

FORMS – APPROVED

JULY 27, 2018

COMMERCIAL LINES

LI-CL-2018-027

WASHINGTON EFFICIENT PROXIMATE CAUSE RELATED AGGREGATE LIMIT ENDORSEMENTS APPROVED

KEY MESSAGE

Approval of Washington specific endorsements with respect to efficient proximate cause in response to *Xia v. ProBuilders Specialty Insurance Co.*, No. 92436-8, 2017 WL 1532219 (Apr. 27, 2017 Wash.).

Applicable Lines: CU, GL

Effective Date: 1/1/2019

BACKGROUND

In referenced circular [LI-CL-2018-025](#), we announced the submission of forms filing [CL-2018-OEND1](#), which introduced various commercial lines endorsements in response to *Xia v. ProBuilders Specialty Insurance Co.*, No. 92436-8, 2017 WL 1532219 (Apr. 27, 2017 Wash.).

INSURANCE DEPARTMENT ACTION

The Washington State Office of the Insurance Commissioner has approved this filing.

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, 2019.

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 Designation Number [CL-2018-OEND1](#), 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

New attributes being introduced with this revision:

- New forms are being introduced.

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-2017-074](#) 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 Portfolioholders with an edition date of **1-19** (or the earliest possible subsequent date), along with any new and/or revised forms.

RELATED RULES REVISION

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

REFERENCE(S)

- [LI-CL-2018-028](#) (07/27/2018) Washington Rules For Efficient Proximate Cause Related Aggregate Limit Endorsements Approved
- [LI-CL-2018-025](#) (07/18/2018) Washington Efficient Proximate Cause Related Aggregate Limit Endorsements Filed
- [LI-CL-2017-074](#) (11/20/2017) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Final copies of [CG 24 00 01 19](#), [CG 24 37 01 19](#), [CG 24 38 01 19](#), [CG 24 40 01 19](#), [CG 24 41 01 19](#), [CG 24 42 01 19](#), [CG 24 43 01 19](#), [CG 24 44 01 19](#), [CG 24 45 01 19](#), [CU 24 48 01 19](#), [CX 24 49 01 19](#)

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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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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WASHINGTON – LIMITED COVERAGE FOR PRODUCT
WITHDRAWAL EXPENSES (COVERAGE B ONLY)
INVOLVING EFFICIENT PROXIMATE CAUSE
(DEFENSE WITHIN LIMITS)**

This endorsement modifies insurance provided under the following:

PRODUCT WITHDRAWAL COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. Exclusions – Coverage B of Section I – Coverage B – Product Withdrawal Liability:

1. If an exclusion under the terms of this Policy applies with respect to any "product withdrawal expenses"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "product withdrawal expenses" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph A.1. above does not apply to such "product withdrawal expenses"; and
- b. Coverage provided under this Policy for such "product withdrawal expenses" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph B. of this endorsement.

B. For purposes of the coverage provided under this endorsement, the following provision is added to Section III – Limits Of Insurance:

Subject to Paragraph 2. of Section III – Limits Of Insurance, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:

1. Damages under Coverage B; and

2. "Defense expense";

because of all "product withdrawal expenses" described in Paragraph A. of this endorsement.

C. For purposes of the coverage provided under this endorsement, Paragraphs 1., 2. and 4. under Supplementary Payments – Coverage B do not apply.

D. For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

1. Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

2. Includes payments for:

- a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- b. Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
- c. All other litigation expenses.
- d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. Costs taxed against the insured in the "suit".

3. Does not include:

- a.** Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving "product withdrawal expenses" not described in Paragraph **A.** of this endorsement; and

- b.** Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **D.2.a.** and **D.2.d.** above) and does not include fees and expenses of independent adjusters we hire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON – LIMITED COVERAGE FOR BODILY INJURY, PROPERTY DAMAGE AND CORRECTIVE ACTION COSTS INVOLVING EFFICIENT PROXIMATE CAUSE (DEFENSE WITHIN LIMITS)

This endorsement modifies insurance provided under the following:

UNDERGROUND STORAGE TANK COVERAGE FORM

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Section I – Coverage B – Corrective Action Costs:

1. If an exclusion under the terms of this Policy applies with respect to "bodily injury", "property damage" or "corrective action costs"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "bodily injury", "property damage" or "corrective action costs" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph **A.1.** above does not apply to such "bodily injury", "property damage" or "corrective action costs"; and
- b. Coverage provided under this Policy for such "bodily injury", "property damage" or "corrective action costs" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph **B.** of this endorsement.

