



September 19, 2008

INTRODUCTION OF NEW HOMEOWNERS COVERAGE FORM - MHO 5 IN OHIO

BACKGROUND

MSO[®], Inc. is introducing a new optional Homeowners coverage form MHO 5. This coverage form (MHO 5) provides “all risk” coverage on contents (Coverage C) as well as Coverage A and B. It also provides replacement cost on contents (Coverage C).

MHO 5 is equal to policy form MHO 3 with endorsements MPL 18 • COVERAGE C EXTENDED CAUSES OF LOSS and MPL 49 • REPLACEMENT COVERAGE — EXTENDED OPTION attached. Limited coverage for the removal of fallen trees that block access ways but do not cause property damage has been added as an enhancement.

The rating factor of 1.35 is equal to the combined factors for MPL 18 and MPL 49. The introduction of MHO 5 is to give our member companies the option of offering additional coverages under a single coverage form instead of attaching several endorsements.

MSO ACTION

We filed and received approval of the Homeowners Coverage Form MHO 5 in Ohio. It was previously approved and announced in Delaware, Maryland, New Jersey and Pennsylvania.

EFFECTIVE DATE

January 1, 2009

ENDORSEMENTS CHANGED

With the introduction of MHO 5, three personal property endorsements were updated. The Replacement Coverage Option in MPL 15, MPL 16 and MPL 17 has been revised to include a reference to Coverage Form MHO 5.

The Actual Cash Value Loss Settlement endorsement MPL 53 has also been revised for Ohio only. An additional loss settlement condition has been added to comply with Ohio law regarding total losses.

DISTRIBUTION

MHO 5 (01 09) and revised endorsements MPL 53 (01 09) Ohio, MPL 15 (01 09), MPL 16 (01 09) and MPL 17 (01 09) will be added to the CD-ROM. Affiliated companies will be able to access this through our website: <http://www.msonet.com>.

QUESTIONS

Contact Pepper Treuvey at (800) 935-6900.