

FORMS – IMPLEMENTATION

JULY 3, 2024

COMMERCIAL LINES

LI-CL-2024-053

## ARIZONA INTRODUCED AND REVISED COMMERCIAL LINES CONDOMINIUM ENDORSEMENTS FILED AND IMPLEMENTED

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### KEY MESSAGE

We are announcing the filing and implementation of Commercial Lines forms filing [CL-2024-OEND1](#).

**Effective Date:**12/1/2024

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### BACKGROUND

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.”

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### ISO ACTION

In response to 2023 Ariz. Sess. Laws \_\_\_\_ (former H.B. 2251), we have:

- Submitted revisions to Commercial Lines endorsements BP 01 38 Arizona Changes, BP 17 12 Arizona Condominium Additional Provisions and CP 01 46 Arizona Changes to more closely align with ARIZ. REV. STAT. ANN.§ 33-1253(D)(1).
- Additionally, we are introducing CG 01 55 Arizona Changes – Condominiums and CG 20 16 Arizona Changes – Additional Insured – Condominium Unit-Owners and withdrawing CG 01 27 Condominiums and CG 20 04 Additional Insured - Condominium Unit Owners.

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.*

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### INSURANCE DEPARTMENT ACTION

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

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### 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.

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## 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-OEND1](#) and SERFF Tracking Numbers [ISOF-G134148271](#) (OEND1-BP), [ISOF-G134148358](#) (OEND1-CF) and [ISOF-G134148352](#) (OEND1-GL), 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.

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## RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- A new edition date of an existing form number is being introduced.
- A form is being withdrawn.
- A new form is being introduced.

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## 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.

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## REVISION DISTRIBUTION

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

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## RELATED RULES REVISION

We are announcing in a separate circular the implementation of a corresponding rules revision. Please refer to the Reference(s) block for identification of that circular.

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## REFERENCE(S)

- [LI-GL-2024-078](#) (07/03/2024) Arizona Rules Revision Filed And To Be Implemented
- [LI-CL-2024-016](#) (03/12/2024) Commercial Lines Revised Lead Time Requirements Listing

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## [ATTACHMENT\(S\)](#)

Filing CL-2024-OEND1

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## CONTACT INFORMATION

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- The content of this circular, please contact:  
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# Arizona Specific Endorsements Introduced and Revised

## Applicable Lines of Business

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This filing applies to the following lines of business:

- ◆ Businessowners
- ◆ Commercial Fire and Allied Lines
- ◆ Commercial General Liability

## About This Filing

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This filing introduces and revises commercial lines forms in response to 2023 Ariz. Sess. Laws \_\_\_\_ (former H.B. 2251).

## New Forms

We are introducing the following forms:

- ◆ CG 01 55 07 24 Arizona Changes – Condominiums
- ◆ CG 20 16 07 24 Arizona Changes – Additional Insured – Condominium Unit-Owners

## Revised Forms

We are revising the following forms:

- ◆ BP 01 38 04 21 Arizona Changes
- ◆ BP 17 12 07 13 Arizona Condominium Additional Provisions
- ◆ CP 01 46 08 94 Arizona Changes

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the 07 24 editions. Concurrent with implementation, the 07 24 editions will supersede the prior editions.

## Withdrawn Forms

We are withdrawing the following forms from use in Arizona:

- ◆ CG 01 27 11 85 Condominiums

- ◆ CG 20 04 11 85 Additional Insured - Condominium Unit Owners

## Background

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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.”

## Explanation of Changes

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In response to 2023 Ariz. Sess. Laws \_\_\_\_ (former H.B. 2251) we are revising who is insured with respect to unit owners, if required by condominium documents, in the Commercial Lines endorsements listed in the Revised Forms block, excluding CP 01 46. In addition, we have revised the Loss Payment condition in BP 01 38 and BP 17 12 and Loss Conditions in CP 01 46, generally with respect to adjusting a loss with a unit owner for a claim for made by a unit owner for a loss or damage to their unit or interest in common elements, if required by condominium documents. We are also withdrawing the two above-mentioned forms and introducing two Arizona-specific forms to accommodate the requirements of 2023 Ariz. Sess. Laws \_\_\_\_ (former H.B. 2251).

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ARIZONA CHANGES

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

**A. Section I – Property** is amended as follows:

1. Paragraph **A.5.c. Fire Department Service Charge** Additional Coverage does not apply.

2. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions:**

**Intentional Loss**

a. With respect to loss caused by fire:

(1) We will not pay for loss or damage arising out of any act committed:

(a) By or at the direction of the insured; and

(b) With the intent to cause a loss.

