



MASSACHUSETTS PROPERTY INSURANCE UNDERWRITING ASSOCIATION

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January 5, 2015

To: All Massachusetts Producers

**Re: Massachusetts Property Insurance Underwriting Association
Introduction of Personal Liability Supplement To The
Dwelling Policy Program**

Effective: January 7, 2015

On October 9, 2014, Governor Deval Patrick signed into law the Acts of 2014 Chapter 346, An Act relative to Liability Coverage under the Massachusetts Property Insurance Underwriting Association (MPIUA). Chapter 346 of Acts of 2014 requires MPIUA to provide liability coverage for non-owner occupied residential dwellings of 1-4 units either by endorsement or as a stand-alone policy; provided, that a completed and signed application for such non-owner occupied dwelling liability coverage submitted to the Association shall constitute a certification by the applicant, or a duly authorized agent or producer submitting the application on the applicant's behalf, that the applicant has attempted to obtain non-owner occupied dwelling liability coverage in the voluntary market and has been denied non-owner occupied dwelling liability coverage by at least two (2) insurers who provide such coverage in the voluntary market.

On December 18, 2014, the Division of Insurance placed on file Dwelling Liability Rates, which will be the same whether the liability coverage is provided under a stand-alone policy or by endorsement. MPIUA's rates will be "provisional", subject to the Commissioner's approval of rates following notice and a public hearing. Effective January 7, 2015, MPIUA will adopt Insurance Services Office Personal Liability Supplement to Dwelling Policy Program (2002 Edition) in order to provide this expanded coverage. Applicants may request dwelling liability coverage either under a new Stand-Alone Personal Liability Policy through MPIUA or by endorsement on an MPIUA Dwelling Property Policy. Non-owner occupied Dwelling liability coverage on **new business** will be available as of January 7, 2015, either as an endorsement to the new non-owner occupied Dwelling Property Policy or under a Stand-Alone Personal Liability Policy. For **existing Dwelling Property Policies** with an inception date prior to January 7, 2015, liability coverage cannot at this time be added by endorsement due to time and computer system constraints. As such, existing policyholders, may obtain dwelling liability coverage by either purchasing a stand-alone dwelling liability policy, or, in the alternative, by cancelling the existing dwelling property policy and submitting a new application through the Producer Portal for both property and liability coverages with an inception date of January 7, 2015 or later. The Association expects to be in a position to offer coverage by endorsement on existing policies by the beginning of March, 2015.

Please refer to the following ISO manual notices for the currently filed and approved rules, loss cost and forms for the referenced program:

- Multistate Rules Notice DL-MU-2011-RU-001
- Massachusetts Rules Notice DL-MA-2014-RU-001
- Massachusetts Forms Notice DL-MA-2010-FO-001

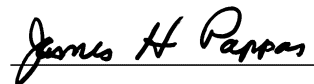
We have posted on our website (www.mpiua.com) the manual pages that incorporate the appropriate rules pages from the above notices and MPIUA rate pages as well as MPIUA Premises Liability Endorsement FP DL 01, which replaces ISO's endorsement DL 24 11. We have also posted the MPIUA's Application for Dwelling Fire and Liability Insurance Inspection and Placement, ACORD 65 MA (2015/01). A completed and signed Application for Dwelling Fire and Liability Insurance Inspection and Placement, ACORD 65 MA (2015/01) must be completed online for all requests for Personal Liability coverages whether they are requested as an endorsement to an existing MPIUA Dwelling Property policy or as a stand-alone policy.

MPIUA will attach the Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage Endorsement DL 24 71 to each dwelling policy that includes liability coverage. The insured will have the option to obtain a higher limit at an additional premium.

MPIUA will exclude coverage for lead poisoning by attaching to the policy DL 24 41 Lead Poisoning Exclusion Endorsement, for all homes constructed prior to 1978, that have Coverage L – Personal Liability. The Massachusetts Division of Insurance requires that an applicant/insured be provided with a lead disclosure notice when applying for insurance, or if a renewal, with each Renewal Policy delivered. The Association has posted a copy of disclosure notice DLP (01/15), entitled, "PERSONAL LIABILITY INSURANCE LEAD POISONING EXCLUSION AND COVERAGE OPTION" notice and "QUESTIONS & ANSWERS: Lead Poisoning and Residential Rental Property" statement on its website, www.mpiua.com, for distribution and review during the application process. Producers must provide the applicant a copy of these notices when applying for coverage.

If you have any questions regarding this letter, please contact our Customer Service Department.

Sincerely,



James H. Pappas
Vice President-Underwriting

**MASSACHUSETTS PROPERTY INSURANCE UNDERWRITING ASSOCIATION (MPIUA)
PERSONAL LIABILITY SUPPLEMENT TO THE DWELLING POLICY PROGRAM (2002 EDITION)
EFFECTIVE 01 07 2015**

**PAGE CHECKLIST FOR MASSACHUSETTS STATE PAGES TO BE USED IN
CONJUNCTION WITH MULTISTATE RULES SECTION OF ISO's PERSONAL LIABILITY
SUPPLEMENT TO THE DWELLING POLICY PROGRAM (2002 EDITION)**

EXCEPTION PAGES

DL-E-1	1st Edition 2-06	Effective 01 07 15
DL-E-2	1st Edition 2-06	Effective 01 07 15
DL-E-3	4th Edition 9-10	Effective 01 07 15
DL-E-4	3rd Edition 9-10	Effective 01 07 15
DL-E-5	1st Edition 9-10	Effective 01 07 15

MPIUA EXCEPTION PAGE

MPIUA-DL-EXC-1	Effective 01 07 15
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RATE PAGES

<u>DL-R-1</u>	Effective 01 07 15
<u>DL-R-2</u>	Effective 01 07 15
<u>DL-R-3</u>	Effective 01 07 15
<u>DL-R-4</u>	Effective 01 07 15

**ISO's MULTISTATE NOTICE DL - MU - 2011 - RU - 001 DISPLAYS THE LATEST
PAGE INFORMATION FOR MULTISTATE RULES PAGES TO BE USED.**

ADDITIONAL RULE(S)

**RULE A1.
SPECIAL STATE REQUIREMENTS**

A. No Coverage For Home Day Care Business Endorsement DL 24 16

Use this endorsement when Endorsement **DL 24 01** is attached to a policy.

B. Special Provisions Endorsement DL 25 20

Use this endorsement when Endorsement **DL 24 01** is attached to a policy.

C. Special Provisions Endorsement DL 01 20

Use this endorsement when Endorsement **DL 24 02** is attached to a policy.

D. Lead Poisoning Exclusion And Coverage Requirements

1. Lead Poisoning Exclusion Endorsement DL 24 41

- a. Use Endorsement **DL 24 41** with all policies that insure, under Coverage **L** – Personal Liability, one or more locations with buildings **built before 1978** which contain one or more residential units rented or held for rental to others.
- b. This endorsement excludes coverage for bodily injury caused by the presence or exposure of lead in such rental units that do **not** have a Letter of Interim Control or Letter of Compliance obtained from an authorized lead inspector.
- c. Premium credits apply to policies with Endorsement **DL 24 41**.
- d. Refer to the Additional Rule **A2. Lead Poisoning Exclusion and Coverage Option** for details.

2. Coverage For Lead Poisoning Endorsement DL 24 42

- a. For an additional premium, the policy may be further endorsed to override the lead poisoning exclusion.
- b. Refer to the Additional Rule **A2. Lead Poisoning Exclusion and Coverage Option** for details.

**RULE A2.
LEAD POISONING EXCLUSION AND COVERAGE
OPTION**

A. Lead Poisoning Exclusion Endorsement DL 24 41

1. Coverage may be excluded for bodily injury caused by the presence or exposure of lead in residential units, as described in **2.** below, including appliances, furnishings, fixtures, other than plumbing fixtures, other structures and common areas used in connection with such units.

Use Endorsement **DL 24 41** – Lead Poisoning Exclusion

2. The exclusion applies to a one family residential building or to a residential unit rented or held for rental to others, without a Letter of Interim Control or a Letter of Compliance, which is contained in either a one to four family building or a condominium or cooperative building **built before 1978**.
3. The exclusion does not apply to:
 - a. A one family dwelling or a condominium or cooperative unit owned and occupied by an insured.
 - b. A residential unit occupied by an insured in a multi-family building owned by an insured.
 - c. A one family dwelling, a residential unit not occupied by an insured in a multifamily building or a condominium or cooperative unit rented or held for rental to others for which a Letter of Interim Control or Letter of Compliance is in force.
4. The exclusion ceases to apply to any unit for which a Letter of Interim Control or a Letter of Compliance is obtained during the policy period, on and after the date such letter is in force.
5. Premium
Refer to Paragraph **F.1.** of this rule to develop the reduced premium.

