



July 11, 2014

HOMEOWNERS / COMBINATION DWELLING PROGRAM UPDATES APPROVED IN NEW JERSEY

BACKGROUND	MSO previously introduced an optional Functional Replacement Cost Loss Settlement endorsement (MPL 54) for our Homeowners and Combination Dwelling programs. Functional replacement cost loss settlement modifies the existing loss settlement conditions to allow companies to repair or replace damaged antique, ornate or custom materials and methods with less costly materials and methods that are functionally equivalent to the original. The amount of insurance must be at least 80% of the functional replacement cost of the building.
MANUAL CHANGES	We have now added the corresponding rules for Functional Replacement Cost Settlement (MPL 54).
EFFECTIVE DATE	August 1, 2014 Approved in New Jersey
DISTRIBUTION	The revised manuals will be added to the CD-ROM. Affiliated companies will be able to access this through our website: http://www.msonet.com .
COMPANY MODIFICATIONS	MSO is available to assist in modifying the new programs to meet individual company needs and to make any needed filings.
QUESTIONS	Contact Joy Lucas, AU at (800) 935-6900.