

FORMS – FILED AND APPROVED

AUGUST 19, 2021

GENERAL LIABILITY

LI-GL-2021-265

CANNABIS ENDORSEMENTS WITHDRAWN AND INTRODUCED IN DELAWARE FILED AND APPROVED

KEY MESSAGE

General Liability forms filing GL-2021-OFR1 withdraws multistate endorsement CG 23 06 and introduces a new state-specific endorsement CG 23 09.

UPGRADE TO WORD AND EXCEL DOCUMENTS

As previously noted, ISO is implementing changes to our authoring and delivery systems so that **newly created** documents will be delivered in Office 365 .docx/.xlsx format to be phased in by product/service. In addition to **form** documents, we are pleased to announce that during the third quarter 2021, you will be receiving **circular cover letter** and **Notice To Manualholders (NTM)** documents in .docx format delivered/accessed via Circulars, CLM, EFD, ERC, Filings, FIRST, Forms Library, PRM and Suite +. Changes continue for other document types to be phased in by product/service. Products impacted include, but are not limited to, documents delivered/accessed via Circulars, CLM, EFD, ERC, Filings, FIRST, Forms Library (including PolicyWriting Support Forms Instructional Supplement), PRM, Statistical Plans and Suite +.

BACKGROUND

The introduction of multistate endorsement CG 23 06 was included in multistate forms filing GL-2020-OMJFR. The Delaware Department of Insurance approved the filing.

Subsequently, the Delaware Department of Insurance generally requested that any forms providing coverage related to "recreational cannabis" be withdrawn, unless and until state legislation is enacted in the future designed to legalize such cannabis under state law.

ISO ACTION

In response to the Delaware Department of Insurance request, we submitted filing GL-2021-OFR1, which withdrew endorsement CG 23 06 and introduces a new state-specific endorsement CG 23 09.

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

INSURANCE DEPARTMENT ACTION

The Delaware Department of Insurance has approved this filing.

EFFECTIVE DATE

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

These changes are applicable to all policies written on or after January 1, 2022.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number [GL-2021-OFR1](#), not this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- A form is being withdrawn.
- A new form is being introduced.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2021-004](#) 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 Portfolioholders with an edition date of **1-22** (or the earliest possible subsequent date), along with any new and/or revised forms.

RELATED RULES REVISION

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

REFERENCE(S)

- [LI-GL-2021-266](#) (08/19/2021) Delaware Rule Revision Filed And Approved
- [LI-CL-2021-004](#) (02/17/2021) Revised Lead Time Requirements Listing

[ATTACHMENT\(S\)](#)

Forms Filing [GL-2021-OFR1](#)

Final copy of [CG 23 09 03 22](#)

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Withdrawal of Cannabis Exclusion With Designated Product Or Work Exception Subject To Cannabis Products/Completed Operations Aggregate Limit Endorsement CG 23 06 and Introduction of Delaware Endorsement CG 23 08

About This Filing

We are withdrawing Cannabis Exclusion With Designated Product Or Work Exception Subject To Cannabis Products/Completed Operations Aggregate Limit Endorsement CG 23 06 from use and introducing Delaware Cannabis Exclusion With Designated Product Or Work Exception Subject To Cannabis Products/Completed Operations Aggregate Limit Endorsement CG 23 09.

Withdrawn Form

We are withdrawing CG 23 06 12 20 – Cannabis Exclusion With Designated Product Or Work Exception Subject To Cannabis Products/Completed Operations Aggregate Limit.

New Forms

We are introducing the following form CG 23 09 03 22 Delaware Cannabis Exclusion With Designated Product Or Work Exception Subject To Cannabis Products/Completed Operations Aggregate Limit

Related Filing(s)

- ◆ GL-2021-ORU1 (Rules)

Background

The introduction of multistate endorsement CG 23 06 was included in multistate forms filing GL-2020-OMJFR. The Delaware Department of Insurance approved the filing.

