



May 18, 2006

TRIA ENDORSEMENTS REVISED

BACKGROUND The Terrorism Risk Insurance Extension Act of 2005 extended the federal terrorism insurance mechanism through 2007.

We previously announced the new commercial auto endorsement filed in response to TRIEA that includes the pre-TRIA exclusion wording. We also announced that we would file revised terrorism endorsements for the other lines to incorporate a December 31, 2007 sunset of TRIA.

MSO[®] ACTION We filed revised terrorism endorsements for commercial property, commercial liability, commercial multi-peril, dwelling property and dwelling liability in Delaware, Maryland, New Jersey and Pennsylvania. We also filed commercial inland marine and commercial umbrella in Delaware and Maryland, as required by those state filing laws.

We have received approval of the following filings:

Maryland - Dwelling and commercial multi-peril lines.
New Jersey - Commercial lines.
Pennsylvania - Commercial and dwelling lines.

Also the revised commercial umbrella and commercial inland marine endorsements may be used in New Jersey and Pennsylvania as these are “non-filed”.

We will advise you when we secure approvals of the dwelling filing in New Jersey, the dwelling and commercial filings in Delaware, and the commercial property, liability, inland marine and umbrella filings in Maryland.

EFFECTIVE DATE June 1, 2006

ENDORSEMENTS The revised endorsements use the same endorsement numbers as the previous versions, but with an 03 06 edition date. This way, companies do not need to program for new forms.

POLICYHOLDER NOTICES There should be no need to issue policyholder notices with the 03 06 editions as there is no change in coverage from the prior editions.

DISTRIBUTION

The revised endorsements will be added to the CD-ROM. Affiliated companies will be able to access them through our website: <http://www.msonet.com>.

You may exhaust your existing stock of endorsements before ordering the 03 06 editions. But you need to use the 03 06 editions with policies effective on or after January 1, 2007.

QUESTIONS

Contact Jan Kozlowski at (800) 935-6900 or e-mail: jkozlowski@msonet.com.