(2) However, this exclusion will not apply to deny an insured's claim for an otherwise covered property loss under this Policy if such loss is caused by another insured under this Policy and the insured making claim:

(a) Did not cooperate in or contribute to the creation of the loss; and

(b) Cooperates in any investigation relating to the loss.

We may apply reasonable standards of proof for such claims.

b. With respect to loss caused by a peril other than fire:

(1) We will not pay for loss or damage arising out of any act committed:

(a) By or at the direction of any insured; and

(b) With the intent to cause a loss.

(2) However, this exclusion will not apply to deny an insured's claim for an otherwise covered property loss under this Policy if such loss is caused by an act of domestic violence by another insured under this Policy and the insured making claim:

(a) Did not cooperate in or contribute to the creation of the loss; and

(b) Cooperates in any investigation relating to the loss.

We may apply reasonable standards of proof for such claims.

c. If we pay a claim pursuant to Paragraph **2.a.(2)** or **2.b.(2)** of this endorsement, our payment to the insured is limited to that insured's insurable interest in the property as reduced by any payments we first made to a mortgagee or other party with a secured interest in the property. In no event will we pay more than the Limit of Insurance.

3. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

**2. Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select a competent and impartial umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

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**4. The following is added to the Loss Payment Condition in Section I – Property when Condominium Association Coverage Form BP 17 01 is attached to this Policy:**

If a unit-owner makes a claim for loss or damage to their unit or their interest in the common elements, we will adjust loss with the unit-owner, with respect to their interest in their unit or their interest in the common elements, but only to the extent required by the condominium documents as defined in Ariz. Rev. Stat. § 33-1202.

**B. Section II – Liability is amended as follows:**

Paragraph E.3. of Condominium Association Coverage Form BP 17 01 is replaced by the following:

**3. Each other unit-owner of the described condominium, but only with respect to that person's liability arising out of:**

**a. The ownership, maintenance or repair of:**

(1) That portion of the premises which is not owned solely by the unit-owner; or

(2) The unit owned solely by that unit-owner, if required by the applicable condominium documents as defined in Ariz. Rev. Stat. § 33-1202; or

**b. That person's membership in the association.**

**CB. Section III – Common Policy Conditions is amended as follows:**

**1. The following is added to Paragraph A. Cancellation (and applies except in situations where Paragraph 2., below, applies):**

**7. Cancellation Of Policies In Effect For 60 Days Or More**

If this Policy has been in effect for 60 days or more, or if this Policy is a renewal of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

- a. Nonpayment of premium;
- b. Your conviction of a crime arising out of acts increasing the hazard insured against;
- c. Acts or omissions by you or your representative constituting fraud or material misrepresentation in the procurement of this Policy, in continuing this Policy or in presenting a claim under this Policy;

d. Substantial change in the risk assumed, except to the extent that we should have reasonably foreseen the change or contemplated the risk in writing the contract;

e. Substantial breach of contractual duties or conditions;

f. Loss of reinsurance applicable to the risk insured against resulting from termination of treaty or facultative reinsurance initiated by our reinsurer or reinsurers;

g. Determination by the Director of Insurance that the continuation of the Policy would place us in violation of the insurance laws of this state or would jeopardize our solvency; or

h. Acts or omissions by you or your representative which materially increase the hazard insured against.

If we cancel this Policy based on one or more of the above reasons, we will send to the first Named Insured, and send to the agent, if any, written notice of cancellation stating the reason(s) for cancellation. We will send this notice at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 45 days before the effective date of cancellation if we cancel for any of the other reasons.

**2. If the Businessowners Coverage Form provides coverage for:**

a. Real property which is used predominantly for residential purposes and consists of one through four dwelling units; and/or

b. Personal property (except business personal property) of a person residing in such real property;

the following provisions apply (instead of those provided in Paragraph 1. above) with respect to cancellation of such coverage:

If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) Your conviction of a crime arising out of facts increasing the hazard insured against;

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- (3) Acts or omissions by you or your representative constituting fraud or material misrepresentation in obtaining the Policy, continuing the Policy or presenting a claim under the Policy;
- (4) Discovery of grossly negligent acts or omissions by you substantially increasing any of the hazards insured against;
- (5) Substantial change in the risk assumed by us, since the Policy was issued, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
- (6) A determination by the Director of Insurance that the continuation of the Policy would place us in violation of the insurance laws of this state; or
- (7) Your failure to take reasonable steps to eliminate or reduce any conditions in or on the insured premises which contributed to a loss in the past or will increase the probability of future losses.

