

February 6, 2003

RATES FOR FUNGI/MOLD LIABILITY COVERAGE FILED FOR COMMERCIAL LINES IN NEW JERSEY

- BACKGROUND** In compliance with New Jersey Department of Banking and Insurance Bulletin No. 02-14, we previously filed an endorsement (MCL 883 • Fungi / Mold Limitations - Liability) and rules for limited fungi/mold liability coverage for all commercial lines. At that time, we did not file rates but informed the companies of the Department's requirement that rates must be filed.
- MSO[®] ACTION** MSO has filed rates for coverage in increments of \$5,000, over the required \$50,000 basic liability amount and up to the \$100,000 limit that must be made available upon the insured's request.
- The rates have been filed for use with the Commercial Liability, Businessowners, Farmowners, House of Worship, Special Contractors and Garage programs.
- DEPARTMENT REQUIREMENTS** The Department has stated in Bulletin No. 02-14 that notification should be sent to policyholders offering the option to buy higher limits.
- STAT PLAN CHANGES** The Department is requiring that companies begin capturing premium and loss mold data in the statistical format currently in use for other lines.
- We have introduced Liability Cause of Loss Code 45 in the MSO Stat Plan for liability mold losses.
- EFFECTIVE DATE** February 1, 2003
- DISTRIBUTION** The revised manual rules will be included in the next CD-ROM update. Affiliated companies can access this through our website (<http://www.msonet.com>). Send your order for printed supplies by mail, fax or phone to Tammy Bechtle or e-mail: supplies@msonet.com.
- QUESTIONS** Contact Pepper Treuvey, AU at (800) 935-6900 or e-mail: ptreuvey@msonet.com.