

RULES – IMPLEMENTATION

AUGUST 5, 2019

BUSINESSOWNERS

LI-BP-2019-073

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## NEW HAMPSHIRE SUPPLEMENT TO MULTISTATE RULES REVISION TO ACCOMMODATE NEW UNMANNED AIRCRAFT ENDORSEMENTS TO BE IMPLEMENTED

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### KEY MESSAGE

Rules supplement to filing BP-2016-ODNRU to be implemented in New Hampshire.

**Filing ID:** BP-2016-ODNRU

**Effective Date:** 3/1/2020

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### BACKGROUND

In circular [LI-BP-2016-066](#), we announced the submission of rules filing BP-2016-ODNRU, which introduced manual rules to instruct on the usage of new unmanned aircraft endorsements liability options. We also informed you that state rules supplements would be submitted in certain jurisdictions, including New Hampshire.

Subsequently, in filings CL-2016-ODPRU and BP-2019-RMITR we implemented several multistate rules as New Hampshire-specific exceptions.

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### ISO ACTION

In addition to implementing the multistate revisions in circular [LI-BP-2016-066](#), the supplement to filing BP-2016-ODNRU deletes several New Hampshire exceptions in favor of corresponding multistate material.

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

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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 March 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 JANUARY 28, 2020. 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 BP-2016-ODNRU, 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 3-20 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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### **RELATED FORMS AND LOSS COSTS REVISIONS**

We are announcing in a separate circular the implementation of corresponding forms and loss costs revisions. Please refer to the Reference(s) block for identification of each circular.

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### **REFERENCE(S)**

- [LI-BP-2019-074](#) (08/05/2019) New Hampshire Loss Cost Revision To Be Implemented
  - [LI-BP-2019-072](#) (08/05/2019) New Hampshire Supplement To Businessowners Unmanned Aircraft Endorsement Options Filed And Approved
  - [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing
  - [LI-BP-2016-066](#) (05/31/2016) Businessowners Multistate Rules Revision To Accommodate New Unmanned Aircraft (Drones) Endorsements Being Filed; Implementation Pending
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### **ATTACHMENT(S)**

- New Hampshire Supplement to Filing [BP-2016-ODNRU](#)
- Status Report

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# New Hampshire Supplement To Multistate Rules Revision To Accommodate New Unmanned Aircraft Endorsements

## About This Filing

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This supplement addresses changes to the New Hampshire exceptions to delete certain New Hampshire Exceptions in favor of multistate material.

### Revised Rules

We are revising the following rules:

- ◆ Rule 16. Mandatory Forms, Coverages And Limits
- ◆ Rule 29. Endorsements

### Withdrawn Rule

We are withdrawing the following rule:

- ◆ Rule 16. Mandatory Forms, Coverages And Limits (Rating Relativities and Factors Section)

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

## Related Filings

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- ◆ BP-2016-ODNFR (Forms)
- ◆ BP-2019-RLC1 (Loss Costs)

## Background

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In recent filings, certain rule revisions were introduced as New Hampshire exceptions rather than as multistate rule revisions because the most recent Businessowners multistate rules program was not in effect in New Hampshire at the time those filings were submitted. As the revisions proposed in this filing bring New Hampshire to the most current multistate rules program, these exceptions

are no longer necessary because similar provisions are reflected in the multistate rules.

## Explanation of Changes

We are deleting several New Hampshire exceptions in favor of the corresponding multistate material. The table below lists each deleted exception, the section of the corresponding multistate rule that will now apply, along with the prior ISO filing that introduced each of the deleted exceptions. Aside from differences with respect to certain paragraph designators, the multistate material contains the same substantive information as the deleted exceptions.

Please note that the multistate provisions referenced below were revised in their own respective filings - please review the filing material related to those filings for more information regarding those provisions.

Deleted Exception(s)	Corresponding Multistate Provision(s)	Prior ISO Filing
Rule 16., Paragraph B.4.	Rule 16., Paragraph B.4.	BP-2019-RMITR
Rule 16., Table 16.B.4.a.(2)(c)(i)iv.(RF)	Rule 16., Table 16.B.4.a.(2)(c)(i)iv.(RF)	BP-2019-RMITR
Rule 29., Paragraph B.12.	Rule 29., Paragraph B.12.	CL-2016-ODPRU
Rule 29., Paragraph E.2.a.	Rule 29., Paragraph E.3.a.	BP-2019-RMITR

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**16. MANDATORY FORMS, COVERAGE AND LIMITS**

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Paragraph ~~B.4.~~ is replaced by the following:

~~—~~ **B. Forms**

~~—~~ **4. Contractors' Installation, Tools And Equipment Coverage Endorsement BP 07 01**

When insuring eligible contractor risks, Contractors' Installation, Tools And Equipment Coverage Endorsement **BP 07 01** must be attached. The following limits are in addition to the Business Personal Property limit of insurance under Section I – Property of the Businessowners Coverage Form **BP 00 03**. These limits should not be included in the limit of insurance applicable to Business Personal Property under Section I – Property of Form **BP 00 03**.

