

RULES – IMPLEMENTATION

MARCH 27, 2023

COMMERCIAL INLAND MARINE

LI-CM-2023-020

## WASHINGTON REVISION TO STATE EXCEPTION REGARDING CANNABIS FILED AND TO BE IMPLEMENTED

---

### KEY MESSAGE

We have revised the Washington exception to Rule **26. Cannabis** in Division Eight – Inland Marine in the Commercial Lines Manual (CLM) to reference CM 99 15, Cannabis Coverage – Washington.

**Effective Date:** 12/1/2023

**Filing ID:** [CM-2023-ORU1](#)

---

### BACKGROUND

In circular [LI-CM-2023-010](#), we provided a Washington amendment to multistate Commercial Inland Marine filing CM-2022-OCLVR. In the amendment, we introduced a state exception to Rule **26. Cannabis** to provide reference and instruct on the usage of new state-specific endorsement CM 99 15, Cannabis Coverage – Washington.

In circular [LI-CM-2023-013](#), we announced that we are implementing new and revised Commercial Inland Marine multistate forms and rules in rules revisions in seven jurisdictions, including Washington.

---

### ISO ACTION

We have revised the state exception to Rule **26. Cannabis** to replace a reference to multistate endorsement CM 99 07, Cannabis Coverage, with a reference to CM 99 15, Cannabis Coverage – Washington.

*For more information on the status of filings in a particular state, including filed and approved documents, associated circulars and links to Print Ready Manuals and Commercial Lines Manual, please feel free to access our [Filings](#) feature within the ISOnet Circulars product.*

---

### INSURANCE DEPARTMENT ACTION

The Insurance Department 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 December 1, 2023.

---

## 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 CM-2023-ORU1 and SERFF Tracking Number ISOF-133602906, 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-2023-005](#) 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 12-23 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

---

## REFERENCE(S)

- [LI-CL-2023-005](#) (02/21/2023) Revised Lead Time Requirements Listing
- [LI-CM-2023-013](#) (02/21/2023) 2022 Commercial Inland Marine Multistate Forms And Rules Revision Addressing Cannabis Coverage And Virus Or Bacteria Exclusion To Be Implemented In Additional Jurisdictions
- [LI-CM-2023-010](#) (02/08/2023) Washington Amendment To The 2022 Commercial Inland Marine Multistate Rules Revision Addressing Cannabis Coverage And Virus Or Bacteria Exclusion Provided

---

## ATTACHMENT(S)

Washington Filing CM-2023-ORU1

---

## COPYRIGHT EXPLANATION

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file or use same in any manner without the written permission of the copyright owner. Permission is hereby granted to members, subscribers and service purchasers to reprint, copy or otherwise use the enclosed material for purposes of their own business use relating to that territory or line or kind of insurance, or subdivision thereof, for which they participate, provided that:

- (A) Where ISO copyrighted material is reprinted, copied, or otherwise used **as a whole**, it must reflect the copyright notice actually shown on such material.
- (B) Where ISO copyrighted material is reprinted, copied, or otherwise used **in part**, the following credit legend must appear at the bottom of each page so used:  
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

---

## IMPORTANT NOTICE FOR USERS OF ISO PRODUCTS AND SERVICES

Please make sure that your company has authorized your use of this product and has complied with the requirements applicable in the jurisdiction where you plan to use it.

We distribute both state-specific and multistate products and services. We do not distribute all the multistate products and services for use in every jurisdiction due to corporate policy, regulatory preference, or variations or lack of clarity in state laws.

We provide participating insurers with information concerning the jurisdictions for which our products and services are distributed. Even in those jurisdictions, each insurer must determine what filing requirements, if any, apply and whether those requirements have been satisfied.

Now, as in the past, all of our products and services are advisory, and are made available for optional use by participating insurers as a matter of individual choice. Your company must decide for itself which, if any, ISO products or services are needed or useful to its operation and how those selected for use should be applied. We urge that you be guided by the advice of your attorneys on the legal requirements.

---

## CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:  
Joseph Ameen  
Compliance & Product Services – Property  
201-469-2589  
[property@verisk.com](mailto:property@verisk.com)  
[Joseph.Ameen@verisk.com](mailto:Joseph.Ameen@verisk.com)

- Other issues for this circular, please contact Customer Support:

E-mail: [info@verisk.com](mailto:info@verisk.com)

Phone: 800-888-4476

Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at [www.verisk.com/iso](http://www.verisk.com/iso). To keep abreast of the latest Insurance Lines Services updates, view [www.verisk.com/ils](http://www.verisk.com/ils).

# Washington Revision To State Exception Regarding Cannabis

## About This Filing

---

We are revising the Washington exception to Rule **26**. Cannabis in Division Eight – Inland Marine in the Commercial Lines Manual (CLM) to reference CM 99 15, Cannabis Coverage – Washington.

## Revised Rule

We are revising the state exception to Rule **26**. Cannabis. We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

## Background

---

In the amendment to rules filing CM-2022-OCLVR in Washington, we introduced a state exception to Rule **26**. Cannabis to provide reference and instruct on the usage of new state-specific endorsement CM 99 15, Cannabis Coverage – Washington.

## Explanation of Changes

---

We are revising the state exception to Rule **26**. Cannabis to replace a reference to multistate endorsement CM 99 07, Cannabis Coverage, with reference to CM 99 15, Cannabis Coverage – Washington.

## Copyright Explanation

---

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file or use same in any manner without the written permission of the copyright owner.

## Important Note

---

Insurance Services Office, Inc. (ISO) makes available advisory services to property/casualty insurers. ISO has no adherence requirements. ISO rules and explanatory materials are intended solely for the information and use of ISO's

participating insurers and their representatives, and insurance regulators. Neither ISO's general explanations of rules intent nor opinions expressed by members of ISO's staff necessarily reflect every insurer's view or control any insurer's application of manual rules.

---

**26. CANNABIS**

---

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

**B. Coverage Endorsement**

**1. Form**

Coverage with respect to cannabis stock may be provided by attaching Cannabis Coverage – Washington Endorsement ~~CM 99 07~~**CM 99 15**. If ~~Cannabis Coverage – Washington Endorsement~~ **CM 99 15** is attached to a policy, Cannabis Exclusion Endorsement **CM 99 05** or Cannabis Exclusion With Hemp Exception Endorsement **CM 99 06** is not eligible for attachment to the policy.

**2. Schedule**

The Schedule of Endorsement **CM 99 15** allows for the listing of more than one coverage form. When the endorsement applies to multiple coverage forms, the Schedule entries can be completed so as to apply to all applicable coverage forms. Alternatively, companies may modify the Schedule so that the Schedule entries are completed individually for each coverage form.

**3. Coverage**

Coverage for cannabis stock is activated by entry in the Schedule of Endorsement **CM 99 15** with a Limit Of Insurance, but such coverage only applies to the coverage form(s) shown in the Schedule or the coverage form(s) whose Declarations indicate the applicability of this endorsement based on appropriate underwriting judgment applied.

**4. Deductible**

An option is available for a deductible applicable to cannabis stock.

**5. Valuation**

A valuation option is available for market value to be applied to cannabis stock described in the Schedule of Endorsement **CM 99 15**.

**6. Premium Determination**

Do not charge additional premium for the attachment of Endorsement **CM 99 15**.