B. Lead Poisoning Coverage Option

1. For an additional premium, the policy to which Endorsement **DL 24 41** is attached may be further endorsed to override the Lead Poisoning Exclusion for any unit rented, or held for rental to others, at a single location, to which the exclusion applies.

Use Endorsements **DL 24 41** – Lead Poisoning Exclusion and **DL 24 42** – Coverage for Lead Poisoning.

Separately identify, on Endorsement **DL 24 42**, each unit to which Lead Poisoning Coverage applies.

2. Premium
Refer to Paragraph **F.2.** of this rule to develop the additional premium.

**RULE A2.
LEAD POISONING EXCLUSION AND COVERAGE
REQUIREMENTS (Cont'd)**

C. Multiple Locations – Identification Of Locations/Units With Lead Poisoning Coverage

When Lead Poisoning Coverage does **not** apply to **all** locations insured under the policy, separately identify, on Endorsement **DL 24 42**, each location and any units at each location to which Lead Poisoning Coverage applies.

D. Lead Poisoning Limit Of Liability

1. The minimum lead poisoning limit is \$100,000; the maximum is \$500,000.
2. The Lead Poisoning Limit of Liability:
 - a. May be the same or less than the Coverage **L** Limit of Liability stated in the policy Declarations, subject to the minimum limit noted in **1.** above; it may **not** be more.
 - b. May be increased or decreased during the policy term subject to the conditions noted in **1.** and **2.a.** above.
 - c. Shall be entered on Endorsement **DL 24 42**.
 - d. Does **not** increase the Coverage **L** Limit of Liability stated in the policy Declarations.
3. When 2 or more locations are insured under the same policy for lead poisoning coverage, the lead poisoning limit shall be the **same** for **all** such locations.

E. Notification Requirements

1. The insured shall be provided with a Disclosure Notice when applying for insurance, or if a renewal, with each Renewal Policy delivered.
2. The Notice shall contain information on the following:
 - a. The lead poisoning exclusion that may apply;
 - b. The option to override the exclusion; and
 - c. The coverage limits and any conditions.
3. In the case of NEW BUSINESS, if the coverage option is not chosen at the time of policy application, the insured must again be informed, when the policy is delivered, of the exclusion and coverage option.
4. Unless otherwise agreed by the insured and insurer, if the coverage option is elected:
 - a. Within 30 days of receipt of the Notice, coverage will be effective on the inception date of the policy; or
 - b. After 30 days of receipt of the Notice, coverage will be effective as of the date of the request by the insured.

F. Premium

1. Reduced Premium Development
 - a. When Endorsement **DL 24 41** is attached to the policy, reduced premiums apply based on the number of units at each location which are rented or held for rental to others and the number of such units:
 - (1) To which the exclusion applies (See Table **A** in Table **A2.F.1.c.**);
 - (2) With a Letter of Compliance (See Table **A** in Table **A2.F.1.c.**), or
 - (3) With a Letter of Interim Control (See Table **B** in Table **A2.F.1.c.**).
 - b. Multiply the Coverage **L** premium for each location by the factors in Table **A** and/or **B** from Table **A2.F.1.c.**
 - c. Factors

Total No. of Rented Units at Same Location	Table A				Table B			
	No. of Units to Which the Exclusion Applies or With a Letter of Compliance				No. of Units With a Letter of Interim Control			
	1	2	3	4	1	2	3	4
1	.97	–	–	–	.98	–	–	–
2	.98	.97	–	–	.99	.98	–	–
3	.99	.98	.97	–	1.00	.99	.98	–
4	.99	.98	.97	.97	1.00	.99	.98	.98

Table A2.F.1.c. Premium Factors

d. Example

Primary Location is a 2 family dwelling built in 1964 with Unit #2 rented. Unit #2 does not have a Letter of Interim Control or a Letter of Compliance, hence the exclusion applies to that unit.

Primary Location factor is .97, a 3% credit. (This factor was selected from Table A.)

Additional Location is a 3 family dwelling built in 1951 with all 3 units rented. Unit #1 has a Letter of Compliance, Unit #2 has a Letter of Interim Control and Unit #3 has neither letter, hence the exclusion applies.

Additional Location factor is .98, a 2% credit. (This factor was determined from both Tables **A** and **B**.)

A factor of .98 was selected from Table **A** because one unit is subject to the exclusion and another unit has a Letter of Compliance. Next a factor of 1.00 was selected from Table **B** because the third of the three rental units in the dwelling has a Letter of Interim Control. Hence, $.98 \times 1.00 = .98$ (Rounded to the nearest hundred).

RULE A2.
LEAD POISONING EXCLUSION AND COVERAGE
REQUIREMENTS (Cont'd)

2. Additional Premium Development

When Endorsements **DL 24 41** and **DL 24 42** are attached to the policy:

- a. Develop the reduced premium as noted in Paragraph **A2.F.1.**
- b. Refer to the state rate pages and select the \$100,000 lead poisoning charge for the number of residential units at EACH location without a Letter of Interim Control or without a Letter of Compliance.
- c. For a higher lead poisoning limit, multiply the charge selected in Paragraph **A2.F.1.b.** by the Coverage **L** increased limits factor in Rule **301.B.1.**, Increased Limits – Personal Liability.

RULE A3.
TERRORISM OPTIONS – FEDERAL BACKSTOP

- A.** The "Terrorism Risk Insurance Act" and accompanying regulations establish a program within the Department of the Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s) provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insurers for 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. The insurer's retention is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year; this provision serves to limit insurers' liability for losses.

- B.** All insurers providing commercial property and casualty insurance are required to participate in the program to the extent of making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils. Certain risks written under the Personal Liability Supplement to the Dwelling Policy Program may be considered commercial exposures for the purposes of this act and hence eligible for participation in the program. The following may be considered commercial exposures:
1. 1 – 4 family rental dwellings owned for the business purpose of generating income for the property owner; or
 2. Policies on which incidental business premium is more than 25% of total direct earned premium.
- C.** The following applies to those insurers offering Personal Liability policies who choose to be eligible for federal reinsurance by making the disclosures needed for such eligibility.

An insurer must extend coverage to insureds for losses caused by certified acts of terrorism. The insurer must disclose to the policyholder the premium for losses covered and the federal share of compensation for such losses under the program at the time of offer, purchase and renewal of the policy. Insurers may disclose the premium information on the Declarations or elsewhere in the policy.

- D.** There are no terrorism exclusions in the Personal Liability Supplement to the Dwelling Policy Program. The following endorsements specify that coverage for certified acts of terrorism is subject to the cap on liability for losses and subject to underlying policy exclusions such as nuclear hazard. They differ based on how the insurer chooses to disclose the premium and federal share of compensation for such losses to the insured:
1. For insurers who choose to disclose the premium and federal share by endorsement, use Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act Endorsement **DL 24 89.**
 2. For insurers who choose to disclose the premium and federal share on the Declarations, use Cap On Losses From Certified Acts Of Terrorism Endorsement **DL 24 87.**

**RULE A4.
OPTIONAL LIMITED ESCAPED LIQUID FUEL LIABILITY
AND PROPERTY REMEDIATION FOR ESCAPED LIQUID
FUEL COVERAGES**

A. Coverage Outline

1. Basic Limits

Massachusetts law requires that the following coverages shall be made available:

a. Property Remediation For Escaped Liquid Fuel Coverage

\$50,000 per occurrence to pay for loss to covered real or personal property, owned by an insured, that is damaged by liquid fuel that escapes from a fuel system on any location insured under the policy and declared on the schedule of the subject endorsement or the policy Declarations. Covered real property includes land, other than farm land, on which a building or structure is located. This Property Remediation Coverage applies only for the policy period in which the insured first discovers or learns of the escaped fuel, even if the escape began before that policy period.

b. Limited Escaped Liquid Fuel Liability Coverage (All Insured Locations)

\$200,000 per occurrence to pay for damages because of bodily injury or property damage involving fuel that escapes from a fuel system from any location insured under the policy.

2. Deductible

Deductibles shall not exceed \$1,000 per claim.