~~—~~ **a. Contractors' Mandatory Coverages**

The attachment of Endorsement **BP 07 01** includes the following mandatory coverages:

~~—~~ **(1) Coverage 1 – Contractors' Installation Coverage**

~~—~~ **(a) Description Of Coverage**

This coverage adds the following property as business personal property:

- ~~—~~ **(i)** Property sold under an installation agreement; and
- ~~—~~ **(ii)** Contractors' materials, supplies, equipment, machinery, fixtures and temporary structures while:
  - ~~—~~ **i.** At any job site not owned, leased or operated by the insured contractor;
  - ~~—~~ **ii.** Awaiting and during installation, or awaiting acceptance by the purchaser;
  - ~~—~~ **iii.** In transit; or
  - ~~—~~ **iv.** At a temporary storage location.

~~—~~ **(b) Premium Determination**

- ~~—~~ **(i)** Refer to state loss cost Table ~~16.B.4.a.(1)(b)(i)(LC)~~ to determine the Contractors' Installation rate.
- ~~—~~ **(ii)** If applicable, multiply the rate by the deductible factor shown in multistate Table ~~24.C.4.(RF)~~ or multistate Table ~~24.C.4.c.(RF)~~. Refer to Paragraph ~~4.d.~~
- ~~—~~ **(iii)** Multiply the resulting rate by the Contractors' Installation limit of insurance (per \$100) to determine the premium.

~~—~~ **(2) Coverage 2 – Contractors' Tools And Equipment Coverage**

~~—~~ **(a) Description Of Coverage**

This coverage adds contractors' tools and equipment owned by, or in the care, custody or control of, the insured as business personal property. Such property is covered while away from the described premises. This coverage also applies to non-owned tools and equipment the insured leases for a term of six months or more.

~~—~~ **(b) Limits Of Insurance**

- ~~—~~ **(i)** The limit of insurance for all tools and equipment under this coverage, that are not individually described, is shown in the Schedule. This limit is subject to a \$500, \$1,000 or \$2,000 sub-limit for any one tool or piece of equipment. The applicable \$500, \$1,000 or \$2,000 sub-limit must be selected if the blanket option is chosen. If coverage for all tools and equipment is individually described in the Schedule, a zero must be entered in the Blanket Limit section of the Schedule. An option to value property subject to the Blanket Limit at Actual Cash Value is also provided.
- ~~—~~ **(ii)** Coverage may be provided for individually described tools or equipment by entering an applicable limit of insurance in the Schedule for such items.

~~—~~ **(c) Premium Determination**

~~—~~ **(i) Blanket Limit Subject To A Per Tool Or Piece Of Equipment Sub-limit**

- ~~—~~ **i.** Refer to state loss cost Table ~~16.B.4.a.(2)(c)(i)(LC)~~ to determine the Blanket Contractors' Tools And Equipment rate based on the sub-limit selected in the Schedule.
- ~~—~~ **ii.** If applicable, multiply the rate by the deductible factor shown in multistate Table ~~24.C.4.(RF)~~ or multistate Table ~~24.C.4.c.(RF)~~. Refer to Paragraph ~~4.d.~~
- ~~—~~ **iii.** Multiply the resulting rate by the Blanket Contractors' Tools And Equipment limit of insurance (per \$100) to determine the premium.
- ~~—~~ **iv.** If the Actual Cash Value option is selected, multiply the premium calculated in Paragraph ~~iii.~~ by the factor shown in state Table ~~16.B.4.a.(2)(c)(i)iv.(RF)~~ to determine the adjusted premium.

~~(ii) **Scheduled Limit**~~

- ~~i. Refer to state loss cost Table **16.B.4.a.(2)(c)(ii)(LC)** to determine the Scheduled Contractors' Tools And Equipment rate.~~
- ~~ii. If applicable, multiply the rate by the deductible factor shown in multistate Table **24.C.4.(RF)** or multistate Table **24.C.4.c.(RF)**. Refer to Paragraph **4.d.**~~
- ~~iii. Multiply the resulting rate by the total Scheduled Contractors' Tools And Equipment limit of insurance (per \$100) to determine the premium.~~

~~**b. Contractors' Optional Coverages**~~

~~The following optional coverages are available under Endorsement **BP 07 01**:~~

~~**(1) Coverage 3 – Non-owned Tools And Equipment Coverage**~~

~~**(a) Description Of Coverage**~~

~~If a limit of insurance is shown in the Schedule of the endorsement for this optional coverage, non-owned tools and equipment leased or rented from others (other than employees' tools) that are in the insured's care, custody or control are added as business personal property. Such property is covered while away from the described premises. This coverage does not apply to non-owned tools and equipment leased for a term of six months or more.~~

