



December 10, 2004

REVISED FUEL OIL EXCLUSION AND COVERAGE BUYBACK PROGRAM FOR PERSONAL LINES APPROVED IN NEW JERSEY

BACKGROUND

In September, we announced that we developed a liability exclusion for fuel oil related losses. This exclusion is included in the New Jersey mandatory endorsement MPL 95, as well as the umbrella endorsement MPL 80. We also introduced a coverage buyback endorsement MPL 127.

CHANGES

Following discussion with companies and with legal advisors, we revised the fuel oil exclusion and coverage buyback provisions. We broadened the coverage by deleting the references to bodily injury and personal injury from the exclusion. This coverage will apply to any damages for bodily injury or personal injury. We also deleted paragraph A.2 which is the list of “bodily injury” type of causes of injury.

In the coverage provision in MPL 127, we deleted the reference to “threatened” discharge, disposal etc. as the event needs to have actually occurred to be covered. A “threatened” possibility will not be covered.

We included wording in paragraph A in MPL 127 to apply the coverage to “property damage first discovered during the policy period”. This is to restrict coverage to one policy period and, hopefully, prevent multiple policies (and multiple limits) from applying.

Finally, we included a Liability Not Insured section in MPL 127 and clearly stated that the other exclusions in the policy apply to the coverage provided by this endorsement.

MSO[®] ACTION

We have filed and received approval of the revised endorsements in New Jersey.

EFFECTIVE DATE

December 15, 2004

DISTRIBUTION

Revised endorsements MPL 80, MPL 95 and MPL 127 and revised policyholder notices for MPL 80 and MPL 95 have been added to the CD-ROM. Affiliated companies will be able to access these through our website: <http://www.msonet.com>.

QUESTIONS

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