

"Letter of Security"

SPECIAL BULLETIN

Mechanical, Electrical or Pressure System Breakdown Coverage

To All Security Agents

March, 2007

We are pleased to introduce our new **Mechanical, Electrical or Systems Breakdown endorsement (FL-345)**, copy attached) effective April 1, 2007 for new business and June 1, 2007 for renewals. This new enhancement endorsement will broaden coverage on our **LANDLORD PACKAGE POLICY** (with other lines of business to follow). The form has been tailored to specifically dovetail with other URB forms in adding breakdown perils & coverages (Property Damage, Business Interruption, Extra Expense) that have been traditionally provided by "Boiler & Machinery" policies. An initial supply of marketing brochures for the 1-4 Family dwellings is included with this mailing.

Extensions of Coverage included, subject to form terms & conditions, are: Loss payments up to \$25,000; Hazardous Substance Remediation; Consequential losses; Utilities Interruption; Expediting Expenses; Refrigerant Contamination; and Loss of Income.

The FL-345 will be added to all new policies at inception and all renewal policies. Of course, the coverage may also be added by endorsement.

Rating Information for Landlord Package Policies:

<u>Coverage A Limit Range</u>	<u>\$ Flat Charge</u>
Up to \$50,000	\$15
(\$75,000 is still our minimum Coverage A limit for New Business)	
\$50,001-100,000	\$20
\$100,001-250,000	\$30
\$250,001-500,000	\$50
over \$500,000	\$100

Updated rating software will be available shortly and can be emailed upon request. This coverage addition will be incorporated in a future Underwriting Program Guide update. As always, please contact one of our Marketing Representatives or an Underwriter at 800.822.1232 with any questions. Otherwise, we trust you will find this coverage enhancement of value for all your future Landlord Package Policyholders.

Sincerely,



Tom Randall,
Director of Marketing

**SECURITY MUTUAL
INSURANCE COMPANY**
ITHACA, NEW YORK 14850