B. For purposes of the coverage provided under this endorsement, the following provisions are added to Section III – Limits Of Insurance:

1. Subject to Paragraph **1.b.** or **2.** of Section **III – Limits Of Insurance**, whichever applies, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. Damages under Coverage **A**;
 - b. "Corrective action costs" under Coverage **B**; and
 - c. "Defense expense";
 because of all "bodily injury", "property damage" and "corrective action costs" described in Paragraph **A.** of this endorsement.
2. Paragraph **2.**, the Defense Expense Amount, of Section **III – Limits Of Insurance** continues to apply to "defense expense" because of "bodily injury", "property damage" and "corrective action costs" described in Paragraph **A.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

C. For purposes of the coverage provided under this endorsement, Paragraph 4. under **Section IV – Definitions** is replaced by the following:

4. "Defense expense":

a. Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

b. Includes payments for:

- (1) Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- (2) Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
- (3) All other litigation expenses.

(4) Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

(5) Costs taxed against the insured in the "suit".

c. Does not include:

- (1) Any payments described in Paragraph **C.4.a.** above allocated to that portion of a specific claim or "suit" involving "bodily injury", "property damage" or "corrective action costs" not described in Paragraph **A.** of this endorsement; and
- (2) Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **C.4.b.(1)** and **C.4.b.(4)** above) and does not include fees and expenses of independent adjusters we hire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON – LIMITED COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE INVOLVING EFFICIENT PROXIMATE CAUSE (DEFENSE WITHIN LIMITS)

This endorsement modifies insurance provided under the following:

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

1. If an exclusion under the terms of this Policy applies with respect to "bodily injury" or "property damage"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "bodily injury" or "property damage" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph A.1. above does not apply to such "bodily injury" or "property damage"; and
- b. Coverage provided under this Policy for such "bodily injury" or "property damage" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph B. of this endorsement.

B. For purposes of the coverage provided under this endorsement, the following provisions are added to Section III – Limits Of Insurance:

1. Subject to Paragraph 2. of Section III – Limits Of Insurance, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. "Defense expense";

because of all "bodily injury" and "property damage" described in Paragraph A. of this endorsement.

2. Paragraph 3., the Each Occurrence Limit, of Section III – Limits Of Insurance continues to apply to "bodily injury" and "property damage" described in Paragraph A. of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

C. For purposes of the coverage provided under this endorsement, Paragraphs 1., 2. and 6. under **Supplementary Payments – Coverage A** do not apply.

D. For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

1. Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

2. Includes payments for:

- a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- b. Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
- c. All other litigation expenses.

d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

e. Costs taxed against the insured in the "suit".

3. Does not include:

a. Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving "bodily injury", or "property damage" not described in Paragraph **A.** of this endorsement; and

b. Salaries and expenses of our employees or the insured's employees (other than those described in Paragraph **D.2.a.** and **D.2.d.** above) and does not include fees and expenses of independent adjusters we hire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WASHINGTON – EFFICIENT PROXIMATE CAUSE –
LIMITED POLLUTION LIABILITY COVERAGE
(DEFENSE WITHIN LIMITS)**

This endorsement modifies insurance provided under the following:

POLLUTION LIABILITY COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. If this endorsement is attached to Pollution Liability Coverage Form Designated Sites **CG 00 39**, the provisions under this Paragraph **A.** apply:

1. The following is added to the **Exclusions** paragraph of **Section I – Pollution Liability Coverage:**

- a.** If an exclusion under the terms of this Policy applies with respect to "bodily injury", "property damage", "environmental damage" or "clean-up costs"; and
- b.** The efficient proximate cause, in accordance with the law of the State of Washington, of such "bodily injury", "property damage", "environmental damage" or "clean-up costs" is not also excluded under the terms of this Policy;

then:

- (1)** The exclusion referenced in Paragraph **A.1.a.** above does not apply to such "bodily injury", "property damage", "environmental damage" or "clean-up costs"; and
- (2)** Coverage provided under this Policy for "bodily injury", "property damage" or "clean-up costs" as a consequence of Paragraph **(1)** above is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph **A.2.** of this endorsement.