3. Endorsements

a. Use Limited Escaped Liquid Fuel Liability And Property Remediation For Escaped Liquid Fuel Coverages – Massachusetts Endorsement **DL 34 09**.

b. The subject optional endorsement provides complete details on coverages, limitations, definitions and additional policy conditions applicable to this coverage. Enter the limits of liability that apply to the Property Remediation Coverage and the Limited Liability Coverage on the endorsement. Also enter on this endorsement the address of all locations to be insured for Property Remediation Coverage.

c. Use Rating Information For Limited Escaped Liquid Fuel Liability And Property Remediation For Escaped Liquid Fuel Coverages Endorsement **DL 24 59**.

Attach the subject optional endorsement to the policy and enter the applicable Risk Class Number on the policy Declarations. If the insurer shows this rating information elsewhere in the policy, this endorsement does not have to be used.

B. Higher Limits

1. Property Remediation Coverage

a. This limit may be increased to \$100,000. The limit selected is entered on the coverage endorsement or the policy Declarations.

b. Refer to Paragraph **D.** for premium computation instructions.

2. Escaped Fuel Liability Coverage

a. This limit may be increased to \$300,000. The limit selected is entered on the coverage endorsement or the policy Declarations.

b. Refer to Paragraph **D.** for premium computation instructions.

C. Application Of Limits Of Liability

1. For Property Remediation Coverage, the limit selected is a per-occurrence limit and is the most coverage that will be provided for any one "occurrence" during the policy period regardless of the number of locations insured for Property Remediation Coverage or the number of claims made.

2. For Limited Escaped Liquid Fuel Liability Coverage, the limit selected is a per-occurrence limit and is the most coverage that will be provided for any one "occurrence" during the policy period regardless of the number of persons injured, the number of persons whose property is damaged, the number of insureds, the number of locations insured under this policy or the number of bodily injury or property damage claims made.

D. Rating Basis

1. Property Remediation For Escaped Liquid Fuel Coverage

a. From the Liquid Fuel Risk Selection table located in Paragraph **4.**, select:

(1) The liquid fuel risk description that best describes each location, **with or without** a dwelling building, insured for Property Remediation Coverage under this policy; and

(2) The corresponding Risk Class Number for each description identified.

**PERSONAL LIABILITY SUPPLEMENT
TO THE DWELLING
POLICY PROGRAM MANUAL
EXCEPTION PAGES**

MASSACHUSETTS (20)

**RULE A4.
OPTIONAL LIMITED ESCAPED LIQUID FUEL LIABILITY
AND PROPERTY REMEDIATION FOR ESCAPED LIQUID
FUEL COVERAGES (Cont'd)**

- b. Use the lowest Risk Class Number selected for all such locations.
- 2. Limited Escaped Liquid Fuel Liability Coverage**
 - a. Liquid Fuel Hazard**
 - (1) From the Liquid Fuel Risk Selection table located in Paragraph 4., select:
 - (a) The liquid fuel risk description that best describes each location, **with or without** a dwelling building, insured under the policy; and
 - (b) The corresponding Risk Class Number for each description identified.
 - (2) Use the lowest Risk Class Number selected for all such locations.
 - 3. Premium Selection**
 - a. From the company rates/ISO loss costs pages, Tables **A4.D.3.#1(LC)** and **A4.D.3.#2(LC)**, select the appropriate additional premium charges that correspond to the lowest Risk Class Numbers determined in Paragraphs 1. and 2.
 - b. Multiply the premium charge selected in Table **A4.D.3.#2(LC)** by a factor of 2.00 when one or more insured locations have a home day care business.

4. Liquid Fuel Risk Selection Table

Description	Risk Class No.
Liquid fuel storage containers, tanks or vessels are on covered real property; and	
(1) One or more fuel storage containers, tanks or vessels are partially or completely buried below ground (inside or outside of a building or structure); or	100
(2) All are completely above ground (inside or outside of a building or structure).	200

Table A3.D.4. Liquid Fuel Risk Selection

**RULE 101.
COVERAGE AND LIMITS OF LIABILITY**

Paragraph D. is replaced by the following:

D. Same Limit For All Exposures

Unless otherwise stated, the same Coverage L and Coverage M Limits of Liability shall apply to all exposures.

**RULE 102.
EXPOSURES**

Paragraph I.4. is replaced by the following:

I. Incidental Low Power Recreational Motor Vehicle

4. Endorsement

Use Incidental Motorized Land Conveyances Endorsement **DL 24 94**.

**RULE 602.
OPTIONAL LIMITED ESCAPED LIQUID FUEL LIABILITY
AND PROPERTY REMEDIATION FOR ESCAPED LIQUID
FUEL COVERAGES**

Rule 602. does not apply.

ADDITIONAL EXCEPTIONS TO GENERAL RULE(S)

**RULE 100.
INTRODUCTION**

The following is added to Rule **100.D.**:

3. Coverage is available for non-owner occupied residential dwellings of 1-4 units only.

**RULE 102.
EXPOSURES**

The following replaces **Rule 102.C. 2. & 3.**

2. Another Company, use Premises Liability Endorsement **FP DL 01**, or
3. The same company insuring the initial residence premises in another policy use Premises Liability Endorsement **FP DL 01**.

**RULE 103.
ELIGIBILITY**

The following replaces Rule **103.G.1.**:

1. All insured non-owner occupied locations;

**RULE 206.
MINIMUM PREMIUM**

Paragraphs A, B, and C **\$50**

**RULE 208.
WAIVER OF PREMIUM**

Amount that may be waived **\$3**

**RULE 517.
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA
COVERAGE**

The following paragraph is added:

F. MPIUA Requirement

Use Limited Fungi, Wet or Dry Rot, Or Bacteria Coverage Endorsement **DL 24 71** with all Personal Liability Policies. Increased limits as shown in Paragraph B. are available.

SPECIAL STATE REQUIREMENTS

**RULE A2.
LEAD POISONING EXCLUSION AND COVERAGE
OPTION**

Paragraph **F.1.** is replaced by the following

1. Reduced Premium Development
When Lead Poisoning Exclusion Endorsement **DL 24 41** is attached to the policy, calculate reduced premiums as follows;
 - a. Multiply the Coverage L premium for each location to which the exclusion applies to by a factor of .97.

**PERSONAL LIABILITY SUPPLEMENT
TO THE DWELLING
POLICY PROGRAM MANUAL
RATE PAGES**

MASSACHUSETTS (20)

ADDITIONAL RULE(S)

**RULE A2.
LEAD POISONING EXCLUSION AND COVERAGE
OPTIONS**

No. of Residential Units At Each Location Without A Letter Of Interim Control Or Without A Letter Of Compliance	Rate
1	\$395
2	\$589
3	\$901
4	\$1,002

Table A2. Lead Poisoning Exclusion And Coverage Options

**RULE A4.
OPTIONAL LIMITED ESCAPED LIQUID FUEL LIABILITY
AND PROPERTY REMEDIATION FOR ESCAPED LIQUID
FUEL COVERAGES**

Escaped Liquid Fuel Remediation Coverage		
Liquid Fuel Risk Class Number	Limit Of Liability	
	\$50,000	\$100,000
100	\$143	\$238
200	\$48	\$79

Table A4.D.3.#1 Escaped Liquid Fuel Remediation Coverage

Liquid Fuel Risk Class Number	Limit Of Liability	
	\$200,000	\$300,000
100	\$56	\$91
200	\$11	\$18
300	N/A	N/A

Table A4. D.3#2 Escaped Liquid Liability Class Coverage - No Insured Location Has A Home Day Care Business

**RULE 301.
BASE PREMIUM COMPUTATION**

A. Premium Computation

1. For Basic Limits (Coverage L - \$100,000/Coverage M - \$1,000) use the following tables:

Initial Residence Premises Occupied By Owner Or Apartment Occupied By Tenant (Named Insured) *	
No Business Occupancy	
Number of Families	Rate Per Location
1	\$ 83
2	144
3	186
4	227

Permitted Incidental Occupancy - Home Day Care Up To Three Persons Under Care

Number of Families	Rate Per Location
1	\$ 224
2	286
3	327
4	368

Permitted Incidental Occupancy - All Other

Number of Families	Rate Per Location
1	\$ 104
2	166
3	207
4	248

* Rate Apartment Occupied By Tenant (Named Insured) as 1 family

Table 301.A.1.#1 Base Premium Computation Initial Residence Premises Occupied By Owner Or Apartment Occupied By Tenant (Named Insured)

**PERSONAL LIABILITY SUPPLEMENT
TO THE DWELLING
POLICY PROGRAM MANUAL
RATE PAGES**

MASSACHUSETTS (20)

