

# PROGRAM DIVISION BULLETIN

2007-31

November 5, 2007

## ISO 2007 General Liability Multi-State Form Revision

As you are aware, ISO has filed a "General Liability Multi-State Forms Revision" effective 12/01/2007. The intent of this bulletin is to provide an overview of the changes and our implementation plan. Attached is a copy of the ISO's Advisory Notice to Policyholders. (CG P 010 12 07.

### COMMERCIAL GENERAL LIABILITY

#### 2007 GENERAL LIABILITY MULTISTATE FORMS REVISION ADVISORY NOTICE TO POLICYHOLDERS

This is a summary of the major changes to your policy. This notice does not reference every editorial change made in the coverage form. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy or endorsements. You should read your policy and review your declaration page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, THE PROVISIONS OF THIS POLICY SHALL PREVAIL.

The major areas within the policy that broaden or reduce coverage are highlighted in the attachment below. Also, the areas within the policy that do not impact coverage are highlighted.



Advisory Notice

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**AIG**

**PROGRAM DIVISION**

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## Implementation Basis – For Proprietary Users

States have approved filings on either a “written” or “effective” date basis. It’s important to understand how each applies.

Written Date: is determined by the date the Underwriter quotes the risk. For this revision, all business quoted prior to 12/01/07 will continue to use the current ISO forms.

Effective Date: is the date after which the Underwriter must use the new forms for all business incepting on or after the “effective date” regardless of when the business was quoted. In order to position ourselves for this transition, **we will adopt an effective date of 02/01/08.**

The following states have approved the proposed changes, applicable to all policies written on or after 12/01/07

Alabama, Arizona, Arkansas, California (1), Colorado (1), Delaware, District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas (1), Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming.

**We will use a 12-01-07 date.**

Implementation Example: Old Vs. New Forms on a **Written** Date Basis

<u>Policy Effective Date</u>	<u>Initial Input Date</u>	<u>Initial Input Date</u>	<u>Initial Input Date</u>
	Prior to 11/30/07	12/01/07 to 1/31/08	2/01/08 and after
Prior to 11/30/07	Old Forms	Old Forms	Old Forms
12/01/07 – 1/31/08	Old Forms	New Forms	New Forms
02/01/08 and after	Old Forms	New Forms	New Forms

The “Effective Date” is the inception of coverage date for the policy term. The “Input Date” is the date the new/renewal policy is first entered into the rating system.

The following States have approved the proposed changes on an effective date basis:

Connecticut, Florida, Maryland, North Carolina, and South Carolina (2).

**We will use a 02/01/08 date.**

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Implementation Example: Old Vs. New Forms on an **Effective** Date Basis

<u>Policy Effective Date</u>	<u>Initial Input Date</u>	<u>Initial Input Date</u>	<u>Initial Input Date</u>
	Prior to 11/30/07	12/01/07 to 1/31/08	2/01/08 and after
Prior to 11/30/07	Old Forms	Old Forms	Old Forms
12/01/07 – 1/31/08	Old Forms	Old Forms	Old Forms
02/01/08 and after	Old Forms	New Forms	New Forms

The “Effective Date” is the inception of coverage date for the policy term. The “Input Date” is the date the new/renewal policy is first entered into the rating system.

Next Steps:

- **Send conditional renewal notice in concert with State Regulatory Requirements. Attach the “Advisory Notice to Policyholders” to the conditional renewal notice.**
- Underwriters may manually print/attach the notices to new business quotes so that brokers are aware of the revised forms.

Attached is a sample letter to send to a broker.

Dear Broker:

ISO has revised the **Commercial General Liability (CGL) Coverage Forms** and associated endorsements. Our intent is to adopt these revisions for policies written on or after December 1, 2007 in all states except Connecticut, Florida, Maryland and North Carolina and South Carolina where we will adopt these revisions on all business with effective dates on or after 2/1/08.