2. For purposes of the coverage provided under this endorsement, the following provisions are added to **Section III – Limits Of Insurance:**

a. Subject to Paragraph **2.** of Section **III – Limits Of Insurance**, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:

- (1)** All "bodily injury", "property damage" and "clean-up costs" described in Paragraph **A.1.** of this endorsement; and
- (2)** "Defense expense";
because of all "bodily injury", "property damage" and "clean-up costs" described in Paragraph **A.1.** of this endorsement.

b. The provisions of Paragraph **3.** of Section **III – Limits Of Insurance** continue to apply to "bodily injury", "property damage" and "clean-up costs" described in Paragraph **A.1.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

3. For purposes of the coverage provided under this endorsement, Paragraphs **1.** through **3.** under **Supplementary Payments** do not apply.

4. For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

a. Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

b. Includes payments for:

- (1) Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- (2) Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
- (3) All other litigation expenses.
- (4) Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (5) Costs taxed against the insured in the "suit".

c. Does not include:

- (1) Any payments described in Paragraph **A.4.a.** above allocated to that portion of a specific claim or "suit" involving "bodily injury", "property damage" or "clean-up costs" not described in Paragraph **A.1.** of this endorsement; and
- (2) Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **A.4.b.(1)** and **A.4.b.(4)** above) and does not include fees and expenses of independent adjusters we hire.

B. If this endorsement is attached to Pollution Liability Limited Coverage Form Designated Sites **CG 00 40**, the provisions under this Paragraph **B.** apply:

1. The following is added to the **Exclusions** paragraph of **Section I – Pollution Liability Coverage**:

a. If an exclusion under the terms of this Policy applies with respect to "bodily injury", "property damage" or "environmental damage"; and

b. The efficient proximate cause, in accordance with the law of the State of Washington, of such "bodily injury", "property damage" or "environmental damage" is not also excluded under the terms of this Policy;

then:

- (1) The exclusion referenced in Paragraph **B.1.b.** above does not apply to such "bodily injury", "property damage" or "environmental damage"; and
- (2) Coverage provided under this Policy for "bodily injury" or "property damage" as a consequence of Paragraph (1) above is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph **B.2.** of this endorsement.

2. For purposes of the coverage provided under this endorsement, the following provisions are added to **Section III – Limits Of Insurance**:

a. Subject to Paragraph 2. of Section III – Limits Of Insurance, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:

- (1) All "bodily injury" and "property damage" described in Paragraph **B.1.** of this endorsement; and
- (2) "Defense expense";

because of all "bodily injury" and "property damage" described in Paragraph **B.1.** of this endorsement.

b. The provisions of Paragraph 3. of Section III – Limits Of Insurance continue to apply to "bodily injury" and "property damage" described in Paragraph **B.1.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

3. For purposes of the coverage provided under this endorsement, Paragraphs 1. through 3. under **Supplementary Payments** do not apply.

4. For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

a. Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

b. Includes payments for:

- (1)** Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- (2)** Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
- (3)** All other litigation expenses.
- (4)** Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

- (5)** Costs taxed against the insured in the "suit".

c. Does not include:

- (1)** Any payments described in Paragraph **B.4.a.** above allocated to that portion of a specific claim or "suit" involving "bodily injury" or "property damage" not described in Paragraph **B.1.** of this endorsement; and
- (2)** Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **B.4.b.(1)** and **B.4.b.(4)** above) and does not include fees and expenses of independent adjusters we hire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON – LIMITED COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE INVOLVING EFFICIENT PROXIMATE CAUSE (DEFENSE WITHIN LIMITS)

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. Exclusions of Section I – Coverages – Bodily Injury And Property Damage Liability:

1. If an exclusion under the terms of this Policy applies with respect to "bodily injury" or "property damage"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "bodily injury" or "property damage" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph A.1. above does not apply to such "bodily injury" or "property damage"; and
- b. Coverage provided under this Policy for such "bodily injury" or "property damage" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph B. of this endorsement.

B. For purposes of the coverage provided under this endorsement, the following provisions are added to Section III – Limits Of Insurance:

1. Subject to Paragraph 2. of Section III – Limits Of Insurance, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. Damages under Section I – Coverages; and

b. "Defense expense";

because of all "bodily injury" and "property damage" described in Paragraph A. of this endorsement.

2. Paragraph 3., the Each Occurrence Limit, of Section III – Limits Of Insurance continues to apply to "bodily injury" and "property damage" described in Paragraph A. of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

C. For purposes of the coverage provided under this endorsement, Paragraphs 1.a., 1.c. and 1.d. under **Supplementary Payments** do not apply.

D. For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

1. Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

2. Includes payments for:

- a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- b. Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
- c. All other litigation expenses.

- d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. Costs taxed against the insured in the "suit".

