



December 8, 2006

COMMERCIAL AUTO RATES AND TERRITORIES UPDATED IN MD

BACKGROUND

We have adjusted the commercial auto rate level in Maryland to reflect the current loss costs used by the majority of insurers in Maryland. Based on company expense exhibits, we applied a 1.60 factor to develop the base rates.

We are introducing territory rating for the Trucks / Trailers physical damage coverages. We also revised the territory definitions to now define most of the territories by zip code.

MSO[®] ACTION

We have filed and received approval of these changes in Maryland.

EFFECTIVE DATE

Immediately

DISTRIBUTION

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

QUESTIONS

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