD-ROM. Affiliated companies will be able to access these through our website: <http://www.msonet.com>.

QUESTIONS

Contact Pepper Treuvey at (800) 935-6900.