3. Does not include:

- a. Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving "bodily injury" or "property damage" not described in Paragraph **A.** of this endorsement; and

- b. Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraph **D.2.a.** and **D.2.d.** above) and does not include fees and expenses of independent adjusters we hire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WASHINGTON – LIMITED COVERAGE FOR BODILY
INJURY AND PROPERTY DAMAGE INVOLVING
EFFICIENT PROXIMATE CAUSE
(DEFENSE WITHIN LIMITS)**

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. Exclusions of Section I – Coverages – Bodily Injury And Property Damage Liability:

- 1. If an exclusion under the terms of this Policy applies with respect to "bodily injury" or "property damage"; and
- 2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "bodily injury" or "property damage" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph A.1. above does not apply to such "bodily injury" or "property damage"; and
- b. Coverage provided under this Policy for such "bodily injury" or "property damage" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph B. of this endorsement.

B. For purposes of the coverage provided under this endorsement, the following provisions are added to Section III – Limits Of Insurance:

- 1. Subject to Paragraph 2. of Section III – Limits Of Insurance, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. Damages under Section I – Coverages; and
 - b. "Defense expense";
 because of all "bodily injury" and "property damage" described in Paragraph A. of this endorsement.
- 2. Paragraph 3., the Each Occurrence Limit, of Section III – Limits Of Insurance continues to apply to "bodily injury" and "property damage" described in Paragraph A. of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

C. For purposes of the coverage provided under this endorsement, Paragraphs 1.a., 1.d. and 1.e. under Supplementary Payments do not apply.

D. For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

1. Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

2. Includes payments for:

a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".

b. Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".

c. All other litigation expenses.

d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

e. Costs taxed against the insured in the "suit".

3. Does not include:

a. Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving "bodily injury" or "property damage" not described in Paragraph **A.** of this endorsement; and

b. Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **D.2.a.** and **D.2.d.** above) and does not include fees and expenses of independent adjusters we hire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WASHINGTON – LIMITED COVERAGE FOR INJURY
INVOLVING EFFICIENT PROXIMATE CAUSE
(DEFENSE WITHIN LIMITS)**

This endorsement modifies insurance provided under the following:

LIQUOR LIABILITY COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. Exclusions of Section I – Liquor Liability Coverage:

1. If an exclusion under the terms of this Policy applies with respect to "injury"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "injury" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph **A.1.** above does not apply to such "injury"; and
- b. Coverage provided under this Policy for such "injury" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph **B.** of this endorsement.

B. For purposes of the coverage provided under this endorsement, the following provisions are added to Section III – Limits Of Insurance:

1. Subject to Paragraph 2. of Section III – Limits Of Insurance, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. Damages under Section I – Liquor Liability Coverage; and

b. "Defense expense";

because of all "injury" described in Paragraph **A.** of this endorsement.

2. Paragraph 3., the Each Common Cause Limit, of Section III – Limits Of Insurance continues to apply to "injury" described in Paragraph **A.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

C. For purposes of the coverage provided under this endorsement, Paragraphs 1., 3. and 4. under Supplementary Payments do not apply.

D. For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

1. Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

2. Includes payments for:

- a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- b. Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
- c. All other litigation expenses.

- d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. Costs taxed against the insured in the "suit".

3. Does not include:

- a. Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving "injury" not described in Paragraph **A.** of this endorsement; and

- b. Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **D.2.a.** and **D.2.d.** above) and does not include fees and expenses of independent adjusters we hire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON – LIMITED COVERAGE FOR LOSS OF ELECTRONIC DATA INVOLVING EFFICIENT PROXIMATE CAUSE (DEFENSE WITHIN LIMITS)

This endorsement modifies insurance provided under the following:

ELECTRONIC DATA LIABILITY COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. Exclusions of Section I – Coverages – Damages To Electronic Data Liability:

1. If an exclusion under the terms of this Policy applies with respect to "loss of electronic data"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "loss of electronic data" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph **A.1.** above does not apply to such "loss of electronic data"; and
- b. Coverage provided under this Policy for such "loss of electronic data" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph **B.** of this endorsement.

B. For purposes of the coverage provided under this endorsement, the following provisions are added to Section III – Limits Of Insurance:

1. Subject to Paragraph 2. of Section III – Limits Of Insurance, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. Damages under Section I – Coverages; and
 - b. "Defense expense";

because of all "loss of electronic data" described in Paragraph **A.** of this endorsement.