**RULE 301.
BASE PREMIUM COMPUTATION**

Other Insured Locations Occupied By Owner Or Apartment Occupied By Tenant (Named Insured) *	
No Business Occupancy	
Number of Families	Rate Per Location
1	\$ 8
2	17
3	37
4	37
Permitted Incidental Occupancy	
Number of Families	Rate Per Location
1	\$ 31
2	40
3	69
4	78

* Rate Apartment Occupied By Tenant (Named Insured) as 1 family

Table 301.A.1.#2 Base Premium Computation Other Insured Locations Occupied By Owner Or Apartment Occupied By Tenant (Named Insured)

Other Insured Locations Not Occupied By Owner	
Number of Families	Rate Per Location
1	\$ 83
2	136
3	289
4	371

Table 301.A.1.#3 Base Premium Computation Other Insured Locations Not Occupied By Owner

Business Pursuits	
Classification	Rate Per Person
a. Clerical Office Employees	\$ 6
b. Salesmen, Collectors or Messengers Including Installation, Demonstrating or Servicing	8
c. Salesmen, Collectors or Messengers Excluding Installation, Demonstrating or Servicing	6
d. Teachers - Laboratory, Manual Training, Athletic and Physical Training	16
e. Teachers - Not Otherwise Classified	7
f. Teachers - Corporal Punishment - Add to d. or e.	6
g. Business Pursuits Not Otherwise Classified	N/A

Table 301.A.1.#4 Base Premium Computation Business Pursuits

Employers' Liability	
Exposure	Rate Per Person
Medical Payments in Excess of two employees	\$ 5

Table 301.A.1.#5(RA) Base Premium Computation Employers' Liability

Owned Snowmobiles	
Exposure	Rate
Per Snowmobile:	\$ 23

* This charge is the minimum annual loss cost for each snowmobile for any period within a policy year

Table 301.A.1.#6 Base Premium Computation Owned Snowmobiles

**PERSONAL LIABILITY SUPPLEMENT
TO THE DWELLING
POLICY PROGRAM MANUAL
RATE PAGES**

MASSACHUSETTS (20)

**RULE 301.
BASE PREMIUM COMPUTATION(Cont'd)**

Watercraft		
Outboard, Inboard Or Inboard-Outdrive Motors		
Horsepower	Length	
	Rate For Up To 15 Feet	Rate For Over 15 To 26 Feet
Up to 50	\$7	\$11
51 - 100	12	16
101 - 150	17	21
151 - 200	17	27
Over 200	17	27

Sailboat With Or Without Auxiliary Power	
Length in Feet	Rate
26 - 40	\$ 7
Over 40	7

**Table 301.A.1.#7 Base Premium Computation
Watercraft**

Loss Assessment Liability Coverage	
Exposure	Rate Per \$1,000
Each Location	\$ 1

**Table 301.A.1.#8 Base Premium Computation Loss
Assessment Liability Coverage**

Personal Injury	
Exposure	Rate
Per Policy	\$ 16

**Table 301.A.1.#9 Base Premium Computation
Personal Injury**

Incidental Low Power Recreational Vehicle	
Exposure	Rate
Per Conveyance	\$ 19

**Table 301.A.1.#10 Base Premium Computation
Incidental Low Power Recreational Vehicle**

Assisted Living Care	
Exposure	Rate
Per Unit	\$ 22

**Table 301.A.1.#11 Base Premium Computation
Assisted Living Care**

Student Living Away From Residence Premises	
Exposure	Rate
Per Location	\$ 65

**Table 301.A.1.#12 Base Premium Computation
Student Living Away From Residence Premises.**

2. For Increased Limits for Medical Payments To Others use the following tables:

Exposures	Each Additional \$1,000
Initial Residence Premises	\$ 4
Other Insured Locations	\$ 1

**Table 301.A.2.#1 Premium Computation Increased
Limits For Medical Payments To Others Initial
Residence Premises And Other Insured Locations
Coverages**

**PERSONAL LIABILITY SUPPLEMENT
TO THE DWELLING
POLICY PROGRAM MANUAL
RATE PAGES**

MASSACHUSETTS (20)

**RULE 301.
BASE PREMIUM COMPUTATION(Cont'd)**

Class	Additional Coverage			
	\$2,000	\$3,000	\$4,000	\$5,000**
Business Pursuits				
Clerical Office Employees	\$ 1	\$ 2	\$ 4	\$ 5
Salesmen including Installation, etc.	1	2	4	5
Salesmen excluding Installation, etc.	1	2	4	5
Teachers - Laboratory, Manual Training, etc.	2	5	7	9
Teachers - Not Otherwise Classified	1	2	4	5
Teachers - Corporal Punishment* Not Otherwise Classified	No Medical Payments Available This coverage is not provided by MPIUA			
Employers' Liability				
Medical Payments in excess of Two Employees - Per Person	1	2	4	5
Snowmobiles	Not Applicable			
Watercraft - Outboard, In-board Or Inboard-Outdrive				
Up to 50 HP/Up to 15 feet	4	7	11	14
51-100 HP/Upto 15 feet	5	10	15	17
101-150 HP/Up to 15 feet	7	15	22	26
151-200 HP/Up to 15 feet	7	15	22	26
Over 200 HP/Up to 15 feet	7	15	22	26
Up to 50 HP/Up to 15 -26 feet	5	10	15	17
51-100 HP/Upto 15-26 feet	7	15	22	26
101-150 HP/Up to 15-26 feet	10	20	30	35
151-200 HP/Up to 15-26 feet	15	30	45	52
Over 200 HP/Up to 15-26 feet	15	30	45	52
Sailboats with Or Without Auxiliary Power				
26-40 feet	4	7	11	14
Over 40 feet	4	7	11	14
Incidental Low Power Recreational Vehicle	1	2	4	5
Student Away From Home	1	2	4	5
* Add to Teachers-Laboratory, Manual Training, etc. Or Teachers - Not Otherwise Classified				
** For Limits above \$5,000, refer to company				

**Table 301.A.2.#2 Premium Computation Increased
Limits For Medical Payments To Others - Additional
Coverages**

**RULE 517.
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA
COVERAGE**

D. Premium Computation

2. Increased Limits

Increased Limit	Rate
\$100,000	\$9

Table 517.D.2. Increased Limits

MPIUA PREMIUM COMPUTATION WORKSHEET - DWELLING POLICY PROGRAM (2002) EDITION

OWNER OCCUPIED () NON OWNER OCCUPIED () TERRITORY _____ PROTECTION CLASS _____

COMPLETE SECTION IV. IF PERSONAL LIABILITY ONLY IS BEING REQUESTED

I. BASE PREMIUM (COVERAGE A)

(ISO Rule 301.) COVERAGE A \$ _____ KEY PREMIUMS :

times KEY FACTORS :

BASE PREM VMM = COV A x VMM RATE _____ /1,000.....

(ISO Rule 302.)

BASE PREMIUMS (COVERAGE A).....

EC
BROAD
SPECIAL VMM

↓ ↓ ↓

Ia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE A): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

_____ F _____ EC _____ VMMM _____

_____ F _____ EC _____ VMMM _____

ADJUSTED BASE PREMIUMS (COVERAGE A)---->

EC
BROAD
SPECIAL VMM

↓ ↓ ↓

\$ _____

TOTAL PREM COV A (1)

II. BASE PREMIUM (COVERAGE C)

(ISO Rules 301. & 304.) COVERAGE C \$ _____ KEY PREMIUMS :

times KEY FACTORS :

BASE PREM VMM = COV C x VMM RATE _____ /1,000.....

(ISO Rule 302.)

BASE PREMIUMS (COVERAGE C).....

Iia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE C): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

_____ F _____ EC _____ VMMM _____

_____ F _____ EC _____ VMMM _____

ADJUSTED BASE PREMIUMS (COVERAGE C)---->

EC VMM

↓ ↓

\$ _____

TOTAL PREM COV C (2)

III. ADDITIONAL OR REDUCED PREMIUMS **

PREMIUM FOR :

FIRE EC VMM

\$ _____

ADD'L/REDUCED PREM(3)

\$ _____

ADD'L/REDUCED PREM(4)

IV. PREMIUM COMPUTATION FOR PERSONAL LIABILITY SUPPLEMENT

Personal Liability (Coverage L) Limit \$ _____

Lead Poisoning Exclusion (DL 24 41) if applies use factor .97

x _____

Medical Payments to Others (Coverage M) Limit \$ _____

\$ _____

COV L PREM

\$ _____

Adjusted COV L PREM(5)

\$ _____

COV M PREM(6)

V. ADDITIONAL PERSONAL LIABILITY ENDORSEMENTS:

PREMIUM FOR :

\$ _____

ADD'L COV PREM (7)

TOTAL PREMIUM FOR FIRE, EC, VMM & PERSONAL LIABILITY

\$ _____

(1)+(2)+(3)+(4)+(5)+(6)+(7)

ADD TENANTS RELOCATION EXPENSE CHARGE: NUMBER OF RENTALS _____ x CHARGE PER UNIT.....

