

RULES – APPROVED

DECEMBER 3, 2021

GENERAL LIABILITY

LI-GL-2021-378

WASHINGTON VIRAL OR BACTERIAL INFECTION EXCLUSION RELATED RULES REVISIONS FILED AND APPROVED

KEY MESSAGE

Rules filing GL-2021-ORU1 approved.

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

In companion forms filing GL-2021-OEND1, we submitted Washington viral or bacterial infection exclusion endorsements for use with the Commercial General Liability and Products/Completed Operations Liability Coverage Parts.

ISO ACTION

We revised Washington exceptions to reflect the introduction of Washington viral or bacterial infection exclusion endorsements.

INSURANCE DEPARTMENT ACTION

The Washington Office of the Insurance Commissioner has approved this revision as filed.

EFFECTIVE DATE

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

These changes are applicable to all policies written on or after May 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-ORU1](#), not this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

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-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 Manualholders with an edition date of 5-22 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

RELATED FORMS REVISION

GL-2021-OEND1

REFERENCE(S)

- [LI-GL-2021-377](#) (12/03/2021) Washington Introduction Of Optional Viral Or Bacterial Exclusion Endorsements Filed And Approved
- [LI-CL-2021-004](#) (02/17/2021) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Filing [GL-2021-ORU1](#)

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CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:
Tim McDonnell
Compliance and Product Services – Liability
201-469-3877
Timothy.McDonnell@verisk.com
liability@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

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Washington Viral Or Bacterial Infection Exclusion Related Rules Revisions

About This Filing

We are revising Washington exceptions in conjunction with the introduction of Washington viral or bacterial infection exclusion endorsements in companion forms filing GL-2021-OEND1.

Revised Rules

We are revising the following rules:

- ◆ Rule 36. Description Of Additional Optional Endorsements
- ◆ Rule 48. Products/Completed Operations Liability Coverage (Subline Code 336)

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

Related Filing(s)

- ◆ GL-2021-OEND1 (forms)

Background

In companion forms filing GL-2021-OEND1, we are submitting Washington viral or bacterial infection exclusion endorsements for use with the Commercial General Liability and Products/Completed Operations Liability Coverage Parts.

Explanation of Changes

We are revising Washington exceptions to reflect the introduction of Washington viral or bacterial infection exclusion endorsements.

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36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

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

Liability arising out of the actual or alleged transmission of viral or bacterial infections may be excluded by attaching Washington – Exclusion – Viral Or Bacterial Infections – Exception For Designated Infection, Ongoing Operations Or Products Endorsement **CG 40 43**. This exclusion applies with respect to the actual or alleged transmission of a viral or bacterial infection that is transmitted through aerosol particles or respiratory droplets and also with respect to a viral or bacterial infection that is transmitted through any individual or animal (including insects) by any means, other than through aerosol particles or respiratory droplets, including but not limited to viral or bacterial infections that are sexually transmitted. This exclusion does not apply to infections, ongoing operations or the named insured's products described in the Schedule of the endorsement.

Paragraphs **C.13.**, **C.15.** and **C.21.** are replaced by the following:

C. Exclusion Endorsements

13. Liability arising out of employment-related practices not otherwise precluded by the Commercial General Liability policy may be specifically excluded by attaching Washington Changes – Employment-related Practices Exclusion Endorsement **CG 01 97**. The same exclusion is available for the Owner And Contractors Protective Liability and Pollution Liability Coverage Parts by attaching Washington Changes – Employment-related Practices Exclusion Endorsement **CG 29 54**.

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

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

- a. Washington Changes – Amendment Of Liquor Liability Exclusion Endorsement **CG 26 01**.

This endorsement replaces the liquor liability exclusion in the basic CGL policy. The exclusion avoids the use of the phrase "in the business of...". Also, liability resulting from the intoxication of any person because alcoholic beverages were permitted on the named insured's premises, for consumption on the named insured's premises, is excluded. The same amendment is available for the Products/Completed Operations Coverage Part by attaching Washington Changes – Amendment Of Liquor Liability Exclusion Endorsement **CG 29 62**.