2. Paragraph 3., the Each Electronic Data Incident Limit, of Section III – Limits Of Insurance continues to apply to "loss of electronic data" described in Paragraph **A.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

C. For purposes of the coverage provided under this endorsement, Paragraphs 1., 3. and 4. under Supplementary Payments do not apply.

D. For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

1. Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

2. Includes payments for:

- a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- b. Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
- c. All other litigation expenses.

- d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. Costs taxed against the insured in the "suit".

3. Does not include:

- a. Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving "loss of electronic data" not described in Paragraph **A.** of this endorsement; and

- b. Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraph **D.2.a.** and **D.2.d.** above) and does not include fees and expenses of independent adjusters we hire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON – LIMITED COVERAGE FOR BODILY INJURY, PROPERTY DAMAGE OR PERSONAL AND ADVERTISING INJURY INVOLVING EFFICIENT PROXIMATE CAUSE (DEFENSE WITHIN LIMITS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability, Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability and Paragraph 2. Exclusions of Section I – Coverage C – Medical Payments:

1. If an exclusion under the terms of this Policy applies with respect to "bodily injury", "property damage" or "personal and advertising injury"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "bodily injury", "property damage" or "personal and advertising injury" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph **A.1.** above does not apply to such "bodily injury", "property damage" or "personal and advertising injury"; and
- b. Coverage provided under this Policy for such "bodily injury", "property damage" or "personal and advertising injury" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph **B.** of this endorsement.

B. For purposes of the coverage provided under this endorsement, the following provisions are added to Section III – Limits Of Insurance:

1. Subject to Paragraph 2. or 3. of Section III – Limits Of Insurance, whichever applies, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. Damages under Coverage A;
 - b. Damages under Coverage B;
 - c. Medical expenses under Coverage C; and
 - d. "Defense expense";

because of all "bodily injury", "property damage" and "personal and advertising injury" described in Paragraph **A.** of this endorsement.

2. Paragraph 4., the Personal And Advertising Injury Limit, Paragraph 5., the Each Occurrence Limit, Paragraph 6., the Damage To Premises Rented To You Limit, and Paragraph 7., the Medical Expense Limit, of Section III – Limits Of Insurance continue to apply to "bodily injury", "property damage" and "personal and advertising injury", as applicable, described in Paragraph **A.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

- C.** For purposes of the coverage provided under this endorsement, Paragraphs **1.a.**, **1.d.** and **1.e.** under **Supplementary Payments – Coverage A And B** do not apply.
- D.** For purposes of the coverage provided under this endorsement, the following definition is added:
"Defense expense":
- 1.** Means:
Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.
 - 2.** Includes payments for:
 - a.** Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
 - b.** Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
 - c.** All other litigation expenses.
 - d.** Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e.** Costs taxed against the insured in the "suit".
- 3.** Does not include:
- a.** Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving "bodily injury", "property damage" or "personal and advertising injury" not described in Paragraph **A.** of this endorsement;
 - b.** Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **D.2.a.** and **D.2.d.** above) and does not include fees and expenses of independent adjusters we hire; and
 - c.** Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving medical expenses for "bodily injury" under Section **I – Coverage C – Medical Payments.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON – LIMITED COVERAGE FOR BODILY INJURY, PROPERTY DAMAGE OR PERSONAL AND ADVERTISING INJURY INVOLVING EFFICIENT PROXIMATE CAUSE (DEFENSE WITHIN LIMITS)

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

1. If an exclusion under the terms of this Policy applies with respect to "bodily injury", "property damage" or "personal and advertising injury"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "bodily injury", "property damage" or "personal and advertising injury" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph **A.1.** above does not apply to such "bodily injury", "property damage" or "personal and advertising injury"; and
- b. Coverage provided under this Policy for such "bodily injury", "property damage" or "personal and advertising injury" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph **B.** or Paragraph **C.**, whichever applies, of this endorsement.