TOTAL PREMIUM DUE

\$ _____

\$ _____

* Factors should be applied when applicable, AND PREMIUM ROUNDED AFTER EACH STEP, in the following sequence :

- (a) Building Code Effectiveness Grading, (b) Ordinance or Law Coverage (c) Superior Construction, (d) Personal Property in a Commercial Building,
- (e) Dwelling Under Construction - Named Insured is the Intended Occupant, (f) Mobile or Trailer Home, (g) Optional Deductibles,
- (h) Automatic Increase in Insurance, and (i) Premises Alarm or Fire Protection System

** Examples : Cov B or Cov D written in conjunction with Cov A i.e. when Misc Rates Apply.

EACH ADDITIONAL OR REDUCED PREMIUM IS TO BE ROUNDED TO THE NEAREST DOLLAR.

MPIUA PREMIUM COMPUTATION WORKSHEET - DWELLING POLICY PROGRAM (2002) EDITION

OWNER OCCUPIED () NON OWNER OCCUPIED (X) TERRITORY 02 PROTECTION CLASS 01
COMPLETE SECTION IV. IF PERSONAL LIABILITY ONLY IS BEING REQUESTED

I. BASE PREMIUM (COVERAGE A)

(ISO Rule 301.)	COVER AGE A \$ _____	KEY PREMIUMS :	_____	_____	_____
		times KEY FACTORS :	_____	_____	_____
BASE PREM VMM = COV A x VMM RATE _____/1,000.....			.....	.....	.....
(ISO Rule 302.)			↓	↓	↓
	BASE PREMIUMS (COVERAGE A).....		_____	_____	_____

Ia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE A): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

_____ F _____ EC _____ VMMM _____	_____	_____	_____
_____ F _____ EC _____ VMMM _____	_____	_____	_____
ADJUSTED BASE PREMIUMS (COVERAGE A)---->	_____	_____	_____

\$ _____
TOTAL PREM COV A (1)

II. BASE PREMIUM (COVERAGE C)

(ISO Rules 301. & 304.)	COVER AGE C \$ _____	KEY PREMIUMS :	_____	_____	_____
		times KEY FACTORS :	_____	_____	_____
BASE PREM VMM = COV C x VMM RATE _____/1,000.....			.....	.....	.....
(ISO Rule 302.)			↓	↓	↓
	BASE PREMIUMS (COVERAGE C).....		_____	_____	_____

Iia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE C): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

_____ F _____ EC _____ VMMM _____	_____	_____	_____
_____ F _____ EC _____ VMMM _____	_____	_____	_____
ADJUSTED BASE PREMIUMS (COVERAGE C)---->	_____	_____	_____

\$ _____
TOTAL PREM COV C (2)

III. ADDITIONAL OR REDUCED PREMIUMS **

PREMIUM FOR :

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\$ _____
ADD'L/REDUCED PREM(3)
 \$ _____
ADD'L/REDUCED PREM(4)

IV. PREMIUM COMPUTATION FOR PERSONAL LIABILITY SUPPLEMENT

Personal Liability (Coverage L) Limit	<u>\$300,000</u>	[DL-R-1 + DL-4]	\$289 X 1.32 =	\$ <u>381</u>
				COV L PREM
Lead Poisoning Exclusion (DL 24 41) if applies use factor .97		[MPIUA-DL-EXC-1]	x <u>.97</u>	\$ <u>370</u>
				Adjusted COV L PREM(5)
Medical Payments to Others (Coverage M) Limit	<u>\$3,000</u>	[DL-R-3]	\$1 X 2	\$ <u>2</u>
				COV M PREM(6)

V. ADDITIONAL PERSONAL LIABILITY ENDORSEMENTS:

PREMIUM FOR :

_____	_____	_____
_____	_____	_____
TOTAL PREMIUM FOR FIRE, EC, VMM & PERSONAL LIABILITY	\$	<u>372</u>

\$ _____
ADD'L COV PREM (7)
 \$ _____
(1)+(2)+(3)+(4)+(5)+(6)+(7)

ADD TENANTS RELOCATION EXPENSE CHARGE: NUMBER OF RENTALS _____ x CHARGE PER UNIT..... \$ _____
TOTAL PREMIUM DUE \$ 372

* Factors should be applied when applicable, AND PREMIUM ROUNDED AFTER EACH STEP, in the following sequence :

- (a) Building Code Effectiveness Grading, (b) Ordinance or Law Coverage (c) Superior Construction, (d) Personal Property in a Commercial Building,
- (e) Dwelling Under Construction - Named Insured is the Intended Occupant, (f) Mobile or Trailer Home, (g) Optional Deductibles,
- (h) Automatic Increase in Insurance, and (i) Premises Alarm or Fire Protection System

** Examples : Cov B or Cov D written in conjunction with Cov A i.e. when Misc Rates Apply.
 EACH ADDITIONAL OR REDUCED PREMIUM IS TO BE ROUNDED TO THE NEAREST DOLLAR.

MPIUA PREMIUM COMPUTATION WORKSHEET - DWELLING POLICY PROGRAM (2002) EDITION

OWNER OCCUPIED () NON OWNER OCCUPIED (**X**) TERRITORY 41 PROTECTION CLASS 02
 COMPLETE SECTION IV. IF PERSONAL LIABILITY ONLY IS BEING REQUESTED

I. BASE PREMIUM (COVERAGE A)

(ISO Rule 301.)	COVERAGE A \$ _____	KEY PREMIUMS :	_____	_____	_____
		times KEY FACTORS :	_____	_____	_____
BASE PREM VMM = COV A x VMM RATE _____/1,000.....			.....	.....	.....
(ISO Rule 302.)			↓	↓	↓
	BASE PREMIUMS (COVERAGE A).....		_____	_____	_____

Ia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE A): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

_____	F	_____	EC	_____	VMMM	_____	_____	_____
_____	F	_____	EC	_____	VMMM	_____	_____	_____
	ADJUSTED BASE PREMIUMS (COVERAGE A)---->							

\$ _____
 TOTAL PREM COV A (1)

II. BASE PREMIUM (COVERAGE C)

(ISO Rules 301. & 304.)	COVERAGE C \$ _____	KEY PREMIUMS :	_____	_____	_____
		times KEY FACTORS :	_____	_____	_____
BASE PREM VMM = COV C x VMM RATE _____/1,000.....			.....	.....	.....
(ISO Rule 302.)			↓	↓	↓
	BASE PREMIUMS (COVERAGE C).....		_____	_____	_____

\$ _____
 TOTAL PREM COV C (2)

Iia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE C): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

_____	F	_____	EC	_____	VMMM	_____	_____	_____
_____	F	_____	EC	_____	VMMM	_____	_____	_____
	ADJUSTED BASE PREMIUMS (COVERAGE C)---->							

\$ _____
 TOTAL PREM COV C (2)

III. ADDITIONAL OR REDUCED PREMIUMS **

PREMIUM FOR :

_____	FIRE	_____	EC	_____	VMM	_____	_____	_____
_____								\$ _____
	ADD'L/REDUCED PREM(3)							
_____								\$ _____
	ADD'L/REDUCED PREM(4)							

IV. PREMIUM COMPUTATION FOR PERSONAL LIABILITY SUPPLEMENT

Personal Liability (Coverage L) Limit	<u>\$500,000</u>	[DL-R-1 + DL-4]	\$136 X 1.45 =	\$ <u>197</u>
Lead Poisoning Exclusion (DL 24 41) if applies use factor .97			x _____	\$ <u>197</u>
				Adjusted COV L PREM(5)
Medical Payments to Others (Coverage M) Limit	<u>\$5,000</u>	[DL-R-3]	\$1 X 4 =	\$ <u>4</u>
				COV M PREM(6)

V. ADDITIONAL PERSONAL LIABILITY ENDORSEMENTS:

PREMIUM FOR :

DL 2471 LIMITED FUNGI \$100,000 [DL-R-4] = \$9

				\$ <u>9</u>
				ADD'L COV PREM (7)

TOTAL PREMIUM FOR FIRE, EC, VMM & PERSONAL LIABILITY \$ 210
 (1)+(2)+(3)+(4)+(5)+(6)+(7)

ADD TENANTS RELOCATION EXPENSE CHARGE: NUMBER OF RENTALS _____ x CHARGE PER UNIT..... \$ _____
 TOTAL PREMIUM DUE \$ 210

* Factors should be applied when applicable, AND PREMIUM ROUNDED AFTER EACH STEP, in the following sequence :

- (a) Building Code Effectiveness Grading, (b) Ordinance or Law Coverage (c) Superior Construction, (d) Personal Property in a Commercial Building,
- (e) Dwelling Under Construction - Named Insured is the Intended Occupant, (f) Mobile or Trailer Home, (g) Optional Deductibles,
- (h) Automatic Increase in Insurance, and (i) Premises Alarm or Fire Protection System

** Examples : Cov B or Cov D written in conjunction with Cov A i.e. when Misc Rates Apply.
 EACH ADDITIONAL OR REDUCED PREMIUM IS TO BE ROUNDED TO THE NEAREST DOLLAR.

