

RULES – IMPLEMENTATION

JULY 3, 2024

GENERAL LIABILITY

LI-GL-2024-078

ARIZONA RULES REVISION FILED AND TO BE IMPLEMENTED

KEY MESSAGE

We are announcing the filing and implementation of Commercial General Liability rules filing [GL-2024-ORU1](#).

Effective Date: 12/1/2024

BACKGROUND

In companion forms filing CL-2024-OEND1, we introduced Arizona-specific endorsements in response to 2023 Ariz. Sess. Laws (former H.B. 2251), which amends, in part, ARIZ. REV. STAT. ANN. § 33-1253(D)(1) to state, “Each unit owner is an insured person under the policy with respect to liability OR PROPERTY DAMAGE arising out of his THE UNIT OWNER'S interest in the common elements, THE UNIT, IF REQUIRED BY THE CONDOMINIUM DOCUMENTS, or membership in the association.”

ISO ACTION

We introduced and revised Arizona-specific exceptions to certain classifications to reflect the introduction of various endorsements within the companion forms filing CL-2024-OEND1.

Refer to the attached explanatory material for complete details about the filing.

For more information on the status of filings in a particular state, including filed and approved documents, associated circulars and links to Print Ready Manuals and Commercial Lines Manual, please feel free to access our [Filings](#) feature within the ISOnet Circulars product.

INSURANCE DEPARTMENT ACTION.

We have received all necessary approvals or acknowledgements, as required by jurisdiction laws and regulations, from the Insurance Department.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after December 1, 2024.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Number GL-2024-ORU1 and SERFF Tracking Number ISOFG134148496, NOT this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

No new attributes are being introduced with this revision.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2024-016](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 12-24 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

RELATED FORMS REVISION

We are announcing in a separate circular the filing/approval of a corresponding forms revision. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-CL-2024-053](#) (07/03/2024) Arizona Introduced And Revised Commercial Lines Condominium Endorsements Filed And Implemented
 - [LI-CL-2024-016](#) (03/12/2024) Commercial Lines Revised Lead Time Requirements Listing
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ATTACHMENT(S)

Filing GL-2024-ORU1

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CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:

Christopher Spencer
Compliance and Product Services
201-469-2791
Christopher.Spencer@verisk.com
liability@verisk.com

- Other issues for this circular, please contact Customer Support:

E-mail: info@verisk.com

Phone: 800-888-4476

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Arizona Rules Revision

About This Filing

This filing introduces and revises Arizona-specific classifications to reflect the introduction of various endorsements in companion forms filing CL-2024-OEND1.

New Classifications

We are introducing Arizona-specific exceptions for the following classifications under:

- ◆ Condominiums – commercial – bank or mercantile, manufacturing or office (association risk only) (62000);
- ◆ Condominiums – commercial shopping centers (association risk only) (62001); and
- ◆ Condominiums – commercial warehouses – manufacturing or private (association risk only) (62002)

Revised Classifications

We are revising Arizona-specific exceptions for the following classifications under:

- ◆ Condominiums residential – (association risk only) (62003)

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

Related Filing(s)

CL-2024-OEND1 (Forms)

Background

In companion forms filing CL-2024-OEND1, we are introducing Arizona-specific endorsements in response to 2023 Ariz. Sess. Laws ____ (former H.B. 2251).

Explanation of Changes

We are introducing and revising Arizona-specific exceptions to the above-mentioned classifications to reflect the introduction of various endorsements within the companion forms filing CL-2024-OEND1.

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-C- CLASSIFICATIONS

The following descriptions areis replaced:

62000 Condominiums – commercial – bank or mercantile, manufacturing or office (association risk only)

Class Code: 62000

Premium Base: Area, Products/Completed Operations are included

Note:

This classification includes coverage for each individual unit owner of the condominium for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy; or the unit owned solely by that unit owner, if required by the applicable condominium documents as described in Ariz. Rev. Stat. section 33-1202; or that unit owner's membership in the association.

Use Arizona Changes – Additional Insured – Condominium Unit-owners Endorsement **CG 20 16**.

For premium computation purposes, the area shall include the area of each unit and indoor parking areas.

62001 Condominiums – commercial shopping centers (association risk only)

Class Code: 62001

Premium Base: Area, Products/Completed Operations are included

Note:

This classification includes coverage for each individual unit owner of the condominium for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy; or the unit owned solely by that unit owner, if required by the applicable condominium documents as described in Ariz. Rev. Stat. section 33-1202; or that unit owner's membership in the association.

Use Arizona Changes – Additional Insured – Condominium Unit-owners Endorsement **CG 20 16**.

For the purpose of this classification, a shopping center must consist of at least five stores and at least 25,000 square feet of area for automobile parking at each location.

Events or exhibitions at shopping centers sponsored or operated by the Condominium Association shall be referred to company.

For premium computation purposes, the area shall include the area of each unit and the total area of the public parking lot including lawns, dividers, malls, etc., within the outer boundaries of the lot, and shall also include any access roads to or from the parking area which are maintained by the Condominium Association, but shall not include restricted delivery truck parking areas or areas restricted to pickup only.

62002 Condominiums – commercial warehouses – manufacturing or private (association risk only)

Class Code: 62002

Premium Base: Area, Products/Completed Operations are included

Note:

This classification includes coverage for each individual unit owner of the condominium for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy; or the unit owned solely by that unit owner, if required by the applicable condominium documents as described in Ariz. Rev. Stat. section 33-1202; or that unit owner's membership in the association.

Use Arizona Changes – Additional Insured – Condominium Unit-owners Endorsement **CG 20 16**.

For premium computation purposes, the area shall include the area of each unit and indoor parking areas.

62003 Condominiums residential – (association risk only)

Class Code: 62003

Premium Base: Units, Products/Completed Operations are included

Note:

This classification includes coverage for each individual unit owner of the condominium for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy; or the unit owned solely by that unit owner, if required by the applicable condominium documents as described in Ariz. Rev. Stat. section 33-1202; or that unit owner's membership in the association.

When coverage is provided for residential condominiums created on or after August 7, 1985, in accordance with the S.B. 1168, use Arizona Changes – Condominiums Endorsement **CG 01 5527**.

Use Arizona Changes – Additional Insured – Condominium Unit-Owners Endorsement **CG 20 1604** for condominiums created prior to August 7, 1985.

If the condominium association has amended its bylaws and Dclarations to conform with S.B. 1168, enacted August 7, 1985, use Endorsement **CG 01 5527**.

The following shall be separately classified and rated:

- Commercial condominiums
- Swimming pools
- Bathing beaches
- Indoor parking
- Boat moorage facilities