Subsequently, the Delaware Department of Insurance generally requested that any forms providing coverage related to “recreational cannabis” be withdrawn, unless and until state legislation is enacted in the future designed to legalize such cannabis under state law.

Explanation of Changes

In response to the Delaware Department of Insurance's request, we are withdrawing multistate endorsement CG 23 06 12 20 and introducing Delaware Cannabis Exclusion With Designated Product Or Work Exception Subject To Cannabis Products/Completed Operations Aggregate Limit endorsement CG 23 09 to add exclusionary language related to situations when required licensing is not in effect and certain activity that is not permitted under applicable law, similar to exclusionary provisions found in certain multistate endorsements such as Cannabis Activity Coverage Aggregate Limit CG 23 04.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CANNABIS EXCLUSION WITH DESIGNATED PRODUCT
OR WORK EXCEPTION SUBJECT TO CANNABIS
PRODUCTS/COMPLETED OPERATIONS AGGREGATE
LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description Of Your Product(s)	
Description Of Your Work	
Limit Of Insurance	
Cannabis Products/Completed Operations Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

1. "Bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of:
 - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or

b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or

2. "Property damage" to "cannabis".

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This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

B. The exclusion in Paragraph **A.** does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of any of "your products" or "your work" as shown in the Schedule of this endorsement.

C. The following provisions are added to **Section III – Limits Of Insurance:**

1. Subject to Paragraph **3.** of Section **III – Limits Of Insurance,** the Cannabis Products/Completed Operations Aggregate Limit shown in the Schedule of this endorsement is the most we will pay under Coverage **A** for damages because of all "bodily injury" and "property damage" arising out of "your product(s)" or "your work" shown in the Schedule of this endorsement and included in the "products-completed operations hazard".

2. Paragraph **5.,** the Each Occurrence Limit, of Section **III – Limits Of Insurance** continues to apply to "bodily injury" and "property damage" arising out of "your product(s)" or "your work" shown in the Schedule of this endorsement and included in the "products-completed operations hazard", but only if, and to the extent that, a limit of insurance is available under the Cannabis Products/Completed Operations Aggregate Limit.

D. The following definition is added to the **Definitions** section:

"Cannabis":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

2. Paragraph **D.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

b. Any compound, by-product, extract, derivative, mixture or combination, such as:

(1) Resin, oil or wax;

(2) Hash or hemp; or

(3) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.a.**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DELAWARE CANNABIS EXCLUSION WITH
DESIGNATED PRODUCT OR WORK EXCEPTION
SUBJECT TO CANNABIS PRODUCTS/COMPLETED
OPERATIONS AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description Of Your Product(s)	
Description Of Your Work	
Limit Of Insurance	
Cannabis Products/Completed Operations Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

This insurance does not apply to:

1. "Bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of:
 - a. "Cannabis activity"; or
 - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. "Property damage" to "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

- B. The exclusion in Paragraph A. does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of any of "your products" or "your work" as shown in the Schedule of this endorsement.

However, this Paragraph B. does not apply to "bodily injury" or "property damage" arising out of any "cannabis activity":

- 1. That occurs while any required license for such "cannabis activity" is not in effect; or
- 2. That is not permitted under an applicable state or local statute, regulation or ordinance in the state wherein such "cannabis activity" occurred.

However, Paragraphs B.1. and B.2. above do not apply to "bodily injury" or "property damage" for which the insured may be held liable by reason of an applicable state or local statute, regulation or ordinance imposing such liability for:

- a. Causing or contributing to the intoxication of any person; or
- b. The selling, serving or furnishing of "cannabis" to a person who is under:
 - (1) The legal age for "cannabis" consumption; or
 - (2) The influence of "cannabis".

