

RULES – IMPLEMENTATION

JULY 18, 2019

COMMERCIAL LINES

LI-CL-2019-032

## NEW HAMPSHIRE RULES REVISION CONCERNING AUTOS AND MOBILE EQUIPMENT TO BE IMPLEMENTED

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### KEY MESSAGE

Revision to various Commercial Lines rule exceptions related to autos and mobile equipment is being implemented.

**Filing ID:** CL-2019-ORU1

**Applicable Lines:** BP, CA, CU, GL

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### BACKGROUND

In companion filing CL-2019-OME1, at the request of the New Hampshire Department of Insurance, we are amending several forms to implement changes related to autos and mobile equipment.

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### ISO ACTION

We are revising various New Hampshire Commercial Auto rule exceptions to address provisions related to autos and mobile equipment in conjunction with the related forms revision.

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

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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 February 1, 2020.

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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.

WE WILL SUBMIT THIS REVISION TO THE INSURANCE DEPARTMENT ON DECEMBER 31, 2019. IF STATE FILING REQUIREMENTS DICTATE THAT YOU MAKE A SUBMISSION WITH THE INSURANCE DEPARTMENT, DO NOT SUBMIT IT PRIOR TO THIS DATE.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number CL-2019-ORU1, 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**

No new attributes are being introduced with this revision.

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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-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.

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### **REVISION DISTRIBUTION**

We will issue a Notice to Manualholders with an edition date of 2-20 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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### **RELATED FORMS REVISION**

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

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### **REFERENCE(S)**

- [LI-CL-2019-031](#) (07/18/2019) New Hampshire Revised Endorsements Concerning Autos And Mobile Equipment Filed And To Be Implemented
  - [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing
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### **ATTACHMENT(S)**

Filing CL-2019-ORU1

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# **New Hampshire Rules Revisions Related to Autos and Mobile Equipment**

## **Applicable Lines of Business**

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This filing applies to the following lines of business:

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

## **About This Filing**

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We are revising various New Hampshire Commercial Auto rule exceptions to address provisions related to autos and mobile equipment.

## **Revised Rules**

We are revising the following rules:

- ◆ Commercial Auto Rule 73. Golf Carts And Low Speed Vehicles
- ◆ Commercial Auto Rule 81. Mobile Or Farm Equipment
- ◆ Commercial General Liability Rule 36. Description Of Additional Optional Endorsements
- ◆ Commercial Liability Umbrella Rule 25. Description Of Additional Optional Endorsements

## **Withdrawn Rules**

We are withdrawing the following rules:

- ◆ Businessowners Rule 41. Apartment Buildings Class Specific Endorsements
- ◆ Businessowners Rule 42. Restaurant Class Specific Endorsements
- ◆ Commercial General Liability Rule 27. Manufacturing And Processing Risks – Classification Assignment And Premium Computation Procedures

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

## **Related Filing(s)**

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- ♦ CL-2019-OME1 (Forms)

## **Background**

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In companion filing CL-2019-OME1 we are amending several forms to implement changes related to autos and mobile equipment.

Accordingly, we are also withdrawing New Hampshire exceptions to Businessowners Rules 41 and 42, along with revisions to Commercial Auto Rules 73 and 81 and Commercial General Liability Rule 36 to reflect these revisions.

## **Explanation of Changes**

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### **Businessowners Rule 41. Apartment Buildings Class Specific Endorsements**

### **Businessowners Rule 42. Restaurant Class Specific Endorsements**

In the companion Forms filing CL-2019-OME1 we are replacing New Hampshire – Apartment Buildings – Liability For Loss Or Damage To Tenants' Autos (Legal Liability Coverage) endorsement BP 07 93 and New Hampshire – Restaurants – Loss Or Damage To Customers' Autos (Legal Liability Coverage) BP 07 94 with multistate endorsements BP 07 76 and BP 07 79. Accordingly, we are also removing the New Hampshire rule exceptions related to the withdrawn endorsements.

### **Commercial Auto Rule 73. Golf Carts And Low Speed Vehicles**

### **Commercial Auto Rule 81. Mobile Or Farm Equipment**

We are revising these rules to track the revisions in companion filing CL-2019-OME1.

