

RULES – IMPLEMENTATION

JULY 2, 2024

COMMERCIAL LINES

LI-CL-2024-052

IOWA REVISED STATE EXCEPTIONS FILED AND TO BE IMPLEMENTED

KEY MESSAGE

We are announcing the filing and implementation of a Commercial Lines rules filing in response to forms filing CL-2024-OCAN1.

Filing ID: [CL-2024-OCAN2](#)

Effective Date: 1/1/2025

BACKGROUND

In circular [LI-CL-2024-038](#), we informed you that we were reviewing 2024 Iowa Acts ____ (former H.F. 2490), effective January 1, 2025.

ISO ACTION

To correspond with the introduction of various endorsements in forms filing CL-2024-OCAN1, we have:

- Revised various Iowa state exceptions to reference the new endorsements, and to provide guidance on the use of these new endorsements on policies issued by a county mutual insurance association or a state mutual insurance association as defined by Iowa state law.
- Filed these revisions with the Insurance Department under ISO Filing Designation Number CL-2024-OCAN2.

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 acknowledgments, 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 January 1, 2025.

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 CL-2024-OCAN2 and SERFF Tracking Number ISOF-G134145727, 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 1-25 (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 and implementation of a corresponding forms revision. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-CL-2024-051](#) (07/02/2024) Iowa Revised And Introduced Cancellation Endorsements Filed And To Be Implemented
- [LI-CL-2024-038](#) (05/20/2024) Iowa Former H.F. 2490 Regarding Notice For Renewal Or Nonrenewal Provisions Under Review
- [LI-CL-2024-016](#) (03/12/2024) Commercial Lines Revised Lead Time Requirements Listing

ATTACHMENT(S)

Filing CL-2024-OCAN2

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Iowa Commercial Lines State Exceptions Revised

Applicable Lines of Business

This filing applies to the following lines of business:

- ◆ Agricultural Capital Assets (Output Policy)
- ◆ Businessowners
- ◆ Capital Assets Program (Output Policy)
- ◆ Commercial Fire and Allied Lines
- ◆ Commercial Inland Marine
- ◆ Equipment Breakdown
- ◆ Farm

About This Filing

This filing revises various Iowa state exceptions for various commercial lines of business to correspond with the introduction of various endorsements in companion forms filing CL-2024-OCAN1.

Revised Rules

We are revising the following rules:

- ◆ Division Two – Equipment Breakdown
 - Additional Rule 1. Amendatory Endorsements
- ◆ Division Four – Farm
 - Additional Rule 2. Amendatory Endorsements
- ◆ Division Five – Commercial Fire and Allied Lines
 - Rule 14. Basic Forms And Endorsements Applicable
- ◆ Division Eight – Commercial Inland Marine
 - Additional Rule 1. Amendatory Endorsements

- ◆ Division Ten – Businessowners
 - Rule **16**. Mandatory Forms, Coverage And Limits
 - Rule **71**. Mandatory Forms, Coverage And Limits
- ◆ Division Fourteen – Agricultural Capital Assets Program (Output Policy)
 - Rule **13**. Basic Form and Endorsements Applicable
- ◆ Division Fourteen – Capital Assets Program (Output Policy)
 - Rule **13**. Basic Form and Endorsements Applicable

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-OCAN1 (Forms)

Background

In forms filing CL-2024-OCAN1, we are, in part, introducing endorsements in various commercial lines of business to provide that notice of nonrenewal will be mailed at least sixty days before the expiration of the policy. These endorsements are being introduced to be used on policies issued by a county mutual insurance association or a state mutual insurance association as defined by state law.

Explanation of Changes

We are revising various Iowa state exceptions to reference the new endorsements being introduced in companion forms filing CL-2024-OCAN1, and to provide guidance on the use of these new endorsements on policies issued by a county mutual insurance association or a state mutual insurance association as defined by Iowa state law.

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DIVISION TWO – EQUIPMENT BREAKDOWN

A1. AMENDATORY ENDORSEMENTS

1. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 76** to all policies except those issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.
2. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 71** to all policies issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.

DIVISION FOUR – FARM

A2. AMENDATORY ENDORSEMENT(S)

Attach Effective Time Changes – Replacement Of 12 Noon Endorsement **IL 00 22** when the Farm Coverage Part is written as part of a Commercial Package Policy that is replacing a monoline policy.

Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 76** to all policies except those issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.

Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 71** to all policies issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.

Attach Iowa Changes **FP 01 83** to all policies that include Causes Of Loss Form – Farm Property **FP 10 60**, Mobile Agricultural Machinery And Equipment Coverage Form **FP 10 30** or Livestock Coverage Form **FP 10 40**.

DIVISION FIVE – FIRE AND ALLIED LINES

14. BASIC FORMS AND ENDORSEMENTS APPLICABLE

The following is added to Rule 14.:

- C. Attach Effective Time Changes Endorsement **IL 00 20** to all monoline Commercial Property Coverage Part policies, except when the Declarations has been preprinted to show a noon standard time effective time.
- D. Attach Effective Time Changes – Replacement Of 12 Noon Endorsement **IL 00 22** when the Commercial Property Coverage Part is written as part of a Commercial Package Policy that is replacing a monoline policy.
- E. Attach Iowa – Standard Fire Policy Provisions Endorsement **CP 01 97** to all monoline Commercial Property Coverage Part policies.
- F. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 76** to all policies except those issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.
- G. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 71** to all policies issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.
- G~~H~~. Attach Iowa Changes Endorsement **CP 01 51** to all policies that include:
 1. Legal Liability Coverage Form **CP 00 40**; and/or
 2. Mortgageholders Errors And Omissions Coverage Form **CP 00 70**.

