



March 9, 2010

2010 BOP REVISION INTRODUCED IN NJ

BACKGROUND

To enhance the competitive position of the MSO® BOP program, we are introducing updated versions of the coverage forms, supplemental declarations and manuals.

FORMS CHANGES

This revision introduces new versions of the coverage forms and supplemental declarations as follows: BU 04 01 (01 10); BU 04 02 (01 10); BU 04 03 (01 10); BU 04 06 (01 10); BU 04 07 (01 10); BU 04 08 (01 10); BU 04 09 (01 10); BU 04 10 (01 10); BU 04 13 (01 10); BU 04 15 (01 10); BU 04 16 (01 10); BU 04 17 (01 10); BU 04 20 (01 10); BU 04 21 (01 10); BU 04 23 (01 10); and BU 04 24 (01 10).

The revision highlights include the following:

Part I B - Supplemental Coverages Increased

Accounts Receivable to \$10,000
Coverage B - Off Premises to \$10,000
Debris Removal to \$10,000
Fire Dept. Service Charge to \$2,500
Fire Extinguisher Recharge to \$5,000
Outdoor Signs to \$2,500
Trees, Shrubs, Plants
 Per Occurrence to \$2,500
 Per Each Item to \$500
Valuable Papers to \$10,000

Part I B - Supplemental Coverages Introduced

Business Income Loss from:
 Dependent Properties for \$5,000
 Interruption of Computer Services for \$10,000
Credit Card / Forgery / Counterfeit Money for \$2,500
Employee Dishonesty for \$5,000
Loss of Electronic Data for \$10,000
Satellite Dishes for \$2,500

**FORMS CHANGES -
Continued**

Part I D - Property Exclusions

Added an exclusion for electronic data to clarify that coverage is limited to that provided under the new supplemental coverage.

Common Exclusions

Added specific references to the Fair and Accurate Credit Transactions Act (FACTA) and the Fair Credit Reporting Act (FCRA) in the Part II communications exclusion.

Common Glossary

Added a definition of dependent property.

Part I E - Losses Not Insured in BU 04 02 and BU 04 07

Deleted the Leakage from Frozen Equipment exclusion. Since these are named perils forms and leakage and water damage are not covered perils, the exclusion has no effect and may cause confusion.

**MANUAL
CHANGES**

The supplemental coverage rules are revised to correlate with the increases in sub-limits and the introduction of new coverages. New class definitions are added to the classification section. The territory definitions are expanded and a new territory factor of .85 is introduced.

The revision highlights include the following:

Expanded the eligibility for mercantile / service risks to 25,000 square feet.

Added an eligibility criteria for light mixed commercial / industrial risks.

Moved the rules for protection definitions, single occupancy and apartments / condominiums from the last manual page to the Rating Information section.

Revised the rules for Accounts Receivable, Employee Dishonesty, Off Premises, Outdoor Signs, Valuable Papers, and Debris Removal to reflect the sub-limits increases and other changes in the coverage forms.

Added rules for Credit Card, Electronic Data, Dependent Property and Interruption of Computer Services to correlate with the new supplemental coverages in the coverage forms.

Added higher limit options of \$750,000 and \$1,000,000 for Fire Legal Liability.

Added a higher limit option of \$2,000,000 for Increased Limit of Liability and to the rules for Liquor Legal Liability and Professional Liability.

**MANUAL
CHANGES - Continued**

Expanded the Eligibility List by adding 22 new classifications. Split out the office class into Medical / Dental and All Other. Modified existing class descriptions.

Expanded the Territory definitions by adding two territories and redefining existing territories. Territory 1 includes eleven cities and maintains a 1.00 factor. Territory 2 includes Camden, Cumberland, Gloucester and Salem Counties and applies a 1.05 factor. Territory 3 is for the remainder of Hudson County and applies a .95 factor. Territory 4 is for the coastal area and maintains a 1.00 factor. Territory 5 is for the remainder of the state and applies a .85 factor.

**EFFECTIVE
DATE**

The 2010 BOP revision is effective April 1, 2010 in New Jersey.

DISTRIBUTION

The revised BOP coverage forms, supplemental declarations, manual and corresponding policyholder notices will be added to the CD-ROM. Affiliated companies will be able to access these through our website: <http://www.msonet.com>.

QUESTIONS

Contact Jan Kozlowski at (800) 935-6900.