

RULES – IMPLEMENTATION

MARCH 22, 2022

COMMERCIAL AUTOMOBILE

LI-CA-2022-077

ILLINOIS VIRAL OR BACTERIAL INFECTION EXCLUSION RELATED RULE REVISIONS TO BE IMPLEMENTED

KEY MESSAGE

Rules filing CA-2022-ORU1 to be implemented.

BACKGROUND

In companion forms filing CA-2022-ORU1, we submitted an Illinois viral or bacterial infection exclusion endorsement for use with the Auto Dealers Coverage Form.

ISO ACTION

We revised an Illinois rule exception to reflect the introduction of the Illinois viral or bacterial infection endorsement.

EFFECTIVE DATE

We do not establish an effective date for commercial auto rule revisions in this state. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

COMPANY ACTION

ISO has not filed this revision.

If you decide to use all or any part of ISO's revision to revise your rules, you must make an appropriate submission with the Insurance Department. 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.

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

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-2022-006](#) 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 10-22 (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 implementation of a corresponding forms revision. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-CA-2022-076](#) (03/22/2022) Illinois Introduction Of Optional Viral Or Bacterial Exclusion Endorsement Filed And To Be Implemented
- [LI-CL-2022-006](#) (02/22/2022) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Filing CA-2022-ORU1

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Illinois Viral Or Bacterial Infection Exclusion Related Rule Revision

About This Filing

We are revising an Illinois rule exception in conjunction with the introduction of an Illinois viral or bacterial infection exclusion endorsement in companion forms filing CA-2022-OEND1

Revised Rule

We are revising the following rule:

- ◆ Rule 50. Auto Dealers – Additional Provisions

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)

- ◆ CA-2022-OEND1 (Forms)

Background

In companion forms filing CA-2022-OEND1, we are submitting an Illinois viral or bacterial infection exclusion endorsement for use with the Auto Dealers Coverage Form.

Explanation of Changes

We are revising an Illinois rule exception to reflect the introduction of an Illinois viral or bacterial infection exclusion endorsement.

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50. AUTO DEALERS – ADDITIONAL PROVISIONS

Paragraph **A.6.a.** does not apply.

Paragraphs **B.1.a.** and **B.1.c.** are replaced by the following:

B. Other Additional Coverages

1. Employee Benefits Liability (Class Code 7807)

- a. To provide coverage against claims for damages because of the insured's negligent acts, errors or omissions committed in the administration of an employee benefit program, use either Employee Benefits Liability Coverage Endorsement **CA 25 48** or when there is no coverage for newly acquired or formed auto dealerships use Illinois Employee Benefits Liability Coverage With No Coverage For Newly Acquired Or Formed Auto Dealership Endorsement **CA 25 86**.
- c. If the Extended Reporting Period is purchased, use either Extended Reporting Period For Employee Benefits Liability Coverage Endorsement **CA 25 67**, or when there is no coverage for newly acquired or formed auto dealerships use Illinois Extended Reporting Period Endorsement For Employee Benefits Liability Coverage With No Coverage For Newly Acquired Or Formed Auto Dealership Endorsement **CA 25 87**.

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

4. Customer Complaint Legal Defense Coverage (Class Code 7814)

To provide coverage for defense expenses only arising out of the sale, service or repair of an auto in the named insured's auto dealer operations, use either Illinois Customer Complaint Legal Defense Coverage Endorsement **CA 25 84** or Illinois Customer Complaint Legal Defense Coverage With No Coverage For Newly Acquired Or Formed Auto Dealership Endorsement **CA 25 85**. Refer to company for rating of these endorsements.

The following is added to Paragraph **C.1.:**

Liability arising out of the actual or alleged transmission of viral or bacterial infections may be excluded by attaching Illinois – Exclusion For General Liability Coverages – Viral Or Bacterial Infections – Exception For Designated Infection, Ongoing Operations Or Products Endorsement **CA 27 40**. 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.

Refer to company for rating.

Paragraph **C.1.c.** does not apply.

Paragraph **C.1.f.** is replaced by the following:

C. General Liability Exclusionary Endorsements

1. Refer To Company

f. Newly Acquired Or Formed Auto Dealership

To exclude coverage for newly acquired or formed auto dealerships under General Liability Coverage and Acts, Errors Or Omissions Liability Coverage, use Illinois Exclusion – Newly Acquired Or Formed Auto Dealership Endorsement **CA 25 83**.