## **Commercial General Liability Rule 27. Manufacturing And Processing Risks – Classification Assignment And Premium Computation Procedures**

## **Commercial Liability Umbrella Rule 25. Description Of Additional Optional Endorsements**

In connection with filing GL-2018-OFR18, the New Hampshire Department Of Insurance advised, related to proposed changes to New Hampshire Changes – Limited Exclusion – Intercompany Products Exclusion endorsement CG 26 60, “. . . we wish to point out that the statute requiring coverage for intrafamily or inter-spousal claims applies only to personal liability policies and not to commercial liability policies” and cited RSA 412:5 II. Therefore, we are taking this opportunity to replace CG 26 60 with multistate endorsement CG 21 41 in the companion forms filing and are withdrawing the related New Hampshire exception to General Liability rule 27. For similar reasons, we are also replacing CU 26 60 with multistate endorsement CU 21 08 and CU 26 25 with multistate endorsement CU 21 26 in the companion forms filing. Accordingly, we are deleting the related Commercial Liability Umbrella New Hampshire exceptions to rule 25.C.22 and 25.C.23.

## **Commercial General Liability Rule 36. Description of Additional Optional Endorsements**

We are revising this rule to reflect a change in the title of New Hampshire Volunteer Workers As Insureds Exclusion Endorsement CG 01 17.

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ISO's staff necessarily reflect every insurer's view or control any insurer's application of manual rules.

## DIVISION ONE – AUTOMOBILE

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### 73. GOLF CARTS AND LOW SPEED VEHICLES

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Paragraph **B.2.** is replaced by the following:

#### **B. Application**

2. Liability, Auto Medical Payments, No-fault and Uninsured Motorists Coverages may not be provided under the Commercial Automobile Division for vehicles that are **not** subject to ~~a compulsory or financial responsibility law or other motor vehicle insurance law~~ registration for use on public roads where they are licensed or principally garaged. For vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged, no endorsement is necessary to provide such coverages.

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### 81. MOBILE OR FARM EQUIPMENT

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~~The introductory text in Rule 81. is replaced by the following:~~

~~This rule applies to the vehicles described in Paragraph **A.1.g.** which are appropriately covered under an auto policy. This rule also applies to vehicles fitting into any of the categories listed in Paragraphs **A.1.a.** through **A.1.f.** and **A.2.** that follow, unless the vehicles are already covered under a general liability or other insurance policy.~~

~~Paragraph **A.1.h.** does not apply.~~ is replaced by the following:

#### **A. Definitions And Eligibility**

##### **1. Mobile Equipment (Other Than Farm Equipment)**

- ~~h. Vehicles described in preceding Paragraphs **A.1.a.** through **A.1.f.** and Paragraph **A.2.** that follows, that are subject to registration for use on public roads where they are licensed or principally garaged.~~

~~Paragraphs **B.1.** and **B.3.** are~~ is replaced by the following:

#### **B. Endorsements**

1. For Mobile Equipment described in preceding Paragraphs **A.1.a.** through **A.1.f.** and Farm Equipment ~~that are not subject to registration for use on public roads where they are licensed or principally garaged~~, Mobile Equipment Endorsement **CA 20 15** may be used.
- ~~3. For vehicles described in preceding Paragraph **A.1.g.**, no endorsement is necessary. The premium computation procedures in this rule apply.~~



## DIVISION SIX – GENERAL LIABILITY

### 36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

Paragraph **C.6.** is replaced by the following:

#### **C. Exclusion Endorsements**

6. To address coverage for employees or volunteer workers as insureds, the following endorsements are available:
  - a. The coverage for employees and volunteer workers as insureds provided by the Commercial General Liability Coverage Form may be excluded by attaching New Hampshire Employees And Volunteer Workers As Insureds Exclusion Endorsement **CG 01 70**. The same exclusion is available for the Electronic Data Liability Coverage Part by attaching Exclusion – Employees And Volunteer Workers As Insureds Endorsement **CG 34 11**.
  - b. The coverage for volunteer workers as insureds provided by the Commercial General Liability Coverage Form may be excluded by attaching New Hampshire Volunteer Workers As Insureds Exclusion Endorsement **CG 01 17**. The same exclusion is available for the Electronic Data Liability Coverage Part by attaching Exclusion – Volunteer Workers As Insureds Endorsement **CG 34 10**.

