



# MSO Commercial Property Program

## Overview

The MSO Commercial Property Program offers you a number of advantages. You and your insureds benefit from schedule rating. Our ability to provide specific rates on all buildings, regardless of size, enables you to underwrite risks more profitably. MSO's Commercial Property Program is easy to use, rating is simplified. The forms are easy to read and understand, and they are compatible with other industry programs. Broad coverage options give you flexibility.

## Program Highlights



### Schedule Rating Gives You a Competitive Edge

MSO conducts detailed property inspections on every nonresidential risk to develop specific rates for the building and its contents. The specific fire rate reflects the unique circumstances surrounding the individual risk, including building construction, operational hazards and distance to the fire department and hydrants. Knowing the risk's characteristics helps you write business more profitably. You get better rates for better risks.

Idealized rate recommendations help improve your book of business. In addition to the schedule rate, MSO develops an "idealized" rate that would apply if all correctable hazards were eliminated. You receive a complete list of risk improvement recommendations that outlines what the policyholder must do to qualify for the lower rate. This gives companies and agents a great way to show policyholders how much they can save by making their workplaces safer.

### Tentative Rates

For insureds that may not want or are not able to address all recommendations, MSO will develop tentative rates that show what the rate will be if some of the recommendations are complied with.

### Replacement Cost Estimates

Each inspection report includes a replacement cost calculation for the risk.

### Rate Look-Up System (RLS)

Access to rates for all properties that are rated by MSO is available on CD-ROM or via the Internet. Specific, Transitional and Perpetual rates are included, as well as an indication when recommendations apply.

### Underwriting Tools

For specifically rated risks you get an inspection report showing how the rate was developed, including recommendations for risk improvement. The report includes a narrative description of the risk that provides basic liability and other useful information.

### Program Design

MSO's property forms are designed to give you easy access to information. Related provisions are grouped together and presented in one place, along with information on what coverages are provided and how losses are settled.

### Universal, Simplified Classifications

MSO's Commercial Property and Commercial Liability programs use an "all lines" system. The first digit of the four digit class code identifies the liability class within the "parent" property classification. This greatly simplifies policy rating. Broad business categories are broken into thirteen groups. Classifications are listed alphabetically in each group, making it easy to find the applicable classification. It also enables you to see the other descriptions within the type of business categories.

### One Piece Form

MSO's one piece booklet form incorporates the provisions of 10 separate standard "simplified" forms. Included in the main form are all primary property and business interruption coverages, the available causes of loss options and applicable policy conditions, except state-specific requirements. This makes policy assembly easier.



## **Program Highlights**



### **Flexibility**

Crime, Glass, Farm and Inland Marine coverages are additional options in the MSO Property Program. Coverage may be written on a monoline or package basis using the MSO Commercial Liability program, or another liability program.

### **Simplified Manual**

The property manual is easy to use and automate. It is formatted in a modular style so that all related rating rules are kept together. While rating factors are included in the manual rule, rates are found in a separate state-specific rate section. The section includes all state-specific requirements and rules. This enables a company to easily modify rates without having to change the main manual pages.

### **Built-In Coverages**

Building Code and Law is part of the standard policy. Coverage for Newly Acquired Property and Personal Effects is also provided.

### **Supplemental Declarations**

This is a feature unique to MSO. In most industry programs, dollar limits for incidental coverages are hidden in the forms. MSO programs clearly list these coverages and dollar limits on the Supplemental Declarations. For companies wishing to offer different limits, MSO needs to file only a revised Supplemental Declarations, not change the main forms. This reduces programming costs. Many MSO companies have their own versions of the Supplemental Declarations.

## **Features Common to All MSO Programs**

### **Supplemental Coverages**

Most industry programs provide incidental coverages as exceptions to exclusions. In contrast, MSO uses pure exclusions, showing the "exceptions" as what they truly are, Supplemental Coverages. Examples include Building Code/Law Coverage and Steam Equipment or Other Fired Vessel Explosion Coverage.

### **Trigger Endorsements**

Commonly used endorsements are preprinted in MSO policies, for example, replacement cost on contents in the Commercial Property form. Coverage is "triggered" by listing the endorsement number on the Declarations page. Trigger endorsements simplify policy assembly by reducing the number of pages to be attached.

### **Ability to Customize**

MSO programs are designed to be easily customized. MSO staff will gladly develop and file custom manual pages and forms for subscriber companies.

### **Access to Manuals and Forms**

MSO manuals and forms are distributed to member companies on a quarterly CD-ROM, at no additional charge. At the request of a member company, the CD-ROM can also be sent to independent adjusters to help streamline claims handling. In addition to standard MSO materials, company-specific manual pages and forms are included on the CD-ROM. Companies may also access manuals and forms via our website.

### **Simplified Statistical Coding and Reporting Takes the Burden Off Insurers**

The MSO Statistical Plan requires the same coding by line for all companies, regardless of size. It utilizes the same basic record layout for each line of business and is designed to only collect data of vital importance. For companies working with more than one rating bureau, AAIS and ISO coding can be converted to MSO for easy data collection. MSO handles the filing of all summary reports with the state insurance departments. Copies are automatically sent to subscriber companies. To satisfy individual pricing, underwriting and marketing planning needs, a full range of custom reports is also available.

## **The MSO Advantage**

With MSO, you have direct access to the industry experts who developed the programs. MSO staff will work with you to customize the program to meet your marketing and underwriting needs. We offer free training for your staff, and support for your computer programmers.