MPIUA PREMIUM COMPUTATION WORKSHEET - DWELLING POLICY PROGRAM (2002) EDITION

OWNER OCCUPIED () NON OWNER OCCUPIED (**X**) TERRITORY 30 PROTECTION CLASS 03
 COMPLETE SECTION IV. IF PERSONAL LIABILITY ONLY IS BEING REQUESTED

I. BASE PREMIUM (COVERAGE A)

(ISO Rule 301.)	COVERAGE A	<u>\$300,000</u>	KEY PREMIUMS :	<u>203</u>	<u>47</u>	
			times KEY FACTORS :	<u>5.490</u>	<u>7.435</u>	
BASE PREM VMM = COV A x VMM RATE	<u>.09/ 1,000</u>					
(ISO Rule 302.)			BASE PREMIUMS (COVERAGE A).....	<u>1,114</u>	<u>349</u>	<u>27</u>

Ia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE A): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

DED <u>\$250/\$2,000</u>	F. <u>1.00</u>	EC <u>.81</u>	VMMM <u>1.00</u>	<u>1,114</u>	<u>283</u>	<u>27</u>	
DED	F.	EC	VMMM				
			ADJUSTED BASE PREMIUMS (COVERAGE A)---->	<u>1,114</u>	<u>283</u>	<u>27</u>	\$ <u>1,424</u>
							TOTAL PREM COV A (1)

II. BASE PREMIUM (COVERAGE C)

(ISO Rules 301. & 304.)	COVERAGE C	<u>\$25,000</u>	KEY PREMIUMS :	<u>12</u>	<u>8</u>	
			times KEY FACTORS :	<u>3.470</u>	<u>4.170</u>	
BASE PREM VMM = COV A x VMM RATE	<u>.09/ 1,000</u>					
(ISO Rule 302.)			BASE PREMIUMS (COVERAGE C).....	<u>42</u>	<u>33</u>	<u>2</u>

Iia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE C): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

DED <u>\$250/\$2,000</u>	F. <u>1.00</u>	EC <u>.90</u>	VMMM <u>1.00</u>	<u>42</u>	<u>30</u>	<u>2</u>	
DED	F.	EC	VMMM				
			ADJUSTED BASE PREMIUMS (COVERAGE C)---->	<u>42</u>	<u>30</u>	<u>2</u>	\$ <u>74</u>
							TOTAL PREM COV C (2)

III. ADDITIONAL OR REDUCED PREMIUMS **

PREMIUM FOR :

_____							\$ _____
_____							\$ _____
							ADD'L/REDUCED PREM(3)
							ADD'L/REDUCED PREM(4)

IV. PREMIUM COMPUTATION FOR PERSONAL LIABILITY SUPPLEMENT

Personal Liability (Coverage L) Limit	<u>\$200,000</u>	[DL-R-1 + DL-4]	<u>\$371 X 1.21 =</u>	\$ <u>449</u>
Lead Poisoning Exclusion (DL 24 41) if applies use factor .97			x <u>.97</u>	\$ <u>436</u>
				ADJ COV L PREM(5)
Medical Payments to Others (Coverage M) Limit	<u>\$2,000</u>	[DL-R-3]	<u>\$1 X 1 =</u>	\$ <u>1</u>
				COV M PREM(6)

V. ADDITIONAL PERSONAL LIABILITY ENDORSEMENTS:

PREMIUM FOR :

_____				\$ _____
_____				\$ _____
				ADD'L COV PREM (7)

TOTAL PREMIUM FOR FIRE, EC, VMM & PERSONAL LIABILITY

ADD TENANTS RELOCATION EXPENSE CHARGE: NUMBER OF RENTALS <u>4</u> x CHARGE PER UNIT..... <u>4</u>		\$ <u>16</u>
	TOTAL PREMIUM DUE	\$ <u>1,951</u>

* Factors should be applied when applicable, AND PREMIUM ROUNDED AFTER EACH STEP, in the following sequence :

- (a) Building Code Effectiveness Grading, (b) Ordinance or Law Coverage (c) Superior Construction, (d) Personal Property in a Commercial Building,
- (e) Dwelling Under Construction - Named Insured is the Intended Occupant, (f) Mobile or Trailer Home, (g) Optional Deductibles,
- (h) Automatic Increase in Insurance, and (i) Premises Alarm or Fire Protection System

** Examples : Cov B or Cov D written in conjunction with Cov A i.e. when Misc Rates Apply.
 EACH ADDITIONAL OR REDUCED PREMIUM IS TO BE ROUNDED TO THE NEAREST DOLLAR.

SPECIFICATIONS: 1 FAMILY TENANT OCCUPIED FRAME DWELLING, TERR 37 PROT 04, YR BUILT 1950
COVERAGES DESIRED: DP 00 03 COVERAGE A \$200,000, COVERAGE D \$10,000 COVERAGE L \$400,000
COVERAGE M \$4,000, DEDUCTIBLE \$250, EXCEPT 2% WINDSTORM OR HAIL

EXAMPLE 4
1/7/2015

MPIUA PREMIUM COMPUTATION WORKSHEET - DWELLING POLICY PROGRAM (2002) EDITION

OWNER OCCUPIED () NON OWNER OCCUPIED (**X**) TERRITORY 37 PROTECTION CLASS 04
COMPLETE SECTION IV. IF PERSONAL LIABILITY ONLY IS BEING REQUESTED

<u>I. BASE PREMIUM (COVERAGE A)</u>			FIRE	EC BROAD SPECIAL	VMM
(ISO Rule 301.)	COVERAGE A <u>\$200,000</u>	KEY PREMIUMS :	<u>171</u>	<u>90</u>	
		times KEY FACTORS :	<u>3.890</u>	<u>5.135</u>	
BASE PREM VMM = COV A x VMM RATE	<u>/ 1,000</u>		↓	↓	↓
(ISO Rule 302.)		BASE PREMIUMS (COVERAGE A).....	<u>665</u>	<u>462</u>	

Ia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE A): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

DEDUCTIBLE <u>\$250 EXCEPT 2% WIND/HAIL</u>	F.	EC <u>.86</u>	VMMM	<u>665</u>	<u>397</u>	
DED	F.	EC	VMMM			
				<u>665</u>	<u>397</u>	
						<u>\$ 1,062</u>
						TOTAL PREM COV A (1)

<u>II. BASE PREMIUM (COVERAGE C)</u>			FIRE	EC BROAD SPECIAL	VMM
(ISO Rules 301. & 304.)	COVERAGE C _____	KEY PREMIUMS :	_____	_____	
		times KEY FACTORS :	_____	_____	
BASE PREM VMM = COV A x VMM RATE	<u>1,000</u>		↓	↓	↓
(ISO Rule 302.)		BASE PREMIUMS (COVERAGE C).....	_____	_____	_____

Iia. ADJUSTMENTS as per ISO's BCEG Rule, RULE 303 & RULES 401-409

(COVERAGE C): Apply Appropriate Adj. Factors*

ADJUSTMENT FOR :

DED	F.	EC	VMMM	_____	_____	_____
DED	F.	EC	VMMM	_____	_____	_____
				_____	_____	_____
				_____	_____	<u>\$</u>
						TOTAL PREM COV C (2)

III. ADDITIONAL OR REDUCED PREMIUMS **

PREMIUM FOR :

