



June 06, 2011

COMMERCIAL PROPERTY PROGRAM REVISIONS APPROVED IN VIRGINIA

BACKGROUND To enhance the competitive position of the MSO® Commercial Property program, we are introducing updated versions of the coverage forms, supplemental declarations, several endorsements and manuals.

FORMS CHANGES This revision introduces new versions of the coverage forms, supplemental declarations and endorsements as follows: MCP 010 (02 11), MCP 014 (02 11), MCP 016 (02 11), MFP 032 (02 11), MCP 011 (08 10), MCP 013 (08 10), MCP 015 (08 10), MCP 017 (08 10), MCP 019 (02 11), MFP 033 (08 10), MFP 035 (08 10), MFP 037 (08 10), MCP 031 (08 10), MCP 070 (02 11), MCP 109 (02 11), MCP 131 (08 10), MCP 171 (08 10) and MCP 172 (02 11).

MCP 183 - Money and Securities — Robbery and Safe Burglary Crime Coverage (Form Q) • Part I has been withdrawn.

The MCP 010 (02 11) revision highlights include the following:

Part I A - Main Coverages

Coverage D - Loss of Use Resulting From Direct Covered Loss

Added new option (trigger endorsement MCP 508) to remove the Computer Hacking/Computer Virus exclusion from Electronic Media – Special Period of Indemnity.

Part I B - Supplemental Coverages Increased

Fire Dept. Service Charge to \$2,500
Fire Extinguisher Recharge to \$5,000
Outdoor Signs to \$2,500

Part I B - Supplemental Coverages Introduced

Loss of Electronic Data for \$3,000
Satellite Dishes for \$1,000

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.

**FORMS CHANGES
(Continued)**

Part I F - Losses Not Insured

Under the Flood / Flooding Exclusion, revised the wording to clarify that coverage does not apply to losses “caused by, or a consequence of , rain, snow, wind or other condition of the weather, or an otherwise covered cause of loss.”

Revised the Water Damage exclusion to more clearly indicate that even if the origin of the water backup is off the premises, the exclusion still applies.

Similar revisions made to MCP 014 (02 11), MCP 016 (02 11) and MFP 032 (02 11) as applicable.

NEW ENDORSEMENT

Green Upgrade Supplemental Coverage - MCP 142 (08 10)

The trend in building construction has been moving towards the use of more energy efficient and environmentally friendly products and materials. In response to this growing trend towards “green” buildings, MSO has developed a Green Upgrade Supplemental Coverage endorsement.

Green Upgrade Supplemental Coverage endorsement MCP 142 provides the following:

- An additional limit (5% of the Coverage A limit) for the additional costs to repair or replace damaged property with “green” property that meets the standards of a “green authority.”
- A sub-limit of 25% of the additional amount of coverage may be used for green related costs such as design and engineering professional fees, re-certification fees and ventilation expenses.
- An extension to the period of indemnity for up to 30 days when the restoration time is increased due to the additional time required to make repairs or replace property with “green” materials.

MANUAL CHANGES

The supplemental coverage rules are revised to correlate with the increases in sub-limits and the introduction of new coverages.

Added a rule for Electronic Data, to correlate with the new supplemental coverage in the applicable coverage forms.

Revised the rules for Outdoor Signs, and Fire Department Service Charges to reflect the sub-limits increases.

**MANUAL CHANGES
(Continued)**

Revised the Outdoor Antenna Coverage rule to include Satellite Dishes.

The Electronic Media section in the Business Income Rule has been revised to include the option to delete the Computer Hacking/Computer Virus exclusion.

GLASS COVERAGE - The Glass rules and loss costs have been completely revised to a more simplified rating system using linear feet as the rating basis.

CRIME COVERAGE - The rating for Money & Securities Coverage has been simplified to flat loss costs for specific limits of coverage. The Storekeepers Coverage Plan has been eliminated as this type of business is now more commonly written in the Businessowners Program..

EFFECTIVE DATE

September 1, 2011

A similar version has been approved in New Jersey, New York, Pennsylvania, Maryland & Delaware effective January 1, 2011

DISTRIBUTION

Policy forms, Supplemental Declarations, endorsements, manual pages and corresponding policyholder notices will be added to the CD-ROM. Affiliated companies will be able to access this through our website: <http://www.msonet.com>.

QUESTIONS

Contact Pepper Treuvey at (800) 935-6900.