



June 30, 2005

**“KNOWN INJURY OR OCCURRENCE PROVISIONS” ENDORSEMENTS
APPROVED IN NEW JERSEY, PENNSYLVANIA, MARYLAND
AND DELAWARE**

BACKGROUND

MSO[®] has developed new endorsements entitled “Known Injury or Occurrence Provisions” for use with its Commercial Liability, Commercial Auto, Special Contractors, House of Worship, Businessowners, and Umbrella programs. These endorsements, MCL 195 for liability, MCA 195 for commercial auto and MCL 756 for umbrella, were developed as a result of court decisions (i.e., the Montrose court case) relating to “known loss,” which pertains to the concept that one cannot purchase insurance to cover a loss which has already taken place.

The forms clarify the policy wording by stating that if the insured knew that bodily injury or property damage had occurred prior to the inception of the policy term, then there is no coverage under the policy. The intent is to clarify the original scope of coverage. The forms also clarify the situation in which the bodily injury or property damage was discovered during the policy term, and not known about prior to the policy term, and thus precluded from coverage. That coverage wording includes any change in, continuation of, or resumption of that bodily injury or property damage after the end of the policy. The wording is meant to prevent a loss from continuing through multiple policy periods.

Additional wording defines when bodily injury or property damage was deemed to have been known or have occurred.

MSO ACTION

MSO has received approval of the liability and auto endorsements in New Jersey, Pennsylvania, Maryland and Delaware. The umbrella endorsement is available for use in New Jersey, Pennsylvania and Maryland, and is pending in Delaware.

EFFECTIVE DATE

Immediately in Pennsylvania, July 1, 2005 in New Jersey, and July 15, 2005 in Maryland and Delaware.

DISTRIBUTION

These forms will be added to the CD-ROM, and affiliated companies can access them through our website: <http://www.msonet.com>.

QUESTIONS

Contact Dennis Carrigan at (800) 935-6900 or e-mail dcarrigan@msonet.com.