*** FAIR RENTAL VALUE COV D \$10,000		FIRE	EC	VMM	
		<u>22</u>	<u>28</u>		<u>\$ 50</u>
					ADD'L/REDUCED PREM(3)
					<u>\$</u>
					ADD'L/REDUCED PREM(4)

IV. PREMIUM COMPUTATION FOR PERSONAL LIABILITY SUPPLEMENT

Personal Liability (Coverage L) Limit	<u>\$400,000</u>	[DL-R-1 + DL-4]	<u>\$83 X 1.40 =</u>	<u>\$ 116</u>
				COV L PREM
Lead Poisoning Exclusion (DL 24 41) if applies use factor .97			<u>x .97</u>	<u>\$ 113</u>
				Adjusted COV L PREM(5)
Medical Payments to Others (Coverage M) Limit	<u>\$4,000</u>	[DL-R-3]	<u>\$1 X 3 =</u>	<u>\$ 3</u>
				COV M PREM(6)

V. ADDITIONAL PERSONAL LIABILITY ENDORSEMENTS:

PREMIUM FOR :

_____		<u>\$</u>
_____		ADD'L COV PREM (7)

TOTAL PREMIUM FOR FIRE, EC, VMM & PERSONAL LIABILITY \$
 (1)+(2)+(3)+(4)+(5)+(6)+(7)

ADD TENANTS RELOCATION EXPENSE CHARGE: NUMBER OF RENTALS _____ x CHARGE PER UNIT.....	<u>\$</u>
TOTAL PREMIUM DUE	<u>\$ 1,228</u>

* Factors should be applied when applicable, AND PREMIUM ROUNDED AFTER EACH STEP, in the following sequence :

- (a) Building Code Effectiveness Grading, (b) Ordinance or Law Coverage (c) Superior Construction, (d) Personal Property in a Commercial Building,
- (e) Dwelling Under Construction - Named Insured is the Intended Occupant, (f) Mobile or Trailer Home, (g) Optional Deductibles,
- (h) Automatic Increase in Insurance, and (i) Premises Alarm or Fire Protection System

*** As Policy includes Coverage A Misc Rates Apply (Rule 502.c.1) For PC 04 Misc Fire Rate \$2.20 Special Form \$2.79 L123lf-wkshs\MPIUA-DW-WS

** Examples : Cov B or Cov D written in conjunction with Cov A i.e. when Misc Rates Apply. EACH ADDITIONAL OR REDUCED PREMIUM IS TO BE ROUNDED TO THE NEAREST DOLLAR.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PREMISES LIABILITY
(Non-Owner Occupied Dwelling)**

DEFINITIONS

Definition 6. "Insured location" is deleted and replaced by the following:

6. "Insured location" means the **Described Location** set forth in the Policy Declarations.

LIABILITY COVERAGES

- A. Coverage L - **Personal Liability** - on page 3 of 8 of Endorsement **DL 24 01**, is deleted and replaced by the following:

- A. Coverage L - **Personal Liability** –

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, and the "bodily injury" or "property damage" arises out of the "insured location", we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and

2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

EXCLUSIONS

Exclusion E.2. does not apply to the rental or holding for rental of the "insured location" as a dwelling.

All other provisions of this policy apply.

**Massachusetts Property Insurance Underwriting Association
2 Center Plaza, Boston, MA 02108-1904
Telephone No's: (617) 723-3800, MA Only (800) 392-6108**

**PERSONAL LIABILITY INSURANCE
LEAD POISONING EXCLUSION AND COVERAGE OPTION**

**NOTICE TO PERSONS APPLYING FOR INSURANCE
AND
NOTICE TO POLICYHOLDERS**

This is a discussion of the Massachusetts lead poisoning exclusion that may apply to the residential building or residential unit insured under the policy that you are applying for or have just received.

It gives you information about:

- the conditions that pertain to the exclusion and the availability of an option that overrides the exclusion, and
- the requirements that pertain to the optional coverage.

No coverage is provided by this summary nor can it be construed to replace any provision of your policy. You should read the Policy for complete information regarding the lead poisoning exclusion and, if purchased, the Coverage for Lead Poisoning Endorsement. If there is any conflict between the policy and this notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

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DLP (01/15)

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1. LEAD POISONING EXCLUSION -- COVERAGE L - PERSONAL LIABILITY

- A. Coverage L in the Dwelling Personal Liability policy excludes bodily injury arising from lead poisoning caused by the presence or exposure of lead in or on a residential unit, including the common areas used in connection with such unit, that you own and rent to others.
- B. If you own a one to four family residential building or a residential condominium or cooperative unit and/or occupy a residential unit in any residential building, located in Massachusetts, the lead poisoning exclusion may not apply to you. Read the following to determine whether this is the case.
- (1) If the residential building was built in or after 1978, the exclusion does **not** apply; **the rest of this notice does not apply to you.**
 - (2) If the residential building was built before 1978 and no residential unit is rented or held for rental to others, the exclusion does **not** apply; **the rest of this notice does not apply to you.**
 - (3) If the residential building was built before 1978, and:
 - (a) one or more residential units, in the residential building, or residential units you own in the condominium or cooperative residential building is rented, or held for rental, to others; and/or
 - (b) you own and rent, or hold for rental, to others one or more other structures at the same location as the residential building described in (3)(a); and

A Letter of Interim Control or a Letter of Compliance is issued for units or other structures described in (3)(a) or (b) above, the exclusion does **not** apply to that unit or other structure, but will apply with respect to other units and/or other structures that you own and do not occupy. IT IS IMPORTANT THAT YOU LET US KNOW, AS SOON AS PRACTICABLE, THAT YOU HAVE RECEIVED A LETTER OF INTERIM CONTROL OR A LETTER OF COMPLIANCE AND THAT, UPON OUR REQUEST, YOU SEND US A COPY OF YOUR LETTER OF INTERIM CONTROL OR COMPLIANCE IF YOU HAVE NOT ALREADY DONE SO.

THROUGHOUT THIS NOTICE, A LETTER OF INTERIM CONTROL OR A LETTER OF COMPLIANCE INCLUDES ANY OTHER EQUIVALENT LETTER ISSUED BY A LEAD INSPECTOR AUTHORIZED TO DO SO UNDER THE MASSACHUSETTS LEAD LAW.

Please note, however, that if you have or obtain a Letter of Interim Control for a unit and/or other structure and it expires before you obtain a Letter of Compliance for that unit and/or other structure, THE EXCLUSION APPLIES TO THAT UNIT OR OTHER STRUCTURE UNTIL THE LETTER OF COMPLIANCE IS OBTAINED.

Send a copy of the Letter to: Massachusetts Property Insurance Underwriting
Association
2 Center Plaza, Boston, MA 02108-1904

- (4) If the residential building, other structure or condominium or cooperative unit is newly purchased by you, the exclusion does not apply during a period ending 90 days from the date you took title to such real property. However, this provision applies only if you, within 90 days of taking title to the property, obtain a Letter of Interim Control or Compliance.
 - (5) If the residential building was built before 1978, and one or more residential units are rented or held for rental to others, and you, or your managing agent, is notified by an authorized lead inspector of the need to bring any unit in the residential building into compliance with the provisions of the previously granted Letter of Interim Control, the exclusion does **not** apply to that unit for a period of 14 days, **the rest of this Notice does not apply to you with respect to that unit for a period of 14 days. After that time the exclusion applies to that unit, subject to B.(6) below.** IT IS IMPORTANT THAT YOU LET US KNOW, AS SOON AS PRACTICABLE, THAT YOU HAVE RECEIVED A LETTER OF INTERIM CONTROL AND THAT YOU SEND US, UPON OUR REQUEST, A COPY OF YOUR LETTER OF INTERIM CONTROL IF YOU HAVE NOT ALREADY DONE SO.
 - (6) If the 14 day period described in B.(5) above is extended by the lead poisoning control director, local code enforcement agency or board of health, or by judicial order, the exclusion does not apply to that unit during this extension, except that the exclusion does apply with respect to bodily injury for which you are held strictly liable under the Massachusetts Lead Law.
- C. If the conditions described in B. (1) through B. (6) above do not apply to a given unit in the residential building or other structure located in Massachusetts that you own and are renting or holding for rental to others, **then the exclusion applies to that unit.**
- D. We will reduce the premium charged for each location to which the exclusion applies because of a reduction in coverage.

2. COVERAGE OPTION AND LEAD POISONING LIMITS

- A. You may buy coverage to override the lead poisoning exclusion for all residential units for which you have not obtained a Letter of Interim Control or Letter of Compliance.
- B. (1) If this is a **NEW** or **RENEWAL POLICY** with us and you did not choose this coverage before, you may do so at any time.