DIVISION EIGHT – INLAND MARINE

A1. AMENDATORY ENDORSEMENTS

1. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 76** to all policies except those issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.
2. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 71** to all policies issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.

DIVISION TEN – BUSINESSOWNERS

16. MANDATORY FORMS, COVERAGE AND LIMITS

The following is added to Paragraph **B.**:

B. Forms

9. Iowa – Standard Fire Policy Endorsement BP 01 92

Attach Endorsement **BP 01 92** to all policies.

10. Iowa Changes Endorsement BP 01 84

Attach Endorsement **BP 01 84** to all policies except those issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.

11. Iowa Changes – Cancellation And Nonrenewal Endorsement BP 02 13

Attach Endorsement **BP 02 13** to all policies issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.

12. Iowa Changes – Notice Of Cancellation For Contractors

Iowa Administrative Code § 641-23.3 generally provides that a liability policy satisfying the insurance requirements imposed on contractors as defined in Iowa Code Chapter 105, must contain a provision that requires written notice to the Plumbing And Mechanical Systems Board ten days before the liability insurance can be canceled.

Iowa Code § 105.2 defines contractor to mean a person or entity that provides plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic systems services on a contractual basis and who is paid a predetermined amount under that contract for rendering those services.

Refer to Rule **22.B.2.** for ineligible contractor classes for the Businessowners Program.

Attach Iowa Changes – Notice Of Cancellation For Contractors Endorsement **BP 02 40** to policies issued to such contractors as defined in Iowa Code § 105.2 and that are also eligible contractor classes for the Businessowners Program.

71. MANDATORY FORMS, COVERAGE AND LIMITS

The following is added to Rule **71.**:

E. Iowa Changes – Micro-Businessowners Endorsement BP 40 01

Attach Iowa Changes – Micro-Businessowners Endorsement **BP 40 01** to all policies except those issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.

F. Iowa Changes – Cancellation And Nonrenewal – Micro-Businessowners Endorsement BP 40 05

Attach Iowa Changes – Cancellation And Nonrenewal – Micro-Businessowners Endorsement **BP 40 05** to all policies issued by a county mutual insurance association or a state mutual insurance association as established under Iowa law.

FG. Iowa – Standard Fire Policy Provisions – Micro-Businessowners Endorsement BP 40 02

Attach Iowa – Standard Fire Policy Provisions – Micro-Businessowners Endorsement **BP 40 02** to all policies.

GH. Iowa Changes – Notification Requirement For Owners And Possessors Of Dangerous Wild Animals – Micro-Businessowners Endorsement BP 40 03

Iowa Department of Agriculture and Land Stewardship Administration Bulletin (ARC 6302B) provides, in part, that:

1. A person who continues to own or possess a dangerous wild animal, as defined by Iowa law, after July 1, 2007 must maintain liability insurance with minimum limits of \$100,000, with a deductible of not more than \$250, for each occurrence of property damage, bodily injury, or death caused by each dangerous wild animal kept by the person; and
2. The contents of the liability insurance policy must provide for notification to the Department of Agriculture and Land Stewardship if the policy is cancelled or reduced.

Attach Iowa Changes – Notification Requirement For Owners And Possessors Of Dangerous Wild Animals – Micro-Businessowners Endorsement **BP 40 03** to policies covering such dangerous wild animals.

DIVISION FOURTEEN – CAPITAL ASSETS – AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) SECTION

13. BASIC FORM AND ENDORSEMENTS APPLICABLE

Paragraph **B.** is replaced by the following:

B. Mandatory State Endorsements

1. Attach Effective Time Changes Endorsement **IL 00 20** to all monoline Agricultural Capital (Output Policy) Coverage Part policies, except when the Declarations has been preprinted to show a noon standard time effective time.
2. Attach Effective Time Changes – Replacement Of 12 Noon Endorsement **IL 00 22** when the Agricultural Capital Assets Program (Output Policy) Coverage Part is written as part of a Commercial Package Policy that is replacing a monoline policy.
3. Attach Iowa Changes Endorsement **AG 01 17** to all policies.
4. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **AG 01 83** to all policies except those issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.
5. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **AG 01 84** to all policies issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.

DIVISION FOURTEEN – CAPITAL ASSETS – CAPITAL ASSETS PROGRAM (OUTPUT POLICY) SECTION

13. BASIC FORM AND ENDORSEMENTS APPLICABLE

Paragraph **B.** is replaced by the following:

B. Mandatory State Endorsements

1. Attach Effective Time Changes Endorsement **IL 00 20** to all monoline Capital Assets Program (Output Policy) Coverage Part policies, except when the Declarations has been preprinted to show a noon standard time effective time.
2. Attach Effective Time Changes – Replacement Of 12 Noon Endorsement **IL 00 22** when the Capital Assets Program (Output Policy) Coverage Part is written as part of a Commercial Package Policy that is replacing a monoline policy.
3. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 76** to all policies except those issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.
4. Attach Iowa Changes – Cancellation And Nonrenewal Endorsement **IL 02 71** to all policies issued by a county mutual insurance association or a state mutual insurance association as established under Iowa state law.
45. Attach Iowa Standard Fire Policy Provisions Endorsement **OP 01 39** to all monoline Capital Assets Program (Output Policy) Coverage Part policies.