



## NEW BUSINESSOWNERS MANUAL AND LOSS COSTS APPROVED IN PENNSYLVANIA

**BACKGROUND** MSO®, Inc. has developed a new Businessowners classification, rating manual, and loss costs program for Pennsylvania. This is a separate, optional manual. It does not replace the current filed and approved rate manual.

Highlights of the new program include:

- Broadened Classification Plan supporting a greater variety of businessowners exposures
- Loss costs defined by county
- Separate multiplicative rating algorithms for buildings, business personal property, and liability coverages
- Revised construction definitions
- Revised protection definitions
- Limit of insurance relativities for buildings and business personal property, resulting in more competitive outcomes at higher limits of coverage
- Standard \$500 Part I deductible
- Additional Part I deductible options
- Optional percentage windstorm / hail deductibles
- Expanded central station alarm credits
- Removal of surcharge for fuel pumps
- Liability exposure base determined by limit of insurance, payroll, or sales
- Additional options for liability and medical payments aggregate and products / completed operations aggregate
- Optional liability property damage deductible
- Options for higher limits of Medical Payments to Others coverage
- Expanded IRPM, applicable to Part I and to Part II separately
- Specialty programs and Special Contractors incorporated into the manual

**MSO ACTION** MSO, Inc. has filed and received approval for the BOP Loss Cost Manual 2021 program in Pennsylvania.

In addition to previously filed and approved Businessowners forms, the following forms are for use with the new program (many of which accommodate writing Special Contractors risks):

- BU 0139 Deductible Insurance - Property Damage Liability - Part II
- BU 0233 Loss Payee - Contract of Sale
- BU 0252 Windstorm or Hail Percentage Deductible - Part I
- BU 0370 Computer Coverage
- BU 0380 Earthquake Coverage - Part I (language in Edition 01 21 is updated to better align with current coverage forms)
- BU 0701 Special Contractors Policy Form
- BU 0703 Supplemental Declarations (policy limits for Accounts Receivable, Outdoor Signs, Debris Removal, and Valuable Papers and Records supplemental coverages are increased to align with other BOP classifications)
- BU 0704 Declarations Extension
- BU 0705 Janitorial Operations Enhancement
- BU 0706 Supplemental Declarations - Janitorial Operations (policy limits for Outdoor Signs and Debris Removal supplemental coverages are increased to align with other BOP classifications)
- BU 0707 Outdoor (Exterior) Building Glass Coverage
- BU 0708 Loss Payable Special Condition
- BU 0709 Theft Loss Limitation
- BU 0710 Collapse / Explosion / Underground Hazard Specified Exclusions
- BU 0711 Collapse / Explosion / Underground General Exclusions
- BU 0712 Designated Ongoing Operations Exclusion
- BU 0714 Damage to Your Work Performed by Subcontractors Exclusion
- BU 0715 Additional Insured - Contractors / Lessees / Owners - Form A
- BU 0716 Additional Insured - Contractors / Lessees / Owners - Form B
- BU 0717 Hired Automobile Liability
- BU 0718 Nonowned Automobile Liability
- BU 0719 Hired / Nonowned Liability
- BU 0721 Supplemental Declarations - Uninsured / Underinsured Motorist - Mobile Equipment
- BU 0722 Theft Exclusion
- BU 0741 Uninsured / Underinsured Motorists - Mobile Equipment – Pennsylvania
- BU 0810 01 23 – Mandatory Endorsement – Pennsylvania

- BU 0811 01 23 – Mandatory Condominium Association Endorsement - Pennsylvania

**COMPANY ACTION**

The new Businessowners manual was not filed on behalf of member companies, but rather as an alternative to the current rate-based manual in Pennsylvania. Any company wishing to adopt this manual must prepare their loss cost multiplier(s) and make appropriate filings with the Pennsylvania Insurance Department. Companies with an existing Businessowners book of business must demonstrate the potential impact of the filing on these policies. We encourage implementation of a transition rule to manage annual impact on individual policyholders.

MSO staff is available to assist companies transitioning to the new program.

**IMPORTANT INFORMATION FROM THE PENNSYLVANIA INSURANCE DEPARTMENT** – The Department has recently taken the position that amendatory endorsements should not be more than two pages in length. Thus, Mandatory Endorsements should be printed on two pages front and back to be deemed acceptable. Otherwise, your company should file Pennsylvania specific policy forms incorporating the amendments.

**EFFECTIVE DATE**

March 1, 2023

**DISTRIBUTION**

The Businessowners Loss Cost Manual 2021 and new / revised endorsements will be available at our website: <https://pm.msonet.com> for affiliated company access.

**QUESTIONS**

Contact Mary Beegle at 800-935-6900.