~~**(b) Premium Determination**~~

- ~~(i) Refer to state loss cost Table **16.B.4.b.(1)(b)(i)(LC)** to determine the Non-owned Tools And Equipment rate.~~
- ~~(ii) If applicable, multiply the rate by the deductible factor shown in multistate Table **24.C.4.(RF)** or multistate Table **24.C.4.c.(RF)**. Refer to Paragraph **4.d.**~~
- ~~(iii) Multiply the resulting rate by the Non-owned Contractors' Tools And Equipment limit of insurance (per \$100) to determine the additional premium.~~

~~**(2) Coverage 4 – Employees' Tools**~~

~~**(a) Description Of Coverage**~~

~~If a limit of insurance is selected for this optional coverage, employees' tools which are used in connection with your operations are added as business personal property. Such property is covered while away from the described premises. Coverage is subject to a \$100 limit per tool and a \$500 limit for all tools of any one employee.~~

~~**(b) Premium Determination**~~

- ~~(i) Refer to state loss cost Table **16.B.4.b.(2)(b)(i)(LC)** to determine the Employees' Tools And Equipment Rate.~~
- ~~(ii) If applicable, multiply the rate by the deductible factor shown in multistate Table **24.C.4.(RF)** or multistate Table **24.C.4.c.(RF)**. Refer to Paragraph **4.d.**~~
- ~~(iii) Multiply the resulting rate by the Employees' Tools And Equipment limit of insurance (per \$100) to determine the additional premium.~~

~~**c. Endorsement**~~

~~Use Endorsement **BP 07 01**.~~

~~**d. Special Rules**~~

~~When an optional deductible is entered in the Schedule, use the total limits for Coverages 1 through 4 of this endorsement as the Total Building And Business Personal Property Limit Of Insurance for the purpose of obtaining the fixed dollar deductible factor from multistate Table **24.C.4.(RF)**.~~

The following is added to Paragraph **B.**:

**B. Forms**

**9. New Hampshire Changes Endorsement BP 01 13**

Attach New Hampshire Changes Endorsement **BP 01 13** to all policies.

Indicate in the Schedule the Total Limit of Insurance Permitted On the Building, which includes the policy amount being issued and any other insurance that covers the building for a specified amount. In the event of loss or damage to buildings, when there is other insurance that covers buildings for a specified amount, the amount payable for loss or damage may be limited by the Total Limit of Insurance Permitted On the Building.

**10. New Hampshire Businessowners Standard Fire Policy Provisions Endorsement BP 01 22**

Attach New Hampshire Businessowners Standard Fire Policy Provisions Endorsement **BP 01 22** to all policies.

**11. New Hampshire Effective Time Changes – Replacement Of 12 Noon Endorsement BP 12 24**

Attach New Hampshire Effective Time Changes – Replacement Of 12 Noon Endorsement **BP 12 24** to any policy which replaces an existing policy, if the existing policy expires at 12 noon.

**12. Amendment – Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities Endorsement BP 04 19**

**a. Description**

This endorsement amends the liquor liability exclusion in Section II – Liability of the Businessowners Coverage Form by specifying that the exclusion applies:

- (1) Whenever a charge is made for serving or furnishing alcoholic beverages;
- (2) When alcohol is served or furnished without charge, if a license is required for the activity. Exempted functions are to be specifically scheduled in the endorsement; and
- (3) When alcoholic beverages are permitted to be brought on the named insured's premises, for consumption in the named insured's premises.

**b. Endorsement**

In New Hampshire, if Liquor Liability Coverage applies, you must attach one of the following endorsements:

- (1) Endorsement **BP 04 19**; or
- (2) Liquor Liability Endorsement **BP 04 88**.

**c. Rating**

Refer to company.

**SECTION II – COVERAGE FORM RULES**

**16. MANDATORY FORMS, COVERAGE AND LIMITS**

<b>Factor</b>
.87

~~Table 16.B.4.a.(2)(c)(i)iv.(RF) Contractors' Tools And Equipment – Blanket Basis Actual Cash Value Factor~~

**29. ENDORSEMENTS**

Paragraph **A.36.** is replaced by the following:

**A. Property Endorsements**

**36. Limitations On Coverage For Roof Surfacing**

**a. Description Of Coverage**

New Hampshire Actual Cash Value For Roof Surfacing Endorsement **BP 15 25** may be used to limit coverage on roof surfacing to actual cash value (ACV) when the building is covered at replacement cost.

This coverage does not change the underlying limit of insurance. The limit of insurance continues to be based on the replacement cost of the entire building, including the roof and roof surface.

**b. Endorsement**

Use Endorsement **BP 15 25**.

