

FORMS – IMPLEMENTATION

APRIL 18, 2019

COMMERCIAL LINES

LI-CL-2019-014

NEW JERSEY LIQUOR LIABILITY OPTIONAL MULTISTATE ENDORSEMENTS TO BE IMPLEMENTED

KEY MESSAGE

Filing CL-2019-OLIQ1, to introduce various optional multistate Liquor Liability exclusion endorsements, to be implemented.

Applicable Lines: CU, GL

Effective Date: 8/1/2019

BACKGROUND

In referenced circular [LI-CL-2019-007](#), we announced the submission of forms filing [CL-2019-OLIQ1](#) which introduced various optional multistate Liquor Liability exclusion endorsements.

EFFECTIVE DATE

Commercial Liability Umbrella:

We do not establish an effective date for form revisions in New Jersey. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

General Liability:

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies **written** on or after August 1, 2019.

COMPANY ACTION

Commercial Liability Umbrella:

ISO has not filed this revision.

You must independently determine what revision to make and when to make any revision effective. If you decide to use all or any part of our revision, you are NOT required to file anything with the New Jersey Department of Banking and Insurance.

You must document your files in case the New Jersey Department of Banking and Insurance wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Revision Designation [CL-2019-OLIQ1](#), 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.

General Liability:

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 New Jersey Department of Banking & Insurance on this revision, you should refer to ISO Filing Designation Number CL-2019-OLIQ1, and the New Jersey Dept. File No. 19-0408, 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-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 8-19 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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.

REFERENCE(S)

- [LI-CL-2019-015](#) (04/18/2019) New Jersey Rules Exceptions To Be Implemented
- [LI-CL-2019-007](#) (03/21/2019) New Jersey Liquor Liability Optional Multistate Endorsements Filing Provided
- [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Final copy of CL-2019-OLIQ1

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New Jersey Liquor Liability Forms Filing

Applicable Lines of Business

This filing applies to the following lines of business:

- ◆ Commercial General Liability
- ◆ Commercial Liability Umbrella

About This Filing

This filing will introduce optional multistate exclusion endorsements that address the liquor liability exposure.

New Forms

We are introducing the following multistate forms:

- ◆ CG 21 50 04 13 Amendment Of Liquor Liability Exclusion
- ◆ CG 29 52 04 13 Amendment Of Liquor Liability Exclusion
- ◆ CU 21 13 04 13 Amendment Of Liquor Liability Exclusion

Related Filing(s)

- ◆ CL-2019-OLIQ2 (Rules)

Background

For Commercial General Liability and Commercial Liability Umbrella, optional multistate Amendment Of Liquor Liability Exclusion endorsements currently do not apply due to prior comments from the New Jersey Department of Insurance (DOI). Recently, the DOI generally confirmed that ISO could introduce these endorsements because Liquor Liability is listed on the "Exportable List" under N.J.A.C. 11:1-34. We are taking this opportunity to introduce these endorsements.

Explanation of Changes

CG 21 50, CG 29 52, CU 21 13 – Amendment Of Liquor Liability Exclusion

These endorsements respectively replace the liquor liability exclusion in the underlying coverage forms. These exclusions do not include the use of the phrase "in the business of...". Also, the exclusion addresses liability related to the intoxication of any person because alcoholic beverages were permitted to be brought on the named insured's premises, for consumption on the named insured's premises.

CG 21 50 is for use with the Commercial General Liability Coverage Part, CG 29 52 is for use with Products/Completed Operations Liability Coverage Part and CU 21 13 is for use with Commercial Liability Umbrella Coverage Part.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIQUOR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Exclusion c. under Paragraph
2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1)** Causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises, for consumption on your premises;
- (2)** The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3)** Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a)** The supervision, hiring, employment, training or monitoring of others by that insured; or

- (b)** Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph **(1)**, **(2)** or **(3)** above.

This exclusion applies only if you:

- (1)** Manufacture, sell or distribute alcoholic beverages;
- (2)** Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a)** Requires a license;
 - (b)** Is for the purpose of financial gain or livelihood;
- (3)** Serve or furnish alcoholic beverages without a charge, if a license is required for such activity; or
- (4)** Permit any person to bring any alcoholic beverages on your premises, for consumption on your premises.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIQUOR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following replaces Exclusion **c.** under Paragraph **2. Exclusions of Section I – Coverages – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1)** Causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises, for consumption on your premises;
- (2)** The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3)** Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a)** The supervision, hiring, employment, training or monitoring of others by that insured; or

- (b)** Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph **(1)**, **(2)** or **(3)** above.

This exclusion applies only if you:

- (1)** Manufacture, sell or distribute alcoholic beverages;
- (2)** Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a)** Requires a license;
 - (b)** Is for the purpose of financial gain or livelihood;
- (3)** Serve or furnish alcoholic beverages without a charge, if a license is required for such activity; or
- (4)** Permit any person to bring any alcoholic beverages on your premises, for consumption on your premises.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIQUOR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

The following replaces Exclusion c. under Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises, for consumption on your premises;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license;
 - (b) Is for the purpose of financial gain or livelihood;
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity; or
- (4) Permit any person to bring any alcoholic beverages on your premises, for consumption on your premises.

This exclusion does not apply to the extent that valid "underlying insurance" for the liquor liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". To the extent this exclusion does not apply, the insurance provided under this Coverage Part for the liquor liability risks described above will follow the same provisions, exclusions and limitations that are contained in the applicable "underlying insurance", unless otherwise directed by this insurance.

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