



April 03, 2014

DATA BREACH EXCLUSION ENDORSEMENT AND OTHER REVISIONS INTRODUCED IN DELAWARE

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).
- Also the 12/12 edition of the Designated Ongoing Operations MCL 169 was filed for the Special Contractors Program.
- 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 nationwide manual.

EFFECTIVE DATE	May 1, 2014 in Delaware. Approved in New Jersey, Maryland, Pennsylvania and Indiana. Currently pending in 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.