**c. Rules**

In the Schedule of Endorsement **BP 15 25** identify the building(s) to which the endorsement is to apply.

**d. Premium Determination**

Determine the reduced premium by multiplying the Building premium determined in Rule **23.C.6.a.(3)(a)** by the applicable factor shown in state Table **29.A.36.d.(RF)**.

Paragraphs **B.5.b.(2)** and **(3)** are replaced by the following:

## B. Liability Endorsements

### 5. Electronic Data

#### b. Electronic Data Liability – Broad Coverage

##### (2) Endorsement

Use New Hampshire – Electronic Data Liability – Broad Coverage Endorsement **BP 12 27**.

##### (3) Retroactive Date

The retroactive date is a specific date entered on the Schedule of the endorsement. Any loss of electronic data that occurred prior to the retroactive date is not covered, even if a claim for such loss is first made during the policy period or any applicable extended reporting period. Once a retroactive date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:

- (a) If there is a change in carrier;
- (b) If there is a substantial change in the insured's operations which results in an increased exposure to the loss;
- (c) If the insured fails to provide the company with information:
  - (i) The insured knew or should have known about the nature of the risk insured which would have been material to the insurer's acceptance of the risk; or
  - (ii) Which was requested by the company; or
- (d) At the request of the insured.

Prior to the advancement of the retroactive date under any of these conditions, the company must obtain the written acknowledgement of the first Named Insured acknowledging that the first Named Insured has been advised of the right to purchase the Supplemental Extended Reporting Period Endorsement.

If "none" is entered on the Schedule of the endorsement there is no retroactive date. If there is no retroactive date, coverage may be afforded for loss of electronic data occurring prior to the inception date of the policy.

The following is added to Paragraph **B.5.b.**:

##### (5) Basic Extended Reporting Period

If the New Hampshire – Electronic Data Liability – Broad Coverage Endorsement is cancelled or not renewed for any reason or the company replaces this endorsement with other insurance that has a retroactive date later than the one shown in the Schedule of the endorsement or does not apply to "loss of electronic data" on a claims-made basis, an automatic Basic Extended Reporting Period is provided at no additional charge. The Basic Extended Reporting Period begins with the end of the policy period and lasts for 60 days with respect to loss of electronic data that occurred between the applicable Retroactive Date and the end of the policy period or on or before the effective date of cancellation.

The Basic Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

The Basic Extended Reporting Period does not reinstate or increase the limits under the policy.

Paragraph **B.5.c.** is replaced by the following:

#### c. Supplemental Extended Reporting Period For New Hampshire – Electronic Data Liability – Broad Coverage

##### (1) Description Of Coverage

This option is available if the New Hampshire – Electronic Data Liability – Broad Coverage Endorsement is cancelled or not renewed for any reason or the company replaces this endorsement with other insurance that provides claims-made coverage for loss of electronic data arising out of an electronic data incident and has a retroactive date later than the one shown in the Schedule of the endorsement.

This option provides a Supplemental Extended Reporting Period of three years, for an additional charge, only for coverages available in the New Hampshire – Electronic Data Liability – Broad Coverage Endorsement. The claim must be for loss of electronic data which commenced before the end of the policy period or the effective date of cancellation, but not before the applicable retroactive date.

The Supplemental Extended Reporting Period starts when the Basic Extended Reporting Period ends with respect to loss of electronic data that occurred between the applicable Retroactive Date and the end of the policy period or on or before the effective date of cancellation.

The Named Insured must request this endorsement in writing within 30 days after the end of the policy period.

**(2) Endorsement**

If the Supplemental Extended Reporting Period of three years is selected, use New Hampshire – Supplemental Extended Reporting Period For Electronic Data Liability – Broad Coverage Endorsement **BP 12 28**.

**(3) Premium Determination**

Refer to company for rating. However, if the Supplemental Extended Reporting Period is purchased, the premium charged for this Supplemental Extended Reporting Period will not exceed 2.00 times the annual premium for the New Hampshire – Electronic Data Liability – Broad Coverage Endorsement.

**(4) Aggregate Limit**

If the Supplemental Extended Reporting Period is in effect, a Supplemental Extended Reporting Period Aggregate Limit of Insurance will be provided, but only for claims first received and recorded during the Supplemental Extended Reporting Period. The Supplemental Extended Reporting Period Aggregate Limit of Insurance will be equal to the Each Electronic Data Incident Liability Annual Aggregate Limit of Insurance shown in the Schedule of the New Hampshire – Electronic Data Liability – Broad Coverage Endorsement in effect at the end of the policy.

Paragraph **B.6.a.(2)** is replaced by the following:

**6. Employee Benefits**

**a. Employee Benefits Liability Coverage**

**(2) Endorsement**

Use New Hampshire Employee Benefits Liability Coverage Endorsement **BP 16 03**.