- C. The following provisions are added to **Section III – Limits Of Insurance**:

- 1. Subject to Paragraph 3. of Section III – Limits Of Insurance, the Cannabis Products/Completed Operations Aggregate Limit shown in the Schedule of this endorsement is the most we will pay under Coverage A for damages because of all "bodily injury" and "property damage" arising out of "your product(s)" or "your work" shown in the Schedule of this endorsement and included in the "products-completed operations hazard".

- 2. Paragraph 5., the Each Occurrence Limit, of Section III – Limits Of Insurance continues to apply to "bodily injury" and "property damage" arising out of "your product(s)" or "your work" shown in the Schedule of this endorsement and included in the "products-completed operations hazard", but only if, and to the extent that, a limit of insurance is available under the Cannabis Products/Completed Operations Aggregate Limit.

- D. The following definitions are added to the **Definitions** section:

- 1. "Cannabis activity" means the design, cultivation, manufacture, processing, packaging, handling, testing, storage, distribution, sale, serving, furnishing, use, possession or disposal of "cannabis".

- 2. "Cannabis":

- a. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

- b. Paragraph D.2.a. above includes, but is not limited to, any of the following containing such THC or cannabinoid:

- (1) Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

- (2) Any compound, by-product, extract, derivative, mixture or combination, such as:

- (a) Resin, oil or wax;

- (b) Hash or hemp; or

- (c) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph D.2.b.(1).

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**DELAWARE CANNABIS EXCLUSION WITH
DESIGNATED PRODUCT OR WORK EXCEPTION
SUBJECT TO CANNABIS PRODUCTS/COMPLETED
OPERATIONS AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description Of Your Product(s)	
Description Of Your Work	
Limit Of Insurance	
Cannabis Products/Completed Operations Aggregate Limit:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

This insurance does not apply to:

1. "Bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of:
 - a. "Cannabis activity"; or
 - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. "Property damage" to "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

- B.** The exclusion in Paragraph **A.** does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of any of "your products" or "your work" as shown in the Schedule of this endorsement.

However, this Paragraph **B.** does not apply to "bodily injury" or "property damage" arising out of any "cannabis activity":

1. That occurs while any required license for such "cannabis activity" is not in effect; or
2. That is not permitted under an applicable state or local statute, regulation or ordinance in the state wherein such "cannabis activity" occurred.

However, Paragraphs **B.1.** and **B.2.** above do not apply to "bodily injury" or "property damage" for which the insured may be held liable by reason of an applicable state or local statute, regulation or ordinance imposing such liability for:

- a. Causing or contributing to the intoxication of any person; or
- b. The selling, serving or furnishing of "cannabis" to a person who is under:
 - (1) The legal age for "cannabis" consumption; or
 - (2) The influence of "cannabis".

- C.** The following provisions are added to **Section III – Limits Of Insurance:**

1. Subject to Paragraph **3.** of Section **III – Limits Of Insurance,** the Cannabis Products/Completed Operations Aggregate Limit shown in the Schedule of this endorsement is the most we will pay under Coverage **A** for damages because of all "bodily injury" and "property damage" arising out of "your product(s)" or "your work" shown in the Schedule of this endorsement and included in the "products-completed operations hazard".

2. Paragraph **5.,** the Each Occurrence Limit, of Section **III – Limits Of Insurance** continues to apply to "bodily injury" and "property damage" arising out of "your product(s)" or "your work" shown in the Schedule of this endorsement and included in the "products-completed operations hazard", but only if, and to the extent that, a limit of insurance is available under the Cannabis Products/Completed Operations Aggregate Limit.

- D.** The following definitions are added to the **Definitions** section:

1. "Cannabis activity" means the design, cultivation, manufacture, processing, packaging, handling, testing, storage, distribution, sale, serving, furnishing, use, possession or disposal of "cannabis".

2. "Cannabis":

- a. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

- b. Paragraph **D.2.a.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

- (1) Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

- (2) Any compound, by-product, extract, derivative, mixture or combination, such as:

(a) Resin, oil or wax;

(b) Hash or hemp; or

(c) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.b.(1).**