



RULES – FILED AND APPROVED

JUNE 1, 2020

GENERAL LIABILITY

LI-GL-2020-097

WASHINGTON RULES REVISIONS FILED AND APPROVED

KEY MESSAGE

Rules revisions in response to 2020 Wash. Laws ____ (former S.B. 6170) filed and approved.

Filing ID: CL-2020-RPCC1

Effective Date: November 1, 2020

BACKGROUND

In forms filing CL-2020-OPCC1, we introduced Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage endorsement CG 25 49, in response to 2020 Wash. Laws ____ (former S.B. 6170).

Filing CL-2020-RPCC1 was submitted jointly by ISO and the Washington Surveying and Rating Bureau (WSRB). The attached explanatory memorandum references the Businessowners and Commercial General Liability lines of business. However, refer to the WSRB for approval information (including effective date) on this revision for the Businessowners line of business.

This circular provides approval information for the Commercial General Liability line of business.

ISO ACTION

We have introduced and revised Washington-specific Commercial General Liability exceptions to classifications related to plumbing contractor risks in order to reference and instruct on the usage of Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage endorsement CG 25 49.

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

INSURANCE DEPARTMENT ACTION

The Insurance Department has approved this revision as filed.

EFFECTIVE DATE

General Liability only:

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

These changes are applicable to all policies **written** on or after November 1, 2020.

COMPANY ACTION

General Liability only:

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 Number CL-2020-RPCC1, 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

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-2019-057](#) 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 11-20 (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 filing and approval of a corresponding forms revision. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-GL-2020-096](#) (06/01/2020) Washington Plumbing Contractor Endorsements Filed And Approved
- [LI-GL-2020-076](#) (04/06/2020) Washington Former S.B. 6170 Concerning Insurance Requirements For Plumbing Contractors Under Review
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Filing CL-2020-RPCC1

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Washington Rules Revision

Applicable Lines of Business

This filing applies to the following lines of business:

- ◆ Businessowners
- ◆ Commercial General Liability

About This Filing

This filing revises the Washington-specific rules exceptions in Division Ten - Businessowners and Division Six - Commercial General Liability of the Commercial Lines Manual (CLM) to complement the Washington Plumbing Contractors Changes endorsements being introduced in the related forms revision.

Revised Rules

We are revising the following rules:

- ◆ Division Ten – Businessowners
 - Rule 16. Mandatory Forms, Coverage And Limits

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

Revised Classifications

We are revising Washington-specific Commercial General Liability exceptions for the following classifications under:

- ◆ Contractors (94444); and
- ◆ Refrigeration Systems or Equipment – dealers and distributors and installation, servicing or repair – commercial (98636)

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

New Classifications

We are introducing Washington-specific Commercial General Liability exceptions for the following classifications under:

- ◆ Air Conditioning Systems or Equipment – dealers or distributors and installation, servicing or repair (91111);
- ◆ Appliances and Accessories installation, servicing or repair – commercial (91150);
- ◆ Appliances and Accessories – Installation, servicing or repair – household (91155);
- ◆ Boiler Inspection, Installation, Cleaning or Repair (91250);
- ◆ Heating or Combined Heating and Air Conditioning Systems or Equipment – dealers or distributors and installation, servicing or repair – no liquefied petroleum gas (LPG) equipment sales or work (95647);
- ◆ Heating or Combined Heating and Air Conditioning Systems or Equipment – dealers or distributors and installation, servicing or repair (95648);
- ◆ Plumbing – commercial and industrial (98482);
- ◆ Plumbing – residential or domestic (98483);
- ◆ Steam Pipe or Boiler Insulation (99165); and
- ◆ Water Softening Equipment – installation, servicing or repair (99948)

Related Filing(s)

- ◆ CL-2020-OPCC1 (Forms)

Background

2020 Wash. Laws ____ (former S.B. 6170), in part, introduces various requirements applicable to a "plumbing contractor", which is newly defined under RCW 18.106.010 as:

"...any person, corporate or otherwise, who engages in, or offers or advertises to engage in, any plumbing work covered by the provisions of this chapter by way of trade or business, or any person, corporate or otherwise, who employs anyone, or offers or advertises to employ anyone, to engage in any plumbing work as defined in this section. The plumbing contractor is responsible for ensuring the plumbing business is operated in accordance with rules adopted under this chapter."

2020 Wash. Laws ____ (former S.B. 6170), in part, amends the definition of "plumbing" under RCW 18.106.010 as follows, as illustrated with deleted text struck through and new text underlined:

"...that craft involved in installing, altering, repairing and renovating potable water systems, liquid waste systems, and medical gas piping systems within a

building as defined by the plumbing code as adopted and amended by the state building code council, and includes all piping, fixtures, pumps, and plumbing appurtenances that are used for rainwater catchment and reclaimed water systems within a building. ~~Installation in a water system of water softening or water treatment equipment is not within the meaning of plumbing as used in this chapter."~~

Regarding insurance requirements with respect to "plumbing contractors", 2020 Wash. Laws ____ (former S.B. 6170) adds a new section to chapter 18.106 RCW, which states, in part, that:

"[a]t the time of plumbing contractor licensing and subsequent license renewal, the applicant shall furnish insurance or financial responsibility in the form of an assigned account in the amount of fifty thousand dollars for injury or damages to property, and one hundred thousand dollars for injury or damage including death to any one person, and two hundred thousand dollars for injury or damage including death to more than one person."

