



September 3, 2021

PFAS CLARIFICATION ENDORSEMENTS APPROVED FOR MARYLAND COMMERCIAL LINES PROGRAMS

BACKGROUND

Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are a group of manmade chemicals which resist breakdown and thus have potential to accumulate in the environment and in the human body over time, which could be linked to adverse effects.

In response to this emerging industry issue, MSO reviewed commercial coverage forms, determining that the existing definition of “pollutants” as “any gaseous, liquid, solid, or thermal contaminant or irritant, including acids, alkalis, chemicals, fumes, smoke, soot, vapors, and waste (including materials to be reclaimed, reconditioned, or recycled)” is intended to encompass PFAS.

However, companies may wish to further clarify that “pollutants” includes PFAS. To do so, utilize new optional endorsement, BU 01 32 Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion - Part II for Businessowners policies, or MCM 432 for Farmowners, Garage, General Liability, House of Worship, or Special Contractors policies, as a mandatory endorsement or applying to specific classifications*. Because current rating anticipates PFAS within the context of “pollutants” in policy forms, there is no premium impact associated with BU 01 32 or MCM 432.

*Note that company criteria for application of BU 01 32 or MCM 432 could be required in states where underwriting guidelines must be filed.

MSO ACTION

MSO has received approval from the Maryland Insurance Administration for endorsement BU 01 32 and the corresponding manual rule for the Businessowners program; and MCM 432 and corresponding manual rules for Farmowners, Garage, General Liability, House of Worship, and Special Contractors programs.

MSO plans to file BU 01 32 and MCM 432 in additional states. Approval of those filings will be announced in subsequent bulletins.

EFFECTIVE DATE

November 1, 2021

DISTRIBUTION

BU 01 32, MCM 432, and updated manual pages will be added to our website: <https://www.msonet.com> for affiliated company access.

QUESTIONS

Contact [Mary Beegle](#) at (800) 935-6900.