

**RULES – FILED**

SEPTEMBER 26, 2016

BUSINESSOWNERS	LI-BP-2016-142
COMMERCIAL LIABILITY UMBRELLA	LI-CU-2016-088
GENERAL LIABILITY	LI-GL-2016-084

## **MULTISTATE RULES REVISIONS TO REFLECT REVISIONS TO LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT ENDORSEMENTS BEING FILED; IMPLEMENTATION PENDING**

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### **KEY MESSAGE**

Revised commercial lines rules to reflect forms revisions filed under forms filing CL-2016-ODPFR in response to case law.

Applicable Lines: BP, CU, GL

Proposed Effective Date: April 1, 2017

Filing ID: CL-2016-ODPRU

Caution: Not yet implemented

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### **JURISDICTIONS**

All ISO jurisdictions.

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### **BACKGROUND**

We are revising multistate rules in Division Six – General Liability, Division Ten – Businessowners and Division Thirteen – Commercial Liability Umbrella of the Commercial Lines Manual to reflect revisions to the Limitation Of Coverage To Designated Premises Or Project Endorsements filed under multistate forms filing CL-2016-ODPFR. Refer to the attached explanatory material for complete details about the filing.

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### **ISO ACTION**

In accordance with individual state requirements, we will submit the attached multistate filing to the Insurance Department in each applicable ISO jurisdiction. We are also recommending this material to the independent bureaus. We also anticipate submitting a Virginia rules supplement for Commercial Liability Umbrella, which will be announced in, and attached to, an upcoming circular.

Additionally, we are submitting a companion multistate forms filing as announced in circular [LI-BP-2016-141/LI-CU-2016-087/LI-GL-2016-083](#).

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## PROPOSED EFFECTIVE DATE

This filing is being submitted with a proposed effective date of April 1, 2017 in jurisdictions where ISO establishes an effective date. In subsequent circulars announcing approvals and implementation, we will provide the achieved effective date and the rule of application for each jurisdiction.

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## RATING SOFTWARE IMPACT

No new attributes are being introduced with this revision.

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## CAUTION

### California:

This filing has **not** yet been approved.

If you decide to use these filing materials and incorporate them in your own filing, you may **not** do so until or unless this filing has been approved.

### All Other Jurisdictions:

We are **not** yet implementing this filing. You should **not** use these rules until we announce implementation in a subsequent circular.

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## RELATED FORMS REVISION

In circular [LI-BP-2016-141/LI-CU-2016-087/LI-GL-2016-083](#), we are announcing the filing of a companion multistate forms revision.

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## FUTURE ISO ACTION

We will:

- Provide you with a Virginia rules supplement for Commercial Liability Umbrella; and
- Advise you of ISO's implementation status of this filing in each applicable jurisdiction.

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## REFERENCE(S)

[LI-BP-2016-141/LI-CU-2016-087/LI-GL-2016-083](#) (09/26/2016) Multistate Revisions To Limitation Of Coverage To Designated Premises Or Project Endorsements Being Filed; Implementation Pending

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

Filing [CL-2016-ODPRU](#)

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## PERSON(S) TO CONTACT

If you have any questions concerning:

- the explanatory material within this circular pertaining to Commercial Liability Umbrella and General Liability, please contact:  
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# Multistate Rules Revisions To Reflect Revisions To Limitation Of Coverage To Designated Premises Or Project Endorsements

## Applicable Lines of Business

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This filing applies to the following lines of business:

- ◆ Businessowners
- ◆ General Liability
- ◆ Commercial Liability Umbrella

## About This Filing

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We are revising multistate rules in Division Six – General Liability, Division Ten – Businessowners and Division Thirteen – Commercial Liability Umbrella of the Commercial Lines Manual to reflect revisions to the Limitation Of Coverage To Designated Premises Or Project Endorsements filed under multistate forms filing CL-2016-ODPFR.