Attached to this letter is a copy of ISO’s 2007 General Liability Multistate Forms Revision “Advisory Notice to Policyholders.” This form, which is a summary of the ISO revisions, will be attached to all General Liability policies written on or after December 1, 2007.

You should review these forms with your customers.

If you have any questions relative to these changes, please contact your underwriter.

Sincerely,

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**For CoverAll. Please note the attached implementation schedule.**

Six states require that 2007 GL multi-state forms be attached on an effective date basis.

State	Implementation Date
AK	12/1/07
CT	2/1/08
FL	2/1/08
MD	2/1/08
NC	2/1/08
SC	2/1/08

**ALASKA**

State	Entry Date Is:	Policy Eff Date Is:	Then
AK	11/18 – 11/30	12/1 or Later	Change the control date on the quote/policy to 12/1/07.
AK	12/1 or Later	12/1 or Later	Use the control date assigned by Cover-All.
AK	12/1 or Later	Prior to 12/1	Change the control date on the quote/policy to 11/30/07.

**CONNECTICUT, FLORIDA, MARYLAND, NORTH CAROLINA and SOUTH CAROLINA**

State	Entry Date Is:	Policy Eff Date Is:	Then
CT, FL, MD, NC, SC	1/28 – 1/31	2/1 or Later	Change the control date on the quote/policy to 2/1/08.
CT, FL, MD, NC, SC	2/1 or Later	2/1 or Later	Use the control date assigned by Cover-All.
CT, FL, MD, NC, SC	2/1 or Later	Prior to 2/1	Change the control date on the quote/policy to 1/31/08.

We will use a **03-01-08** date for the “written date”.

Please note that the following states have not approved the changes: Hawaii, Louisiana, New Hampshire, Virginia and Maine. Maine will implement on 05-01-08. The other four states will continue on the current forms until we notify you.

If you have any questions, please contact your Program Manager.

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### COVERAGE FORM CHANGES

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#### ***NO IMPACT IN COVERAGE***

#### **SUPPLEMENTARY PAYMENTS SECTION**

- CG 00 01 12 07 -- Commercial General Liability Coverage Form (Occurrence Version)
- CG 00 02 12 07 -- Commercial General Liability Coverage Form (Claims-Made Version)
- CG 00 09 12 07 -- Owners And Contractors Protective Liability Coverage Form
- CG 00 33 12 07 -- Liquor Liability Coverage Form (Occurrence Version)
- CG 00 34 12 07 -- Liquor Liability Coverage Form (Claims-Made Version)
- CG 00 35 12 07 -- Railroad Protective Liability Coverage Form
- CG 00 37 12 07 -- Products/Completed Operations Liability Coverage Form (Occurrence Version)
- CG 00 38 12 07 -- Products/Completed Operations Liability Coverage Form (Claims-Made Version)
- CG 00 39 12 07 -- Pollution Liability Coverage Form (Designated Sites)
- CG 00 40 12 07 -- Pollution Liability Limited Coverage Form (Designated Sites)
- CG 00 65 12 07 -- Electronic Data Liability Coverage Form
- CG 00 66 12 07 -- Product Withdrawal Coverage Form

The Supplementary Payments Section in your policy provides coverage for your defense costs with respect to any claim we investigate or settle, or any suit against you that we defend. The Supplementary Payments Section has been revised to reinforce that coverage is provided for court costs taxed against you, but this section does not provide coverage for plaintiff's attorneys' fees or attorneys' expenses taxed against you.

While this change is considered to be a reinforcement of coverage intent, it may result in a decrease in coverage in jurisdictions where courts have ruled that plaintiff's attorneys' fees or attorneys' expenses taxed against the insured can be levied as a supplementary payment.

## **INFRINGEMENT OF COPYRIGHT, PATENT, TRADEMARK OR TRADE SECRET EXCLUSION**

CG 00 01 12 07 -- Commercial General Liability Coverage Form (Occurrence Version)  
CG 00 02 12 07 -- Commercial General Liability Coverage Form (Claims-Made Version)  
CG 00 65 12 07 -- Electronic Data Liability Coverage Form

The Infringement Of Copyright, Patent, Trademark Or Trade Secret exclusion in your policy has been revised to reinforce that the exclusion does not apply to coverage for personal and advertising injury arising out of infringement of other intellectual property rights involving the use of another's advertising idea in your advertisement.