If we cancel this Policy based on one or more of these reasons, we will send written notice of cancellation, stating the reason(s) for cancellation, to the first Named Insured. We will send this notice at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any of the other reasons.

3. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following:

**C. Concealment, Misrepresentation Or Fraud**

We will not pay for any loss or damage in any case involving misrepresentations, omissions, concealment of facts or incorrect statements:

- 1. That are fraudulent;
- 2. That are material either to the acceptance of the risk, or to the hazard assumed by us; and
- 3. Where, if the true facts had been made known to us as required either by the application for the Policy or otherwise, we in good faith would either:
  - a. Not have issued the Policy;

- b. Not have issued the Policy in as large an amount; or
- c. Not have provided coverage with respect to the hazard resulting in the loss.

4. The following is added to Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us**:

If we pay an insured for a loss described in Paragraph **A.2.b.**, the rights of the insured to recover damages from the perpetrator of the domestic violence are transferred to us to the extent of our payment. Following the loss, the insured may not waive such rights to recover against the perpetrator of the domestic violence.

5. The following paragraph is added and supersedes any provision to the contrary (and applies except in situations where Paragraph **6.**, below, applies):

**Nonrenewal**

- a. If we elect not to renew this Policy, we will send to the first Named Insured, and send to the agent, if any, written notice of nonrenewal. We will send this notice, stating the reason(s) for nonrenewal at least 45 days prior to the expiration of this Policy.
- b. If notice is mailed, proof of mailing will be sufficient proof of notice.
- c. If either one of the following occurs, we are not required to provide written notice of nonrenewal:
  - (1) We or a company within the same insurance group has offered to issue a renewal policy; or
  - (2) You have obtained replacement coverage or agreed in writing to do so.
- d. If written notice of nonrenewal is sent less than 45 days prior to expiration of this Policy, and neither **c.(1)** nor **c.(2)** applies, the coverage shall remain in effect until 45 days after the notice is sent. Earned premium for any period of coverage that extends beyond the expiration date of this Policy shall be considered pro rata based upon the previous year's rate.

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6. If the Businessowners Coverage Form provides coverage for:

- a. Real property which is used predominantly for residential purposes and consists of one through four dwelling units; and/or
- b. Personal property (except business personal property) of a person residing in such real property;

the following provisions apply (instead of those provided in Paragraph 5. above) with respect to nonrenewal of such coverage:

- a. If we elect not to renew, we will send written notice of nonrenewal, stating the reason(s) for nonrenewal, to the first Named Insured. We will send this notice at least 30 days before the end of the policy period. If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. If either one of the following occurs, we are not required to provide notice of nonrenewal:
  - (1) You have agreed to nonrenewal; or
  - (2) You have accepted replacement coverage.
- c. If our nonrenewal is based on the condition of the premises, you will be given 30 days' notice to remedy the identified conditions. If the identified conditions are remedied, coverage will be renewed. If the identified conditions are not remedied to our satisfaction, you will be given an additional 30 days, upon payment of premium, to correct the defective conditions.

7. The following paragraph is added:

**Renewal**

- a. If we elect to renew this Policy and the renewal is subject to any of the following:
  - (1) Increase in premium;

- (2) Change in deductible;
- (3) Reduction in limits of insurance; or
- (4) Substantial reduction in coverage;

we will send written notice of the change(s) to the first Named Insured at least 30 days before the anniversary or expiration date of the Policy.

- b. If renewal is subject to any condition described in a.(1) through a.(4) above, and we fail to provide notice 30 days before the anniversary or expiration date of this Policy, the following procedures apply:

- (1) The present policy will remain in effect until the earlier of the following:

- (a) 30 days after the date of sending of the notice; or
- (b) The effective date of replacement coverage obtained by the first Named Insured.

- (2) If the first Named Insured elects not to renew, any earned premium for the period of extension of the terminated policy will be calculated pro rata at the lower of the following rates:

- (a) The rates applicable to the terminated policy; or
- (b) The rates presently in effect.