B. If Endorsement **CU 24 36** is attached to the Policy, the following provisions apply for purposes of the coverage provided under this endorsement:

1. Subject to Paragraph 2. or 3. of Endorsement **CU 24 36**, whichever applies, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. All "ultimate net loss":
 - (1) Under Coverage **A**; or
 - (2) Under Coverage **B**; and
 - b. "Defense expense";
 because of all "bodily injury", "property damage" and "personal and advertising injury" described in Paragraph **A.** of this endorsement.
2. Paragraph 4. of Endorsement **CU 24 36**, the Each Occurrence Limit, and Paragraph 5. of Endorsement **CU 24 36**, the Personal And Advertising Injury Limit, continue to apply to the sum of all "ultimate net loss" and "defense expense" because of all "bodily injury", "property damage" and "personal and advertising injury", as applicable, described in Paragraph **A.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

- C.** If Paragraph **B.** does not apply, and for purposes of the coverage provided under this endorsement, the following provisions are added to **Section III – Limits Of Insurance**:
- 1.** Subject to Paragraph **2.** of **Section III – Limits Of Insurance**, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a.** All "ultimate net loss" under:
 - (1)** Coverage **A**; or
 - (2)** Coverage **B**; and
 - b.** "Defense expense";

because of all "bodily injury", "property damage" and "personal and advertising injury" described in Paragraph **A.** of this endorsement.
 - 2.** Paragraph **3.**, the Each Occurrence Limit, and Paragraph **4.**, the Personal And Advertising Injury Limit, of Section **III – Limits Of Insurance** continue to apply to the sum of all "ultimate net loss" and "defense expense" because of all "bodily injury", "property damage" and "personal and advertising injury", as applicable, described in Paragraph **A.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.
- D.** For purposes of the coverage provided under this endorsement, Paragraphs **1.a.**, **1.d.** and **1.e.** under **Supplementary Payments – Coverage A And B** do not apply.
- E.** For purposes of the coverage provided under this endorsement, the following definition is added:
- "Defense expense":
- 1.** Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

- 2.** Includes payments for:
 - a.** Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
 - b.** Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
 - c.** All other litigation expenses.
 - d.** Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e.** Costs taxed against the insured in the "suit".
- 3.** Does not include:
 - a.** Any payments described in Paragraph **E.1.** above allocated to that portion of a specific claim or "suit" involving "bodily injury", "property damage" or "personal and advertising injury" not described in Paragraph **A.** of this endorsement; and
 - b.** Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **E.2.a.** and **E.2.d.** above) and does not include fees and expenses of independent adjusters we hire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WASHINGTON – LIMITED COVERAGE FOR INJURY
OR DAMAGE INVOLVING EFFICIENT PROXIMATE
CAUSE (DEFENSE WITHIN LIMITS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

SCHEDULE

Efficient Proximate Cause Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.

A. The following is added to Paragraph 2. Exclusions of Section I – Coverages:

1. If an exclusion under the terms of this Policy applies with respect to "injury or damage"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "injury or damage" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph **A.1.** above does not apply to such "injury or damage"; and
- b. Coverage provided under this Policy for such "injury or damage" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph **B.** or Paragraph **C.**, whichever applies, of this endorsement.

B. If Endorsement CX 24 01 is attached to the Policy, the following provisions apply for purposes of the coverage provided under this endorsement:

1. Subject to Paragraph **2.b.** or **2.c.** of Endorsement **CX 24 01**, whichever applies, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. All "ultimate net loss"; and
 - b. "Defense expense";

because of all "injury or damage" described in Paragraph **A.** of this endorsement.

2. Paragraph **2.d.** of Endorsement **CX 24 01**, the Each Occurrence Limit, continues to apply to the sum of all "ultimate net loss" and "defense expense" because of all "injury or damage" described in Paragraph **A.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

C. If Paragraph B. does not apply, and for purposes of the coverage provided under this endorsement, the following provisions are added to Section III – Limits Of Insurance:

1. Subject to Paragraph **2.b.** of Section **III – Limits Of Insurance**, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
 - a. All "ultimate net loss"; and
 - b. "Defense expense";
 because of all "injury or damage", described in Paragraph **A.** of this endorsement.
2. Paragraph **2.c.**, the Each Occurrence Limit, continues to apply to the sum of all "ultimate net loss" and "defense expense" because of all "injury or damage" described in Paragraph **A.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

D. For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

1. Means:

Payments allocated to a specific claim or suit we investigate, settle or defend, for its investigation, settlement or defense.

2. Includes payments for:

- a.** Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- b.** Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a suit.
- c.** All other litigation expenses.
- d.** Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or suit, including actual loss of earnings up to \$250 a day because of time off from work.
- e.** Costs taxed against the insured in the suit.

3. Does not include:

- a.** Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or suit involving "injury or damage" not described in Paragraph **A.** of this endorsement; and
- b.** Salaries and expenses of our employees or the insured's employees (other than those described in Paragraphs **D.2.a.** and **D.2.d.** above) and does not include fees and expenses of independent adjusters we hire.