## Revised Rules

We are revising the following rules:

### **Division Six – General Liability**

- ◆ Rule 36. Description Of Additional Optional Endorsements

### **Division Ten – Businessowners**

- ◆ Rule 29. Endorsements

### **Division Thirteen – Commercial Liability Umbrella**

- ◆ Rule 25. Description Of Additional Optional Endorsements
- ◆ Rule 53. Description Of Additional Optional Endorsements

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

With respect to Division Ten – Businessowners and Division Thirteen – Commercial Liability Umbrella, in jurisdictions in which the most current ISO multistate rules program is in effect, these changes will be added to the multistate rule. Otherwise, these changes will be added as a state exception.

## Related Filings

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- ◆ CL-2016-ODPFR (Forms)

## Background

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In forms filing CL-2016-ODPFR, we set forth that, in response to **C. Brewer & Comp. vs. Marine Indemnity, Ins.**, 347 P.3d 163 (Haw. 2015) and **Western Heritage Insurance Company v. Cyril Hoover DBA Okanogan Valley Transportation, et al.**, No. C15-1154RSM, 2016 WL 1242091 (W.D. Wash. Mar. 30, 2016), we are revising the following endorsements to, among other things, explicitly incorporate the term *operation* into the endorsements' schedules, insuring agreements, and titles:

- ◆ BP 04 12 01 06 – Limitation Of Coverage To Designated Premises, Project Or Operation (formerly – Limitation Of Coverage To Designated Premises Or Project)
- ◆ CG 21 44 07 98 – Limitation Of Coverage To Designated Premises, Project Or Operation (formerly – Limitation Of Coverage To Designated Premises Or Project)
- ◆ CU 21 11 09 00 – Limitation Of Coverage To Designated Premises, Project Or Operation (formerly – Limitation Of Coverage To Designated Premises Or Project)
- ◆ CX 21 10 04 13 – Limitation Of Coverage To Designated Premises, Project Or Operation (formerly – Limitation Of Coverage To Designated Premises Or Project)

## Explanation of Changes

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We are revising:

### **Division Six – General Liability**

- ◆ Rule 36. Description Of Additional Optional Endorsements, Paragraph C.10., to include express reference to *operations*.

### **Division Ten – Businessowners**

- ◆ Rule 29. Endorsements, Paragraph B.12., to include express reference to *operations* in the title of the endorsement.

### **Division Thirteen – Commercial Liability Umbrella**

- ◆ Rule 25. Description Of Additional Optional Endorsements, Paragraph C.8., to include express reference to *operations*.
- ◆ Rule 53. Description Of Additional Optional Endorsements, Paragraph B.6., to include express reference to *operations*.

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## DIVISION SIX – GENERAL LIABILITY

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### 36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

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#### C. Exclusion Endorsements

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10. Coverage may be limited to specific premises and/or projects or operations by attaching Limitation Of Coverage To Designated Premises, ~~Or~~ Projects Or Operation Endorsement **CG 21 44** to the Commercial General Liability Coverage Part.

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## DIVISION TEN – BUSINESSOWNERS

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### 29. ENDORSEMENTS

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#### B. Liability Endorsements

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#### 12. Limitation Of Coverage To Designated Premises, ~~Or Project~~ Or Operation

##### a. Description Of Coverage

This endorsement limits liability coverage to only those premises, operations and/or projects specifically designated.

##### b. Endorsement

Use Limitation Of Coverage To Designated Premises, ~~Or Project~~ Or Operation Endorsement **BP 04 12.**

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## DIVISION THIRTEEN – COMMERCIAL LIABILITY UMBRELLA

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### 25. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

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#### C. Exclusion Endorsements

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8. Coverage may be limited to specific premises and/or projects or operations by attaching Limitation Of Coverage To Designated Premises, ~~Or~~ Project Or Operation Endorsement **CU 21 11** to the Commercial Liability Umbrella Coverage Part.

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### 53. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

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#### B. Exclusion Endorsements

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6. Coverage may be limited to specific premises and/or projects or operations by attaching Limitation Of Coverage To Designated Premises, ~~Or~~ Project Or Operation Endorsement **CX 21 10**.

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