Paragraph **C.15.** is replaced by the following:

15. The Liquor Liability Exclusion under Coverage **A** – Bodily Injury And Property Damage Liability of the Commercial General Liability Coverage Part may be replaced by one of the following endorsements:

- a. Amendment Of Liquor Liability Exclusion Endorsement **CG 21 50**.

This endorsement replaces the liquor liability exclusion in the basic CGL policy. The exclusion avoids the use of the phrase "in the business of...". Also, liability resulting from the intoxication of any person because alcoholic beverages were permitted on the named insured's premises, for consumption on the named insured's premises, is excluded. The same amendment is available for the Products/Completed Operations Coverage Part by attaching Amendment Of Liquor Liability Exclusion Endorsement **CG 29 52**.

Endorsement **CG 21 50** or **CG 29 52** may only be issued, including at policy inception or renewal, to a risk that has liquor liability coverage with respect to alcohol brought on to the named insured's premises.

- b. Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities Endorsement **CG 21 51**.

As with Endorsement **CG 21 50**, this endorsement also replaces the liquor liability exclusion in the basic CGL policy. It exempts, however, scheduled premises or activities from the application of the exclusion. The same amendment is available for the Products/Completed Operations Coverage Part by attaching Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities Endorsement **CG 29 53**.

- c. Amendment Of Liquor Liability Exclusion – Limited Exception For Bring Your Own Alcohol Endorsement **CG 40 09**.

As with either Endorsement **CG 21 50** or **CG 21 51**, this endorsement also replaces the liquor liability exclusion in the basic Commercial General Liability Coverage Forms. This endorsement also avoids the use of the phrase "in the business of...". This endorsement differs from Endorsement **CG 21 50** in that this endorsement does not exclude liability resulting from the intoxication of any person because alcoholic beverages were permitted on the named insured's premises, for consumption on the named insured's premises.

Endorsement **CG 21 51**, **CG 29 53** or **CG 40 09** may only be issued, including at policy inception or renewal, to a risk that has liquor liability coverage with respect to alcohol brought on to the named insured's premises.

If Endorsement **CG 21 50**, **CG 21 51** or **CG 40 09** is attached to a policy, New Hampshire Amendment Of Liquor Liability Exclusion – Exception For Scheduled Activities Endorsement **CG 21 29** should not be attached to the same policy. If Endorsement **CG 29 52** or **CG 29 53** is attached to a policy, New Hampshire Amendment Of Liquor Liability Exclusion – Exception For Scheduled Activities Endorsement **CG 29 59** should not be attached to the same policy.

Paragraph **E.2.** is replaced by the following:

#### **E. Coverage Amendment Endorsements**

2. Coverage disputes between the company and an insured may be submitted to arbitrators when either party requests it. When there is prior agreement that arbitration of a dispute will be binding on both parties, attach New Hampshire Changes – Binding Arbitration Endorsement **CG 33 87**. When, by prior agreement, the decision of the arbitrators may be appealed to a court, attach Non-binding Arbitration Endorsement **CG 24 01**.

Paragraph **E.6.** does not apply.

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**27. ~~MANUFACTURING AND PROCESSING RISKS~~ — ~~CLASSIFICATION ASSIGNMENT AND PREMIUM COMPUTATION~~  
~~PROCEDURES~~**

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Paragraph ~~B.2.a.~~, is replaced by the following:

- ~~a. Include all sales of goods or products from one company to another including those sales from one named insured to another. Except to the extent that two or more named insureds are spouses or family members, do not include the sales of goods or products from one named insured to another in the premium computation for products/completed operations coverage when inter company products suits are excluded from coverage by New Hampshire Changes — Limited Exclusion — Intercompany Products Suits Endorsement **CG 26 60**.~~