Paragraph **B.6.b.** is replaced by the following:

**b. Extended Reporting Period Options**

**(1) Description Of Coverage**

A 60-day Basic Extended Reporting Period is automatically provided via Endorsement **BP 16 03** if the Employee Benefits Liability Endorsement is cancelled or not renewed for any reason by the company or the company renews or replaces the endorsement with other insurance that has a retroactive date later than the one shown in the Schedule of the endorsement or does not apply to a negligent act, error or omission on a claims-made basis.

An optional Supplemental Extended Reporting Period Endorsement is available, but only for an additional charge, and only if the insured gives the insurance company a written request for the Supplemental Extended Reporting Period within 30 days after the end of the policy period. This Supplemental Extended Reporting Period will begin after the 60-day Basic Extended Reporting Period expires and will last for five years for the reporting of claims because of an act, error or omission which occurred before the end of the policy period or on or before the effective date of cancellation.

**(2) Endorsement**

If the Supplemental Extended Reporting Period is purchased, use New Hampshire Supplemental Extended Reporting Period For Employee Benefits Liability Coverage Endorsement **BP 16 04**.

**(3) Premium Determination**

Refer to company for rating. However, the premium charged for the Supplemental Extended Reporting Period may not exceed 1.00 times the annual premium for the New Hampshire Employee Benefits Liability Coverage Endorsement.

**(4) Aggregate Limit**

If the Supplemental Extended Reporting Period is in effect, a Supplemental Extended Reporting Period Aggregate Limit will be provided, but only for claims first received and recorded during the Supplemental Extended Reporting Period. The Supplemental Extended Reporting Period Aggregate Limit will be equal to the Aggregate Limit shown on the Schedule of the New Hampshire Employee Benefits Liability Coverage Endorsement in effect at the end of the policy period.

Paragraph **B.7.b.** is replaced by the following:

**7. Employment-related Practices Liability**

**b. Employment-related Practices Liability Endorsement**

**(1) Endorsement**

New Hampshire – Employment-related Practices Liability Endorsement **BP 06 87** provides coverage for liability arising out of claims for a wrongful act to an employee because of an employment-related offense, as well as a duty to defend. The Schedule of the endorsement provides an entry for:

- (a) A Limit of Insurance for damages and defense expenses;
- (b) A deductible amount. When deductible insurance is selected by the insured, the company's obligation to pay damages and defense expenses on behalf of the insured applies only to the amount of damages and defense expenses in excess of any deductible amount stated as applicable to such coverages. The deductible may be applied to the sum of both damages and defense expenses;
- (c) A Pending Or Prior Litigation Date.
- (d) An option to select malicious prosecution as a covered wrongful act.
- (e) A retroactive date. If "none" is entered in the Schedule of the endorsement, there is no retroactive date. If there is no retroactive date, coverage may be afforded for injury occurring prior to the inception date of the policy; and
- (f) A Supplemental Extended Reporting Period checkbox.

**(2) Limits Of Insurance**

The \$10,000 annual aggregate Limit of Insurance for the New Hampshire – Employment-related Practices Liability Endorsement may be increased. Optional higher limits of \$25,000, \$50,000, \$75,000 and \$100,000 are available. For the applicable increased limits factors, refer to Table **29.B.7.b.(2)(RF)**.

**(3) Deductible**

The \$500 base deductible for the New Hampshire – Employment-related Practices Liability Endorsement may be increased. Optional deductibles of \$1,000, \$2,500, \$5,000, \$10,000 and \$25,000 are available. For the applicable deductible credit factors, refer to Table **29.B.7.b.(3)(RF)**. Subtract the factor selected in Table **29.B.7.b.(3)(RF)** from the applicable increased limits factors selected in Paragraph **(2)**.

**(4) Basic Extended Reporting Period**

A Basic Extended Reporting Period is automatically provided at no additional charge. This period begins with the end of the policy period or the effective date of cancellation and lasts for 60 days, with respect to claims arising from offenses occurring between the applicable Retroactive Date and the end of the policy period or the effective date of cancellation.

The Basic Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

The Basic Extended Reporting Period does not reinstate or increase the limits under the policy.

**(5) Supplemental Extended Reporting Period Option**

- (a) New Hampshire – Employment-related Practices Liability Endorsement **BP 06 87** provides the option to purchase a Supplemental Extended Reporting Period of three years.

This option provides a Supplemental Extended Reporting Period only for coverages available in the New Hampshire – Employment-related Practices Liability Endorsement. The claim must be for damages because of injury arising out of an employment-related practice and which commenced before the end of the policy period or the effective date of cancellation, but not before the applicable retroactive date.

The Named Insured must request this Supplemental Extended Reporting Period in writing within 30 days after the end of the policy period or the effective date of cancellation.