## **DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES EXCLUSION**

CG 00 01 12 07 -- Commercial General Liability Coverage Form (Occurrence Version)  
CG 00 02 12 07 -- Commercial General Liability Coverage Form (Claims-Made Version)

Previously, this exclusion was added to your policy, via mandatory endorsement. The endorsement contained an exclusion addressing injury or damage arising out of any action or omission that violates or is alleged to violate the Telephone Consumer Protection Act (TCPA), the CAN-SPAM Act of 2003 or any other similar statute, ordinance or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information. This exclusion has now been incorporated directly into your policy.

## **LIQUOR LIABILITY**

CG 00 33 12 07 -- Liquor Liability Coverage Form (Occurrence)  
CG 00 34 12 07 -- Liquor Liability Coverage Form (Claims-Made)

The definition of "injury" in your policy has been revised to reinforce that coverage is provided for bodily injury or property damage, as well as any related care, loss of services or loss of support.

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## **MULTISTATE ENDORSEMENTS**

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### ***BROADENINGS IN COVERAGE***

#### **Existing Endorsements**

CG 22 60 12 07 -- Limitation Of Coverage - Real Estate Operations

When this revised endorsement is attached to your policy, coverage is provided for injury and damage arising out of the ownership, operation, maintenance or use of premises listed or shown by you. The addition of the words "or shown" accommodates real estate agents who provide real estate professional services for properties shown but not listed by such agents.

CG 22 93 12 07 -- Lawn Care Services Coverage

When this revised endorsement is attached to your policy, insureds who apply herbicides/pesticides on lawns under their regular care are now provided bodily injury and property damage coverage.

## **New Endorsements**

### **CG 22 92 12 07 -- Snowplowing Operations Coverage**

When this endorsement is attached to your policy, coverage is provided for bodily injury and property damage arising out of snow plow operations performed by an auto.

### **CG 24 16 12 07 -- Canoes Or Rowboats**

When this endorsement is attached to your policy, coverage is provided for bodily injury and property damage arising out of the operation of any canoe or rowboat owned or used by or rented to you.

## ***REDUCTIONS IN COVERAGE***

### **Existing Endorsements**

**CG 21 47 12 07 -- Employment-Related Practices Exclusion (For Use With Commercial General Liability Coverage Forms)**

**CG 29 51 12 07 -- Employment-Related Practices Exclusion (For Use With The Owners And Contractors Protective Liability And Pollution Liability Coverage Forms)**

The Employment-Related Practices Exclusion is revised to reinforce that, when these endorsements are attached to your policy, coverage is not provided for any injury to a person associated with the employment of that person, whether it occurs before employment, during employment or after employment of that person. Additionally, the exclusion is revised to reinforce that coverage does not apply for injury to a person caused by the malicious prosecution of that person.

While these changes are each a reinforcement of coverage intent, they may result in a decrease in coverage in jurisdictions where courts have ruled the exclusion to be inapplicable in employment-related malicious prosecution claims and/or post employment claims. For that reason, out of caution, we are listing it as a decrease.

### **New Endorsements**

#### **CG 21 97 12 07 -- Abuse Or Molestation Exclusion - Specified Professional Services**

When this endorsement is attached to your policy, coverage is not provided for injury or damage arising out of the actual or threatened abuse or molestation of a person while in the care, custody or control of any insured, during the rendering of the specified professional service.

**CG 21 98 12 07 -- Total Pollution Exclusion Endorsement (For Use With The Products Completed Operations Coverage Forms)**

When this endorsement is attached to your policy, coverage is not provided for bodily injury or property damage (including any loss, cost or expense) arising out of any pollution exposure.