

RULES – APPROVED

MARCH 8, 2019

COMMERCIAL AUTOMOBILE

LI-CA-2019-057

WASHINGTON EFFICIENT PROXIMATE CAUSE RELATED RULE FILED AND APPROVED

KEY MESSAGE

ISO filing CA-2019-OGLC2 introduces a Washington-specific rule to accommodate the new endorsement introduced in forms filing CA-2019-OGLC1 in response to *Xia v. ProBuilders Specialty Insurance Co.*, 188 Wash.2d 171 (Wash. 2017).

BACKGROUND

Circular [LI-CL-2018-028](#) generally advised of the approval of ISO filing CL-2018-ORU1. This filing introduces Washington-specific rules to accommodate the new endorsement introduced in forms filing CL-2018-OEND1 in response to *Xia v. ProBuilders Specialty Insurance Co.*, No. 92436-8, 2017 WL 1532219 (Apr. 27, 2017 Wash.).

ISO ACTION

To generally address the State of Washington's application of the efficient proximate cause rule, as currently set forth in *Xia v. ProBuilders* and for consistency with the Commercial Excess Liability and Commercial Liability Umbrella Lines of Business, we have:

- Introduced Additional Rule A6. Washington Efficient Proximate Cause Related Aggregate Limit Endorsement; and
- Filed these revisions with the Washington State Office of the Insurance Commissioner under ISO Filing Designation Number CA-2019-OGLC2.

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

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 September 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 CA-2019-OGLC2, 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:

- No new attributes are being introduced with this revision.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2018-044](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 9-19 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

RELATED FORMS REVISION

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

REFERENCE(S)

- [LI-CA-2019-056](#) (03/08/2019) Washington Efficient Proximate Cause Related Aggregate Limit Endorsement Filed And Approved
- [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing
- [LI-CL-2018-028](#) (07/27/2018) Washington Rules For Efficient Proximate Cause Related Aggregate Limit Endorsements Approved

ATTACHMENT(S)

Filing CA-2019-OGLC2

COPYRIGHT EXPLANATION

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file, or use same in any manner without the written permission of the copyright owner. Permission is hereby granted to members, subscribers, and service purchasers to reprint, copy, or otherwise use the enclosed material for purposes of their own business use relating to that territory or line or kind of insurance, or subdivision thereof, for which they participate, provided that:

- (A) Where ISO copyrighted material is reprinted, copied, or otherwise used **as a whole**, it must reflect the copyright notice actually shown on such material.
- (B) Where ISO copyrighted material is reprinted, copied, or otherwise used **in part**, the following credit legend must appear at the bottom of each page so used:
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:
Jennifer Zilkha
Compliance and Product Services
(201) 469-2684
Jennifer.Zilkha@verisk.com
auto@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at www.verisk.com/iso. To keep abreast of the latest Insurance Lines Services updates, view www.verisk.com/ils.

Washington Rule Introduced

About This Filing

This filing introduces a Washington-specific rule to accommodate the new endorsement introduced in forms filing CA-2019-OGLC1 in response to *Xia v. ProBuilders Specialty Insurance Co.*, 188 Wash.2d 171 (Wash. 2017).

New Rule

We are introducing Additional Rule A6. Washington Efficient Proximate Cause Related Aggregate Limit Endorsement.

Related Filing(s)

CA-2019-OGLC1 (forms)

Background

In forms filing CA-2019-OGLC1, we are introducing various Washington endorsements in response to the Washington Supreme Court's application of the efficient proximate cause rule in *Xia v. ProBuilders Specialty Insurance Co.*, 188 Wash.2d 171 (Wash. 2017).

Explanation of Changes

We are introducing a Washington rule exception for Commercial Auto to reference and instruct on the usage of the new endorsement being introduced in the companion forms filing.

Copyright Explanation

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file or use same in any manner without the written permission of the copyright owner.

Important Note

Insurance Services Office, Inc. (ISO) makes available advisory services to property/casualty insurers. ISO has no adherence requirements. ISO rules and

explanatory materials are intended solely for the information and use of ISO's participating insurers and their representatives, and insurance regulators. Neither ISO's general explanations of rules intent nor opinions expressed by members of ISO's staff necessarily reflect every insurer's view or control any insurer's application of manual rules.

A6. WASHINGTON EFFICIENT PROXIMATE CAUSE RELATED AGGREGATE LIMIT ENDORSEMENT

To address the Washington Supreme Court's application of the efficient proximate cause rule in response to Xia v. ProBuilders Specialty Insurance Co., 188 Wash.2d 171 (Wash. 2017), Washington – Limited Coverage For Bodily Injury, Property Damage Or Personal And Advertising Injury General Liability Coverages Involving Efficient Proximate Cause (Defense Within Limits) Endorsement CA 27 11 is available.