The above changes go into effect on June 11, 2020.

Forms filing CL-2020-OPCC1 introduces Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage endorsements BP 10 87 and CG 25 49, in response to 2020 Wash. Laws ____ (former S.B. 6170) to accommodate the split limit requirements outlined in the law.

Explanation of Changes

We are revising the Washington-specific Businessowners exception to Rule 16. in order to reference and instruct on the usage of Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage endorsement BP 10 87.

In addition, we are introducing and revising Washington-specific Commercial General Liability exceptions to the above-mentioned classifications in order to reference and instruct on the usage of Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage endorsement CG 25 49.

Rating is on a refer to company basis.

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DIVISION SIX – GENERAL LIABILITY

-A- CLASSIFICATIONS

The following descriptions are replaced:

91111 Air Conditioning Systems or Equipment – dealers or distributors and installation, servicing or repair

Class Code: 91111

Premium Base: Payroll

Note:

This classification applies to risks engaged in sales and installation, servicing or repair of air conditioning systems or equipment. This classification also applies to risks engaged only in installation, servicing or repair of air conditioning systems or equipment.

This classification includes:

- The sales and installation of ducts and piping
- Shop and display rooms

The sales of household type appliances including room air conditioners shall be separately classified and rated.

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

91150 Appliances and Accessories installation, servicing or repair – commercial

Class Code: 91150

Premium Base: Payroll

Note:

Television or radio receiving set installation or repair shall be separately classified and rated.

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

91155 Appliances and Accessories – installation, servicing or repair – household

Class Code: 91155

Premium Base: Payroll

Note:

Television or radio receiving set installation or repair shall be separately classified and rated.

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

-B- CLASSIFICATIONS

The following description is replaced:

91250 Boiler Inspection, Installation, Cleaning or Repair

Class Code: 91250

Premium Base: Payroll

Note:

This classification includes construction or repair of foundations.

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

-C- CLASSIFICATIONS

The following descriptions ~~is~~are replaced:

62003 Condominiums – residential – (association risk only)

Class Code: 62003

Premium Base: Units, Products/Completed Operations are included

Note:

This classification includes coverage for each individual unit owner of the condominium for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy.

When coverage is provided for condominiums created after July 1, 1990 that contain at least one residential unit in accordance with the Washington Condominium Act, use Washington Changes – Condominiums Endorsement **CG 26 26**.

Use Additional Insured – Condominium Unit Owners Endorsement **CG 20 04** for condominiums created prior to July 1, 1990.

If the bylaws and declarations of the condominium association conform with the Washington Condominium Act of 1990, use Endorsement **CG 26 26**.

The following shall be separately classified and rated:

- Commercial condominiums
- Swimming pools
- Bathing beaches
- Indoor parking
- Boat moorage facilities

94444 Contractors

Class Code: 94444 NOC

Premium Base: Payroll

Note:

This classification applies only where there is no other appropriate classification assignable to the risk.

For Increased Limits Tables assignment, refer to company.

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

-H- CLASSIFICATIONS

The following descriptions are replaced:

95648 Heating or Combined Heating and Air Conditioning Systems or Equipment – dealers or distributors and installation, servicing or repair

Class Code: 95648 NOC

Premium Base: Payroll

Note:

This classification includes:

- The sales and installation of ducts and piping
- Shop and display rooms

This classification applies to risks who are engaged in:

- Sales and installation, servicing or repair of heating or combined heating and air conditioning systems or equipment if any such system or equipment uses LPG as an energy source
- Installation, servicing or repair of heating or combined heating and air conditioning systems or equipment if any such system or equipment uses LPG as an energy source

This classification does not apply to risks engaged in the sales and installation, servicing or repair of heating or combined heating and air conditioning systems or equipment if none of such systems or equipment uses LPG as an energy source.