- b. Washington Changes – Amendment Of Liquor Liability Exclusion Exception For Scheduled Premises Or Activities Endorsement **CG 26 02**.

As with Endorsement **CG 26 01**, this endorsement also replaces the liquor liability exclusion in the basic CGL policy. It exempts, however, scheduled premises or activities from the application of the exclusion. The same amendment is available for the Products/Completed Operations Coverage Part by attaching Washington Changes – Amendment Of Liquor Liability Exclusion Exception For Scheduled Premises Or Activities Endorsement **CG 29 63**.

- c. Washington Changes – Amendment Of Liquor Liability Exclusion – Limited Exception For Bring Your Own Alcohol Endorsement **CG 40 17**.

As with either Endorsement **CG 26 01** or **CG 26 02**, this endorsement also replaces the liquor liability exclusion in the basic Commercial General Liability Coverage Forms. This endorsement also avoids the use of the phrase "in the business of...". This endorsement differs from Endorsement **CG 26 01** in that this endorsement does not exclude liability resulting from the intoxication of any person because alcoholic beverages were permitted on the named insured's premises, for consumption on the named insured's premises.

Paragraph **C.21.** is replaced by the following:

21. Liability arising out of fungi or bacteria on or within a building or structure, including its contents, may be totally excluded by attaching Washington – Fungi Or Bacteria Exclusion Endorsement **CG 26 77**.

Paragraph **C.26.** does not apply.

Paragraphs **E.2.** and **E.10.** are replaced by the following:

E. Coverage Amendment Endorsements

2. Coverage disputes between the company and an insured may be submitted to arbitrators by mutual agreement between the parties. When there is prior agreement that arbitration of a dispute will be binding on both parties, attach Washington Changes – Binding Arbitration Endorsement **CG 24 29**.

Paragraph **E.10.** is replaced by the following:

10. To provide limited coverage for liability arising out of fungi or bacteria on or within a building or structure, including its contents, attach Washington – Limited Fungi Or Bacteria Coverage Endorsement **CG 26 78**. Coverage provided under this endorsement is subject to a Fungi Or Bacteria Aggregate Limit.

Paragraph **H.** does not apply.

48. PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE (Subline Code 336)

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

Liability arising out of the actual or alleged transmission of viral or bacterial infections may be excluded by attaching Washington – Exclusion – Viral Or Bacterial Infections – Exception For Designated Infection, Ongoing Operations Or Products Endorsement **CG 34 94**. This exclusion applies with respect to the actual or alleged transmission of a viral or bacterial infection that is transmitted through aerosol particles or respiratory droplets and also with respect to a viral or bacterial infection that is transmitted through any individual or animal (including insects) by any means, other than through aerosol particles or respiratory droplets, including but not limited to viral or bacterial infections that are sexually transmitted. This exclusion does not apply to infections, ongoing operations or the named insured's products described in the Schedule of the endorsement.

Paragraphs **A.3.b.** and **A.3.c.** are replaced by the following:

A. Description Of Products/Completed Operations Liability Coverage

3. For details of coverage:

- b.** This paragraph does not apply.
- c.** Refer to mandatory state endorsements:
 - (1)** Washington Changes Endorsement **CG 29 57**.
 - (2)** Washington Common Policy Conditions Endorsement **IL 01 46**.
 - (3)** Broad Form Nuclear Energy Liability Exclusion Endorsement **IL 01 98**.
 - (4)** Washington Changes – Defense Costs Endorsement **IL 01 23**.

Paragraph **A.4.e.** does not apply.

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

- 6.** To provide limited coverage for liability arising out of fungi or bacteria on or within a building or structure, including its contents, attach Washington – Limited Fungi Or Bacteria Coverage Endorsement **CG 31 50**. Coverage provided under this endorsement is subject to a Fungi or Bacteria Aggregate Limit.

Liability arising out of fungi or bacteria on or within a building or structure, including its contents, may be totally excluded by attaching Washington – Fungi Or Bacteria Exclusion Endorsement **CG 31 49**.

Paragraph **A.9.** does not apply.