

June 4, 2003

LIMITATIONS OF FUNGI/MOLD LIABILITY COVERAGE APPROVED FOR COMMERCIAL LINES IN MARYLAND

- BACKGROUND** The Maryland Insurance Administration issued a Decision Relating to Mold Limitations dated March 18, 2003 based on its findings following a November 2002 hearing. The Commissioner has ruled that while there is evidence in Maryland of an increase in claims related to exposure to mold, there is not sufficient specific documentation to support outright exclusion in any line of insurance. Coverage for liability arising out of mold may not be excluded but may be limited to an aggregate of \$50,000.
- MSO® ACTION** MSO has received approval for two Fungi / Mold Limitations - Liability endorsements: MCL 883 and MCL 884. MCL 884 is for use when advertising injury and personal injury are not included in the policy. The new endorsements may be used with the Commercial Liability, Businessowners, Special Contractors, Farmowners, Garage and House of Worship programs.
- Also approved is Commercial Umbrella endorsement MCL 751. This endorsement excludes liability losses arising out of mold as the \$50,000 aggregate limit would be provided in the underlying policy.
- DEPARTMENT REQUIREMENTS** Insurers who provide property or liability coverage shall submit data on mold claims in Maryland annually for the next three years. The data shall be submitted annually beginning on March 15, 2004, on a mold data form issued by the MIA ([Decision Relating to Mold Limitations 3/18/03](#)).
- FUTURE ACTION** MSO will be developing property coverage limitations in accordance with the MIA requirements.
- EFFECTIVE DATE** June 1, 2003
- DISTRIBUTION** The endorsements MCL 883 and MCL 884 and the accompanying manual rules and endorsement MCL 751 are included for users of the program and 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 of the (form/endorsement) 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.