



March 29, 2004

LIMITED PERSONAL LINES PROPERTY COVERAGE FOR FUNGI/MOLD INTRODUCED IN NEW JERSEY

BACKGROUND

In Bulletin 03-24 issued on September 8, 2003, the New Jersey Department of Banking and Insurance suggested that \$10,000 of coverage for property damage resulting from fungi/mold be provided at no additional premium. Optional increased limits of \$25,000 and \$50,000 were to be made available. This bulletin replaced an earlier bulletin dealing with mold. The thrust of both bulletins was primarily related to ISO forms which did not adequately exclude mold.

As the MSO policies have always included a total property exclusion for fungi/mold damage, we interpreted this section of the Bulletin as not applying to the MSO forms.

MSO[®] ACTION

Although property damage caused by fungi/mold is excluded in the MSO policies, we filed to provide our member companies with the option of offering this coverage. We filed endorsement MPL 97 • Fungi/Mold Limited Coverage - Part I and the accompanying rates. Optional limits of \$10,000, \$25,000 and \$50,000 were filed with a flat premium charge for each optional limit. MPL 97 may be used with the MSO 1997 Homeowners, Combination Dwelling and Mobilehomeowners programs.

The New Jersey Department of Banking and Insurance has now approved this filing.

EFFECTIVE DATE

April 1, 2004

DISTRIBUTION

MPL 97 (08/03) and the accompanying rules and rates have been added to CD-ROM. Affiliated companies can access this through our website <http://www.msonet.com>. Send your order for printed supplies by e-mail to supplies@msonet.com.

QUESTIONS

Contact Pepper Treuvey, AU at (800) 935-6900 or e-mail: ptreuvey@msonet.com.