The Supplemental Extended Reporting Period starts when the Basic Extended Reporting Period ends with respect to claims arising from offenses occurring between the applicable Retroactive Date and the end of the policy period or the effective date of cancellation.

- (b) If the Supplemental Extended Reporting Period is in effect, a supplemental limit of insurance will be provided, but only for claims first received and recorded during the Supplemental Extended Reporting Period. The supplemental limit of insurance will be equal to the dollar amount shown in the Schedule of the New Hampshire – Employment-related Practices Liability Endorsement in effect at the end of the policy.

**(6) Premium Determination**

- (a) Determine the number of employees.
- (b) Determine if the risk is a Mercantile/Restaurant, Wholesale or Other business.
- (c) Multiply the loss cost per employee found in New Hampshire Table **29.B.7.b.(5)(LC)** by the appropriate number of employees to determine the annual premium for the New Hampshire – Employment-related Practices Liability Endorsement.
- (d) When a higher limit of insurance or a higher limit of deductible is selected, multiply the result determined in Paragraph **b.(6)(c)** above by the applicable increased limit factor determined in Paragraph **b.(2)** minus the applicable deductible credit factor determined in Paragraph **b.(3)**.

- (e) If the Supplemental Extended Reporting Period is purchased, the premium charged for the Supplemental Extended Reporting Period will not exceed 2.00 times the annual premium for the New Hampshire – Employment-related Practices Liability Endorsement.

**(7) Malicious Prosecution Optional Coverage**

To broaden the definition of wrongful act to include malicious prosecution, mark the Employment-related Malicious Prosecution checkbox in the schedule of the endorsement. Refer to company for the additional premium for this option.

Paragraph ~~B.12.~~ is replaced by the following:

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

~~**a. Description Of Coverage**~~

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

~~**b. Endorsement**~~

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

Paragraph **B.13.a.(3)** is replaced by the following:

**13. Liquor Liability Coverage**

**a. Endorsements**

- (3) Amendment – Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities Endorsement **BP 04 19**** amends the liquor liability exclusion in Section **II – Liability of the Businessowners Coverage Form** by specifying that the exclusion applies (1) whenever a charge is made for serving or furnishing alcoholic beverages, (2) when alcohol is served or furnished without charge, if a license is required for the activity, and (3) when alcoholic beverages are permitted to be brought on the named insured's premises, for consumption in the named insured's premises. However, this endorsement permits exemption of premises or functions scheduled in the endorsement.

Endorsement **BP 04 19** is mandatory in New Hampshire. Refer to Rule **16.B.11.** for additional information.

Paragraph **13.b.4.** is replaced by the following:

**b. Liquor Liability Grades**

- (4) The Liquor Liability Numerical Grade is 7.**

Citation of Statute: N.H. REV. STAT. ANN. CH. 507-F

Comments:

Section 507-F:4 provides, in part, that a vendor who negligently serves alcoholic beverages to a minor or to an intoxicated person is liable for resulting damages, subject to other provisions of the chapter.

Service of alcoholic beverages to a minor or to an intoxicated person is negligent if the defendant knows, or if a reasonably prudent person in like circumstances would know, that the person being served is a minor or is intoxicated. Under Section 507-F:5 an intoxicated person may also bring an action against a vendor of alcoholic beverages, but only when the vendor is reckless. The service of alcohol is reckless when a defendant intentionally serves alcohol to a person when the server knows, or a reasonable person in his position should have known, that such service creates an unreasonable risk of physical harm to the drinker or to others that is substantially greater than that which is necessary to make his conduct negligent.

Paragraph **B.17.c.** is replaced by the following:

**17. Newly Acquired Organizations – Businessowners Liability Coverage**

**c. Premium Determination**

Should the insured have or acquire during the term of the policy any other liability exposure not specifically excluded, charge additional premium in accordance with the rates and rules contained in Division Six – General Liability.

Paragraph **D.3.e.(2)** does not apply.

Paragraph **D.5.** is replaced by the following:

**5. Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement**

**a. Description Of Coverage**

This endorsement provides Directors And Officers (D&O) Liability Coverage for eligible condominiums, co-ops and community associations. There are three Insuring Agreements in the endorsement:

- (1) Management Liability provides coverage for loss on behalf of an insured person, except to the extent that the association has indemnified the insured person. Losses are the result of claims arising out of wrongful acts committed by the insured person. Under Management Liability, liability coverage is extended to include claims against the spouse of the insured person and estates, heirs and legal representatives of the insured, respectively.
- (2) Association Reimbursement provides coverage for payment on behalf of the association for loss for which the association has indemnified the insured person (as permitted by law).
- (3) Association Liability provides coverage for payment on behalf of the association for loss which the association is legally obligated as a result of a claim.

**b. Endorsement**

Use New Hampshire – Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement **BP 17 26**.

