



March 14, 2014

DATA BREACH EXCLUSION ENDORSEMENT AND OTHER REVISIONS INTRODUCED IN MARYLAND

BACKGROUND

The commercial MSO® policies cover bodily injury and damage to tangible property and loss of use of such property. The intent of the new Data Breach Exclusion endorsement is to make it clear that a data breach does not involve bodily injury or property damage as defined in the policy. Losses due to a data breach were never intended to be covered. The endorsement strengthens the intent of the policy.

MSO ACTION

MSO has filed two Data Breach Exclusion endorsements. BU 01 43 (03 14) applies to the Businessowners Program while MCL 143 (03 14) applies to the Commercial Liability, House of Worship and Special Contractors Programs. Companion rules have been added to the applicable manuals. There is no rating associated with these endorsements.

ADDITION REVISIONS

MSO has also made the following updates.

- The protection definition in the Businessowners, House of Worship and Special Contractors manuals has been updated to reference the distance to the “responding” fire department rather than just the fire department.
- The following Additional Insured optional endorsements are now referenced in the Special Contractors manual: MCL 335, MCL 336, MCL 337, MCL 338 & MCL 339.
- A rule with a credit to delete Coverage F - Medical Payments has been added to the Special Contractors manual along with Medical Payments Exclusion endorsement MCL 175.
- A policy section reference in The Janitorial Operations Enhancement Endorsement MSC 120 was made and the edition date has been revised to (02 14).
- A rule referencing the Employee Benefits Liability endorsement (MCL 425) and Supplemental Declarations (MCL 426) was added to the House of Worship manual.
- A reference to Additional Insureds – Landlords – Primary and Non-Contributory Liability Basis (MCL 339) has been added to the Commercial Liability countrywide manual

EFFECTIVE DATE

May 1, 2014 in Maryland.
Approved in Pennsylvania and Indiana and currently pending in New Jersey, Delaware & Ohio.

DISTRIBUTION

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

**FUTURE MSO
ACTION**

The Data Breach endorsements will be filed in other states in the future.

**COMPANY
MODIFICATIONS**

MSO is available to assist in modifying the new programs to meet individual company needs and to make any needed filings.

QUESTIONS

Contact Pepper Treuvey, AU at (800) 935-6900.