(2) Unless you and we agree otherwise, if you request coverage for lead poisoning within 30 days of receipt of this NOTICE, coverage will be effective on the inception date of this policy; if your request for lead poisoning coverage is made after 30 days of your receipt of this NOTICE, coverage will become effective as of the date of your request.
- C. If this is a **RENEWAL POLICY** with us and your expiring policy has lead poisoning coverage, we have continued to provide you with this coverage for the same limit in your expiring policy, unless you have requested us to do otherwise.
- D. The minimum lead poisoning limit we offer is \$100,000 and the maximum limit is \$500,000. The lead poisoning limit can be less than, or the same as, the Coverage L limit of liability stated on the Declarations page of your policy subject to the minimum limit noted above. **It cannot be more than the Coverage E limit of liability stated on the Declarations page of your policy.**

3. MORE THAN ONE LOCATION

Only one Coverage E limit of liability and one lead liability limit will apply.

If you choose to purchase lead poisoning coverage and your policy insures, under Coverage L, two or more dwellings and/or residential units in a residential building located in Massachusetts; make sure that the locations to which Lead Liability Coverage applies are listed on Endorsement DL 24 42.

If they are not, call us at 1-800-392-6108 or notify your agent or broker and arrange for the necessary listing of locations.

1. Are insurers required to cover lead poisoning liability claims resulting from lead in dwelling units, or can they exclude coverage of such claims?

There is no single answer to this question. An insurer may decline to insure any premises for liability insurance of any kind. But, once such an insurer in the regular (“admitted”) market elects to write liability coverage on any given residential rental premises constructed before 1978, it must cover liability from injury from lead in dwelling units, if that injury arises from any part of the premises that complies with the Lead Law. However, under such insurance, injuries from lead in dwelling units are not covered if they result from an insured owner’s gross or willful negligence. An insurer in the regular market may exclude coverage of liability for injury from lead in a residential rental dwelling unit if the unit (and associated common area) is not in compliance with the Lead Law. However, if such an insurer intends to apply an exclusion of this kind, it must, at the same time, offer the insured the option of “buying back” the lead coverage it intends to exclude. (Lead “buy back” coverage costs extra. Its price is regulated by the Division of Insurance.) Also, if a new owner of residential rental property constructed before 1978 is insured for liability by a regular market carrier, he or she generally will be insured for liability for injury from lead in dwelling units, occurring within 90 days of taking title, if, before the end of the 90-day period, he or she comes into compliance with the Lead Law.

The above lead liability insurance rules apply to all policies containing liability insurance that are written on residential rental properties by regular market insurers. The rules also apply to homeowners insurance from the FAIR Plan. The FAIR Plan offers homeowners insurance to property owners unable to find coverage in the regular market. It does not provide commercial liability coverage.

The above rules apply to rental properties, including those that are owner-occupied. The rules do not permit regular market and FAIR Plan homeowners insurance policies on single family owner-occupied homes to contain lead liability exclusions. While regular market or FAIR Plan homeowners insurance on a single family owner-occupied home will cover lead liability claims, such coverage will not extend to claims made by persons, including children, who are covered under the same policy for liability claims made against them. Note:

Surplus lines carriers (less regulated insurers that are not part of the regular market, and that provide insurance to those who cannot find it elsewhere, generally at higher than regular market prices) are not subject to any of the above requirements regarding lead liability insurance.

2. What Is lead poisoning?

Lead poisoning is a disease especially dangerous for children under six years old. It is caused by ingestion or inhalation of lead. In young children, too much lead in the body can cause serious damage to the brain, kidneys, nervous system and red blood cells. High levels of lead can cause retardation, convulsions, coma and sometimes death. Low levels can slow a child’s development and cause learning and behavioral problems.

3. How do children become lead poisoned?

Children most often are exposed to lead through ingestion of lead paint dust and lead paint debris. Such dust and debris may accumulate in window wells, window sills, floors and other surfaces through normal use and wear of lead-painted building components. Chipping or peeling leaded paint, plaster or putty also creates lead dust and debris. Children do not have to chew on lead-painted surfaces to become poisoned. In fact, research has shown that the normal hand-to-mouth activity of young children, bringing a small amount of fine lead dust into the child’s system, is

responsible for most lead poisoning. Children can also be exposed to lead from other sources, such as leaded soil or water, but these rarely cause lead poisoning by themselves.

4. Do I face serious liability if a child becomes poisoned on my property?

Yes. Under the Lead Law, a property owner is strictly liable for damages resulting to a lead-poisoned child caused by his or her failure to comply with the Lead Law. This means that the property owner does not even have to be aware of the presence of lead paint in his or her property. The potential damages that may be awarded in such cases may depend on the degree of lead poisoning. Court awards can be considerable for severely-poisoned children, as they often include the costs of lost potential earnings, long-term remedial education and medical care for what can be permanent injuries. A property owner who meets the requirements of the Lead Law is free of strict liability as long as he or she maintains a valid Letter of Compliance or Letter of Interim Control. However, such a property owner must exercise reasonable care to maintain the condition of compliance. He or she can become liable to a lead-poisoned child if he or she breaches that duty of reasonable care — that is, is negligent.

5. What does the Lead Law require property owners to do?

Owners of residential property built before 1978 in which children under six years of age live must have the property inspected for lead paint by a licensed lead inspector or risk assessor. If there are lead Law violations, the property owner must have the unit deleaded for full compliance, or brought under interim control.

6. Can I refuse to rent to a family with a child under six as a way of avoiding my obligation to delead?

No. The Lead Law prohibits rental discrimination, including refusing to rent to families with children under six, or evicting or refusing to renew the lease of families with children under six, because of lead paint. M.G.L. c. 111, s. 199A. Discrimination is also a violation of the U.S. Fair Housing Act, 42 U.S.C. 3604, and the Massachusetts anti-discrimination statute, M.G.L. c. 151B, s. 4. Parents cannot waive the rights of their children to live in lead-safe housing or agree to assume the risks of lead exposure.

7. How do I obtain evidence that my property is in compliance with the Lead Law

You need either a Letter of Full Compliance or a Letter of Interim Control. A Letter of Full Compliance is a legal letter, signed and dated by a licensed lead inspector, that says either that there are no lead paint hazards in the property, or that the property has been delead. A Letter of Interim Control is a legal letter, signed and dated by a licensed risk assessor, that says work necessary to make a home temporarily safe from lead hazards has been done. A Letter of Interim Control is good for one year, but can be renewed for one more year.

8. How do I get a lead inspection or risk assessment?

Call the state Department of Public Health Childhood Lead Poisoning Prevention Program (CLPPP) for a list of their licensed private lead inspectors and risk assessors, or contact your local board of health. Many of these contractors advertise in the telephone yellow pages as well.

9. How can I get my property delead or brought under interim control?

Based on the findings of a lead inspection or risk assessment, a deleader licensed by the state

Department of Labor and Industries (DLI) must do any removal of lead paint, leaded components and surfaces (such as windows and woodwork, with the exception of doors, cabinet doors and shutters) and making leaded surfaces intact. The property owner or an agent who works for the property owner who is not a licensed deleader can do certain low-risk deleading and interim control tasks. For a list of licensed deleaders, call DLI at 1-800-425-0004 or CLPPP at 1-800-532-9571. For information on low-risk owner/agent deleading and interim control work, call CLPPP.

10. Is there financial assistance to help owners pay for deleading?

Yes. First, there is a state income tax credit of up to \$1,500 per unit for deleading for full compliance. A state income tax credit of up to \$500 per unit is available for half the cost of interim control work that also contributes to full compliance. Second, there are grants and no-interest or low-interest loans available to eligible property owners through the U.S. Department of Housing and Urban Development, the Massachusetts Executive Office of Communities and Development, the Massachusetts Housing Finance Authority, local city and town community development, rehabilitation and planning departments, as well as private banks. Call CLPPP for more detailed information on finding financial assistance.

WHERE TO GET INFORMATION

Massachusetts Division of Insurance

470 Atlantic Avenue
Boston, MA 022 10-2223
(617) 521-7777

Massachusetts Department of Public Health Childhood Lead Poisoning Prevention Program

470 Atlantic Avenue, 2nd Floor
Boston, MA 02210-2224
1-800-532-9571 or (617) 753-8400

Disclosure Statement

Questions & Answers:

Lead Poisoning and Residential Rental Property