New Hampshire – Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement **BP 17 26** provides coverage for liability arising out of wrongful acts committed by an insured, as defined. The schedule of the endorsement provides an entry for:

- (1) The name of the insured association;
- (2) A Limit of Insurance for damages and defense expenses;
- (3) A deductible amount. The company's obligation to pay damages and defense expenses on behalf of the insured applies only to the amount of damages and defense expenses in excess of any deductible amount stated as applicable to such coverages. A single deductible applies to the coverages provided under the three Insuring Agreements.
- (4) The date of pending or prior litigation;
- (5) A retroactive date. If "none" is entered in the Schedule of the endorsement, there is no retroactive date. If there is no retroactive date, coverage may be afforded for wrongful acts committed before the inception day of the policy; and
- (6) A Supplemental Extended Reporting Period.

**c. Limits Of Insurance**

A base annual aggregate limit of insurance of \$10,000 applies. This limit may be increased. Optional higher limits of \$25,000, \$50,000, \$75,000 and \$100,000 are available. For the applicable deductible credit factors, refer to Table **29.D.5.c.(RF)**.

**d. Deductible**

A base deductible of \$500 applies. This deductible may be increased. Optional deductibles of \$1,000, \$2,500, \$5,000, \$10,000 and \$25,000 are available. For the applicable deductible credit factors, refer to Table **29.D.5.d.(RF)**.

**e. Basic Extended Reporting Period**

A Basic Extended Reporting Period is automatically provided at no additional charge. This period begins with the end of the policy period or the effective date of cancellation and lasts for 60 days, with respect to claims arising from offenses occurring between the applicable Retroactive Date and the end of the policy period or the effective date of cancellation.

The Basic Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

The Basic Extended Reporting Period does not reinstate or increase the limits under the policy.

**f. Supplemental Extended Reporting Period Option**

- (1) New Hampshire – Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement **BP 17 26** provides the option to purchase a Supplemental Extended Reporting Period of three years.

This option provides a Supplemental Extended Reporting Period only for coverages available in the New Hampshire – Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement. The claim must be for damages because of wrongful acts resulting in claims first made during the Supplemental Extended Reporting Period.

The Named Insured must request this Supplemental Extended Reporting Period in writing within 30 days after the end of the policy period or the effective date of cancellation.

The Supplemental Extended Reporting period starts when the Basic Extended Reporting Period ends with respect to claims arising from wrongful acts occurring between the applicable Retroactive Date and the end of the policy period on or before the effective date of cancellation.

- (2) If the Supplemental Extended Reporting Period is in effect, a supplemental limit of insurance will be provided, but only for claims first made during the Supplemental Extended Reporting Period. The supplemental limit of insurance will be equal to the Directors And Officers Liability Annual Aggregate Limit of Insurance amount shown in the Schedule of the New Hampshire – Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement in effect at the end of the policy.

**g. Premium Determination**

Refer to company for rating. However, if the Supplemental Extended Reporting Period is purchased, the premium charged for this Supplemental Extended Reporting Period will not exceed 2.00 times the annual premium for the New Hampshire – Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement.

Paragraph E.1.d.(1) is replaced by the following:

**E. Other Endorsements**

**1. Information Security Protection Endorsement**

**d. Basic Extended Reporting Period**

- (1) If the circumstances related to cancellation or nonrenewal of coverage specified in the Extended Reporting Periods Condition of the endorsement are met, a Basic Extended Reporting Period is automatically provided at no additional charge. This period starts with the end of the policy period and lasts for 60 days.

Paragraphs E.1.h.(1) and E.1.h.(2) are replaced by the following:

**h. Supplemental Extended Reporting Period**

- (1) If the circumstances related to cancellation or nonrenewal of coverage specified in the Extended Reporting Periods Condition of the endorsement are met, an optional Supplemental Extended Reporting Period is available, but only for an additional charge. The Named Insured must request the Supplemental Extended Reporting Period in writing during the policy period or within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first. The Supplemental Extended Reporting Period will begin after the 60-day Basic Extended Reporting Period expires and will last for one year.
- (2) Refer to company for rating. However, the premium charged for the Supplemental Extended Reporting Period may not exceed 2.00 times the annual premium for Endorsement **BP 15 07**.