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

95647 Heating or Combined Heating and Air Conditioning Systems or Equipment – dealers or distributors and installation, servicing or repair – no liquefied petroleum gas (LPG) equipment sales or work

Class Code: 95647

Premium Base: Payroll

Note:

This classification includes:

- The sales and installation of ducts and piping
- Shop and display rooms

This classification applies to risks engaged in:

- Sales and installation, servicing or repair of heating or combined heating and air conditioning systems or equipment excluding any equipment using LPG as an energy source
- Installation, servicing or repair of heating or combined heating and air conditioning systems or equipment excluding any equipment using LPG as an energy source

This classification does not apply to risks engaged in:

- Sales and installation, servicing or repair of any equipment using LPG as an energy source
- Installation, servicing or repair of any equipment using LPG as an energy source

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

-P- CLASSIFICATIONS

The following descriptions are replaced:

98482 Plumbing – commercial and industrial

Class Code: 98482

Premium Base: Payroll

Note:

This classification includes:

- The installation, service or repair of sanitary gas, steam, hot water, pipe or other pipe fittings including building connections and gas or liquid fuel appliances
- The incidental sales of plumbing fixtures and supplies to be used in connection with the insured's installation, service or repair operations

The following shall be separately classified and rated:

- Sales of appliances
- Installation, servicing and repair of heating systems or units or liquefied petroleum gas systems and piping
- Sales of fixtures and supplies which are not to be used in connection with the insured's installation, service or repair operations

This classification also includes shops and display rooms.

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

98483 Plumbing – residential or domestic

Class Code: 98483

Premium Base: Payroll

Note:

This classification includes:

- The installation, service or repair of sanitary gas, steam, hot water, pipe or other pipe fittings including building connections and gas or liquid fuel appliances
- The incidental sales of plumbing fixtures and supplies to be used in connection with the insured's installation, service or repair operations

The following shall be separately classified and rated:

- Sales of appliances
- Installation, servicing and repair of heating systems or units or liquefied petroleum gas systems and piping
- Sales of fixtures and supplies which are not to be used in connection with the insured's installation, service or repair operations

This classification applies to insureds whose principal operations are in connection with 1-4 family dwellings.

This classification also includes house connections, shop and display rooms.

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

-R- CLASSIFICATIONS

The following descriptions are replaced:

98636 Refrigeration Systems or Equipment – dealers and distributors and installation, servicing or repair – commercial

Class Code: 98636

Premium Base: Payroll

Note:

This classification applies to risks engaged in:

- Sales and installation, servicing or repair of refrigeration systems or equipment
- Installation, servicing or repair of refrigeration systems or equipment only

This classification includes:

- The sales and installation of ducts and piping
- Shop and display rooms

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

16905 Restaurants – Bring Your Own Alcohol – with no sale of alcoholic beverages – with table service

Class Code: 16905

Premium Base: Gross Sales

Note:

This classification applies only to a restaurant which permits a person to bring and consume their own alcoholic beverages on the restaurant's premises.

Coverage applies to bodily injury or property damage arising out of the products hazard whether such bodily injury or property damage occurs on the insured's premises or elsewhere. Use Products/Completed Operations Hazard Redefined Endorsement **CG 24 07**.

Nightclubs, cabarets or discotheques or other similar establishments shall be separately classified and rated.

Children's play area shall be separately rated and classified.

Table service includes limited restaurant service such as buffets.

If Washington Changes – Amendment Of Liquor Liability Exclusion Endorsement **CG 26 01** is used to exclude "bring your own alcohol" liquor liability exposures, multiply the premises/operations loss cost for this classification by a factor of 0.95.

16906 Restaurants – Bring Your Own Alcohol – with no sale of alcoholic beverages – without table service with seating

Class Code: 16906

Premium Base: Gross Sales

Note:

This classification applies only to a restaurant which permits a person to bring and consume their own alcoholic beverages on the restaurant's premises.

Coverage applies to bodily injury or property damage arising out of the products hazard whether such bodily injury or property damage occurs on the insured's premises or elsewhere. Use Products/Completed Operations Hazard Redefined Endorsement **CG 24 07**.

Nightclubs, cabarets or discotheques or other similar establishments shall be separately classified and rated.

Children's play area shall be separately rated and classified.

If Washington Changes – Amendment Of Liquor Liability Exclusion Endorsement **CG 26 01** is used to exclude "bring your own alcohol" liquor liability exposures, multiply the premises/operations loss cost for this classification by a factor of 0.95.

-S- CLASSIFICATIONS

The following description is replaced:

99165 Steam Pipe or Boiler Insulation

Class Code: 99165

Premium Base: Payroll

Note:

This classification includes applying cork, asbestos or other nonconducting material and shop operations.

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.

-W- CLASSIFICATIONS

The following description is replaced:

99948 Water Softening Equipment – installation, servicing or repair

Class Code: 99948

Premium Base: Payroll

Note:

This classification includes:

- Incidental plumbing
- Sales of water softening equipment to be used in connection with the insured's installation, service or repair operations

The following shall be separately classified and rated:

- Sales of water softening chemicals
- Sales of Water Softening Equipment which is not to be used in connection with the insured's installation, service or repair operations, as Plumbing Supplies and Fixtures Dealers and Distributors

When coverage is being provided to a plumbing contractor as defined under RCW 18.106.010, use Washington Plumbing Contractors Changes – Split Limits Of Insurance For Bodily Injury And Property Damage Endorsement **CG 25 49**. When Endorsement **CG 25 49** is attached to the policy, refer to company for rating.