## DIVISION TEN – BUSINESSOWNERS

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### **41. APARTMENT BUILDINGS CLASS SPECIFIC ENDORSEMENTS**

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Paragraph ~~B.2.b.~~ is replaced by the following:

~~— B. Endorsements~~

~~— 2. Apartment Buildings — Loss Or Damage To Tenants' Autos (Legal Liability Coverage)~~

~~— b. Endorsement~~

~~Use New Hampshire — Apartment Buildings — Loss Or Damage To Tenants' Autos (Legal Liability Coverage) Endorsement **BP 07 93.**~~

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### **42. RESTAURANTS CLASS SPECIFIC ENDORSEMENTS**

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Paragraph ~~B.2.b.~~ is replaced by the following:

~~— B. Endorsements~~

~~— 2. Restaurants — Loss Or Damage To Customers' Autos (Legal Liability Coverage)~~

~~— b. Endorsement~~

~~Use New Hampshire — Loss Or Damage To Customers' Autos (Legal Liability Coverage) Endorsement **BP 07 94.**~~

## DIVISION THIRTEEN – COMMERCIAL LIABILITY UMBRELLA

### 25. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

Paragraphs **C.10.**, ~~**C.22.**~~ and ~~**C.23.**~~ are replaced by the following:

#### **C. Exclusion Endorsements**

- 10.** The Liquor Liability Exclusion under Coverage **A** – Bodily Injury And Property Damage Liability of the Commercial Liability Umbrella Coverage Part may be replaced by one of the following endorsements:

**a.** Amendment Of Liquor Liability Exclusion Endorsement **CU 21 13**

This endorsement replaces the liquor liability exclusion in the Commercial Liability Umbrella Coverage Form. The exclusion avoids the use of the phrase "in the business of...". Also, liability resulting from the intoxication of any person because alcoholic beverages were permitted on the named insured's premises, for consumption on the named insured's premises, is excluded.

Endorsement **CU 21 13** may only be issued, including at the policy inception or renewal, to a risk that has liquor liability coverage with respect to alcohol brought onto the named insured's premises.

**b.** Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities Endorsement **CU 21 14**

As with Endorsement **CU 21 13**, this endorsement also replaces the liquor liability exclusion in the Commercial Liability Umbrella Coverage Form. It exempts, however, scheduled premises or activities from the application of the exclusion.

**c.** Amendment Of Liquor Liability Exclusion – Limited Exception For Bring Your Own Alcohol Endorsement **CU 34 13**

As with either Endorsement **CU 21 13** or Endorsement **CU 21 14**, this endorsement also replaces the liquor liability exclusion in the Commercial Liability Umbrella Coverage Form. This endorsement avoids the use of the phrase "in the business of...". This endorsement differs from Endorsement **CU 21 13** in that this endorsement does not exclude liability resulting from the intoxication of any person because alcoholic beverages were permitted for consumption on the Named Insured's premises.

Endorsement **CU 21 14** or Endorsement **CU 34 13** may only be issued, including at the policy inception or renewal, to a risk that has liquor liability coverage with respect to alcohol brought onto the named insured's premises.

If Endorsement **CU 21 13**, Endorsement **CU 21 14** or Endorsement **CU 34 13** is attached to a policy, New Hampshire Amendment Of Liquor Liability Exclusion – Exception For Scheduled Activities Endorsement **CU 21 69** should not be attached to the same policy.

- ~~**22.** To exclude claims for damages by any named insured against another named insured because of bodily injury or property damage arising out of the insured's product and included within the products/completed operations hazard, attach New Hampshire Changes – Limited Exclusion – Intercompany Products Suits Endorsement **CU 26 20**. This endorsement should not be used when an Auto Dealers Coverage Form is used as underlying insurance.~~

- ~~**23.** To exclude liability arising out of any claim or suit for bodily injury, property damage or personal and advertising injury that is brought by any Named Insured against another Named Insured covered by the same policy, attach New Hampshire Changes – Limited Exclusion – Cross Suits Liability Endorsement **CU 26 25**.~~

Paragraph **E.3.** does not apply.