The following is added to Rule 29: Paragraph E.3.b. is replaced by the following:

~~**E. Other Endorsements**~~

~~**32. Cannabis**~~

~~**a. Property Options**~~

- ~~(1) Coverage for cannabis and that part of Business Income loss or Extra Expense incurred, due to a suspension of operations, which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis may be excluded by attaching Cannabis Property Exclusion Endorsement **BP 15 30**; or~~
- ~~(2) Coverage for cannabis and that part of Business Income loss or Extra Expense incurred, due to a suspension of operations, which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis may be excluded, with a hemp exception, by attaching Cannabis Property Exclusion With Hemp Exception Endorsement **BP 15 31**.~~

~~**b. Liability Options**~~

- (1) Liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis; property damage to cannabis; and (if New Hampshire – Electronic Data Liability – Broad Coverage Endorsement **BP 12 27** is attached to the policy) loss of electronic data with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of cannabis may be excluded by attaching New Hampshire – Cannabis Liability Exclusion Endorsement **BP 15 14**;
- (2) Liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis; property damage to cannabis; and (if New Hampshire – Electronic Data Liability – Broad Coverage Endorsement **BP 12 27** is attached to the policy) loss of electronic data with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of cannabis may be excluded, with a hemp exception, by attaching New Hampshire – Cannabis Liability Exclusion With Hemp Exception Endorsement **BP 15 15**; or

- (3) Liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis; and (if New Hampshire – Electronic Data Liability – Broad Coverage Endorsement **BP 12 27** is attached to the policy) loss of electronic data with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of cannabis may be excluded, with a hemp and lessor's risk exception, by attaching New Hampshire – Cannabis Liability Exclusion With Hemp And Lessors Risk Exceptions Endorsement **BP 15 16**. This exclusion does not include the property damage to cannabis exclusion that is included in Endorsements **BP 15 14** and **BP 15 15**.

## Businessowners Multistate Rules Revision Filing BP-2016-ODNRU

STATE	FILED/ SUBMITTED	DISTRIBUTION DATE	FILED/SUBMITTED CIRCULAR	APPROVAL/ ACKNOWLEDGEMENT CIRCULAR
ALABAMA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
ALASKA	X	2/1/2017	<a href="#">LI-BP-2016-097</a>	<a href="#">LI-BP-2016-110</a>
ARIZONA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
ARKANSAS	X	12/1/2016	<a href="#">LI-BP-2016-071</a>	<a href="#">LI-BP-2016-110</a>
CALIFORNIA	X	3/1/2017	<a href="#">LI-BP-2016-099</a>	<a href="#">LI-BP-2016-148</a>
COLORADO	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
CONNECTICUT	X	2/1/2017	<a href="#">LI-BP-2016-112</a>	<a href="#">LI-BP-2016-150</a>
DELAWARE	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
DIST. OF COLUMBIA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
FLORIDA	X	1/1/2017	<a href="#">LI-BP-2016-115</a>	<a href="#">LI-BP-2016-145</a>
GEORGIA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
GUAM	FORMS ONLY			
HAWAII				
IDAHO	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
ILLINOIS	NO FILE	1/1/2017	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-137</a>
INDIANA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
IOWA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
KANSAS	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
KENTUCKY	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
LOUISIANA	X	12/1/2016	<a href="#">LI-BP-2016-070</a>	<a href="#">LI-BP-2016-110</a>
MAINE	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
MARYLAND	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
MASSACHUSETTS	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
MICHIGAN	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
MINNESOTA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
MISSISSIPPI	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
MISSOURI	X	12/1/2016	<a href="#">LI-BP-2016-079</a>	<a href="#">LI-BP-2016-110</a>
MONTANA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
NEBRASKA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
NEVADA	NO FILE	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
<b>NEW HAMPSHIRE</b>	<b>X</b>	<b>3/1/2020</b>	<a href="#">LI-BP-2019-073</a>	<a href="#">LI-BP-2019-073</a>
NEW JERSEY	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
NEW MEXICO	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
NEW YORK	X	12/1/2016	<a href="#">LI-BP-2016-113</a>	
NORTH CAROLINA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
NORTH DAKOTA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
OHIO	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
OKLAHOMA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
OREGON	X	1/1/2017	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-137</a>
PENNSYLVANIA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-121</a>
PUERTO RICO	X	3/1/2017	<a href="#">LI-BP-2016-100</a>	<a href="#">LI-BP-2016-162</a>
RHODE ISLAND	X	12/1/2016	<a href="#">LI-BP-2016-114</a>	<a href="#">LI-BP-2016-110</a>
SOUTH CAROLINA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
SOUTH DAKOTA	X	12/1/2016	<a href="#">LI-BP-2016-101</a>	<a href="#">LI-BP-2016-110</a>
TENNESSEE	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
TEXAS	X	12/1/2016	<a href="#">LI-BP-2016-074</a>	<a href="#">LI-BP-2016-110</a>
U.S. VIRGIN ISLANDS	FORMS ONLY			
UTAH	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
VERMONT	X	1/1/2017	<a href="#">LI-BP-2016-102</a>	<a href="#">LI-BP-2016-110</a>
VIRGINIA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
WASHINGTON	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	
WEST VIRGINIA	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
WISCONSIN	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>
WYOMING	X	12/1/2016	<a href="#">LI-BP-2016-066</a>	<a href="#">LI-BP-2016-110</a>

**Bold indicates changes**