- (3) If the first Named Insured accepts the renewal, the premium increase, if any, and other changes are effective the day following this Policy's anniversary or expiration date.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ARIZONA CONDOMINIUM ADDITIONAL PROVISIONS**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**A. Section I – Property** is amended as follows:

**1. Paragraph A.1.a. Buildings** is replaced by the following:

**a.** Building, meaning the building or structure described in the Declarations, including:

- (1)** Completed additions;
- (2)** Fixtures, outside of individual units, including outdoor fixtures;
- (3)** Permanently installed:
  - (a)** Machinery; and
  - (b)** Equipment;
- (4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a)** Fire extinguishing equipment;
  - (b)** Outdoor furniture;
  - (c)** Floor coverings; and
  - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5)** If not covered by other insurance:
  - (a)** Additions under construction, alterations and repairs to the building or structure;
  - (b)** Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and
- (6)** Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
  - (a)** Fixtures, improvements and alterations that are a part of the building or structure; and

- (b)** Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

**2. Paragraph A.1.b. Business Personal Property** is replaced by the following:

- b.** Business Personal Property located in or on the buildings or structures described in the Declarations or in the open (or in a vehicle) within 100 feet of the buildings or structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, consisting of the following:

- (1)** Personal property owned by you or owned indivisibly by all unit-owners;
- (2)** Your interest in the labor, materials or services furnished or arranged by you on personal property of others; or
- (3)** Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered below.

This also includes property of others that is in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b)**.

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3. Paragraph **E. Property Loss Conditions** is amended by the following:

a. The following is added to Paragraph **5. Loss Payment:**

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

b. The following is added to Paragraph **E.:**

**9. Unit-owner's Insurance**

If a unit-owner makes a claim for loss or damage to their unit or their interest in the common elements, we will adjust loss with the unit-owner, with respect to their interest in their unit or their interest in the common elements, but only to the extent required by the condominium documents as defined in Ariz. Rev. Stat. § 33-1202.

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

4. Paragraph **F.2. Mortgageholders** Property General Condition is amended as follows:

a. Paragraph **b.** is replaced by the following:

b. We will:

(1) If the condominium is terminated, pay for covered loss of, or damage to, buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

(2) In all other respects, pay for loss to buildings or structures to you or the designated insurance trustee in accordance with the Loss Payment Property Loss Condition contained in Section **I – Property**.

b. Paragraphs **f.** and **g.** are replaced by the following:

f. If we cancel this policy, we will give written notice to the mortgageholder at least 30 days before the effective date of cancellation.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 30 days before the expiration date of this policy.

**B. Section II – Liability** is amended as follows:

1. The following is added to Paragraph **C. Who Is An Insured:**

3. The developer in the developer's capacity as a unit-owner, but only with respect to the developer's liability arising out of:

a. The ownership, maintenance or repair of:

(1) ~~t~~That portion of the premises which is not owned solely by the developer; or

(2) The unit owned solely by that unit-owner, if required by the applicable condominium documents as defined in Ariz. Rev. Stat. § 33-1202; or

b. The developer's membership in the association.

However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.

4. Each other unit-owner of the described condominium, but only with respect to that person's liability arising out of:

a. ~~t~~The ownership, maintenance or repair of;

(1) ~~t~~That portion of the premises which is not owned solely by the unit-owner; or

(2) The unit owned solely by that unit-owner, if required by the applicable condominium documents as defined in Ariz. Rev. Stat. § 33-1202; or

b. ~~out of t~~That person's membership in the association.

**C. Section III – Common Policy Conditions** is amended by the following:

1. Paragraph **2.** under **A. Cancellation** is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

2. The following is added to Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us:**

We waive our rights to recover payment against:

a. Any unit-owner, including the developer, and members of his or her household;

- b. The Association; and
- c. Members of the board of directors for acts or omissions within the scope of their duties for you.

But we reserve our rights to recover damages from the developer for which he or she may be held liable in his or her capacity as a developer.

**3. The following paragraphs are added:**

- a. We may elect not to renew this policy by mailing or delivering notice of nonrenewal to the first Named Insured's last mailing address known to us. We will mail or deliver this notice at least 30 days before the expiration date of this policy.

- b. No act or omission by any unit-owner will void the policy or be a condition to recovery under this policy. But this does not apply to unit-owners acting within the scope of their authority on behalf of the association.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## CONDOMINIUMS

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. WHO IS AN INSURED (Section II) is amended to include the following as an insured:

- a. The developer in the developer's capacity as a unit owner, but only with respect to the developer's liability arising out of:

- 1) The ownership, maintenance or repair of that portion of the premises which is not owned solely by the developer; or
- 2) The developer's membership in the association.

However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.

