



February 29, 2016

COMMERICAL PROPERTY PROGRAM REVISED IN DE, NJ, & PA MAKING SPECIFIC RATING OPTIONAL

- BACKGROUND** MSO® has revised the Commercial Property Program making specific rating optional and providing alternative rating methods.
- MSO ACTION** MSO filed the revised program in DE, MD, NJ, NY, PA and VA. The DE, NJ and PA Departments of Insurance have approved the changes.
- CHANGES** A company now has a choice of using either specific rates or class rates.
- If a Company chooses not to use specific rating, class rates (formerly referred to as transitional rates) may be used. MSO has developed a set of supplemental credits/debits for several of the usual risk characteristics that can be applied to the class rates based on known conditions of the property.
- MSO also changed the terminology of “perpetual rates” to “incidental property rates” for clarity purposes.
- There are no rate level changes being made with this revision.
- MANUAL REVISIONS** The following pages were revised in the Commercial Property Manual: CS18, CS19, CS27, GENERAL INDEX 3-5, CP 1, 7, 8, 9, 12, 13, 22, 23, 24, 25, 26, 27, 42, 53, 54, and 62.
- The following terms were changed throughout the state pages:
“Transitional Rates” was changed to “Class Rates” and
“Perpetual Rates” was changed to “Incidental Property Rates”.
- In addition to these changes, MSO created a new Commercial Property Manual Supplement, CRS 001, making available several supplemental credits/debits that can be applicable with verified documentation for risks that are not inspected.
- COMPANY ACTION** A Company can still choose to request an inspection of the premises. MSO will then promulgate the specific rates after the inspection of the premises.

EFFECTIVE DATE April 1, 2016

DISTRIBUTION The revised manuals for Delaware, New Jersey, and Pennsylvania will be added to the CD-ROM. Affiliated companies will be able to access this through our website: <http://www.msonet.com>.

QUESTIONS Contact Trish Riggio, at (800) 935-6900.