- b. Each other unit owner of the described condominium, but only with respect to that person's liability arising out of the ownership, maintenance or repair of that portion of the premises which is not owned solely by the unit owner or out of that person's membership in the association.

2. Add the following to paragraph 2. of CANCELLATION (Common Policy Conditions):

We may cancel this Coverage Part by mailing or delivering to:

- a. The first Named insured, and
- b. Each unit owner to whom certificates of insurance have been issued

written notice of cancellation at least 30 days before the effective date of cancellation.

3. The following is added to Condition 8. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (Section IV):

We waive any rights which the TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition may give us against:

- a. Any unit owner, including the developer, and household members;
- b. The association; and
- c. Members of the board of directors for acts or omissions within the scope of their duties for you.

We reserve our right, however, to recover against the developer for acts or omissions that the developer may be liable for in the capacity as a developer.

4. The following Condition is added to Commercial General Liability Conditions (Section IV):

Acts or Omissions by Unit Owners. No act or omission by any unit owner unless acting within the scope of the unit owner's authority on behalf of the association, will void the policy or be a condition to recovery under the policy.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ARIZONA CHANGES – CONDOMINIUMS**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

1. **Section II – Who Is An Insured** is amended to include the following as an insured:

a. The developer in the developer's capacity as a unit-owner, but only with respect to the developer's liability arising out of:

(1) The ownership, maintenance or repair of:

(a) That portion of the premises which is not owned solely by the developer; or

(b) The unit owned solely by that unit-owner, if required by the applicable condominium documents as defined in Ariz. Rev. Stat. section 33-1202; or

(2) The developer's membership in the association.

However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.

b. Each other unit-owner of the described condominium, but only with respect to that person's liability arising out of:

(1) The ownership, maintenance or repair of:

(a) That portion of the premises which is not owned solely by the unit-owner; or

(b) The unit owned solely by such other unit-owner, if required by the applicable condominium documents as defined in Ariz. Rev. Stat. section 33-1202; or

(2) That person's membership in the association.

2. The following is added to Paragraph 2. of the **Cancellation** Common Policy Condition:

We may cancel this Coverage Part by mailing or delivering to:

a. The first Named Insured; and

b. Each unit-owner to whom certificates of insurance have been issued;

written notice of cancellation at least 30 days before the effective date of cancellation.

3. The following is added to Condition 8. **Transfer Of Rights Of Recovery Against Others To Us** under **Section IV – Commercial General Liability Conditions**:

We waive any rights which the Transfer Of Rights Of Recovery Against Others To Us Condition may give us against:

a. Any unit-owner, including the developer, and household members;

b. The association; and

c. Members of the board of directors for acts or omissions within the scope of their duties for you.

We reserve our right, however, to recover against the developer for acts or omissions that the developer may be liable for in the capacity as a developer.

4. The following condition is added to **Section IV – Commercial General Liability Conditions**:

#### **Acts Or Omissions By Unit-owners**

No act or omission by any unit-owner, unless acting within the scope of the unit-owner's authority on behalf of the association, will void the policy or be a condition to recovery under the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – CONDOMINIUM  
UNIT OWNERS**

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This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

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WHO IS AN INSURED (Section II) is amended to include as an insured each individual unit owner of the insured condominium, but only with respect to 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.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ARIZONA CHANGES – ADDITIONAL INSURED –  
CONDOMINIUM UNIT-OWNERS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**Section II – Who Is An Insured** is amended to include as an insured each individual unit-owner of the insured condominium, but only with respect to liability arising out of:

- A.** The ownership, maintenance or repair of:
  - 1.** That portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy; or
  - 2.** The unit owned solely by that unit-owner, if required by the applicable condominium documents as defined in Ariz. Rev. Stat. section 33-1202; or
- B.** That unit-owner's membership in the association.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA CHANGES

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
BUILDERS RISK COVERAGE FORM  
TOBACCO SALES WAREHOUSE COVERAGE FORM  
STANDARD PROPERTY POLICY

A. Additional Coverages

Paragraph A.4.c. Fire Department Service Charge does not apply.

B. Paragraph E. Loss Conditions of the Condominium Association Coverage Form CP 00 17 is amended by the following:

The following is added to Paragraph 6. Unit-owner's Insurance:

If a unit-owner makes a claim for loss or damage to their unit or their interest in the common elements, we will adjust loss with the unit-owner, with respect to their interest in their unit or their interest in the common elements, but only to the extent required by the condominium documents as defined in Ariz. Rev. Stat. § 33-1202.

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