

FORMS – IMPLEMENTATION

AUGUST 16, 2024

COMMERCIAL LINES

LI-CL-2024-074

DELAWARE REVISED CHANGES ENDORSEMENTS FILED AND TO BE IMPLEMENTED

KEY MESSAGE

This circular announces the filing and implementation of various revised Delaware changes endorsements in response to 2024 Del. Laws 272 (former S.B. 200).

Applicable LOB(s): AG, BP, CF, EP, FC, FR, GL, OP, PR

Filing ID: [CL-2024-OCH1](#)

Effective Date: 3/1/2025

BACKGROUND

In circular [LI-CL-2024-058](#), we announced our initial review of 2024 Del. Laws 272 (former S.B. 200), which takes effect October 1, 2024, and in part, amends DEL. CODE ANN. tit. 18 § 4122 as follows:

“(d) Except for notices for nonpayment of premium, the notices required under subsection (b) and subsection (c)(2) of this section shall be delivered to the named insured by certified mail or by USPS Intelligent Mail barcode. [...] For purposes of this section, “certified mail” includes certified mail, certified mail return receipt, and certified mailing list, as used by the postal service.”

ISO ACTION

In response to 2024 Del. Laws 272 (former S.B. 200), we have revised various Delaware-specific Commercial Lines endorsements in order to more closely track DEL. CODE ANN. tit. 18 § 4122.

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

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

We have received all necessary approvals or acknowledgements, as required by jurisdiction laws and regulations, from the Insurance Department.

EFFECTIVE DATE

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

These changes are applicable to all policies written on or after March 1, 2025.

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 Number [CL-2024-OCH1](#) and SERFF Tracking Number [ISOF-G134196361](#), 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:

- New edition dates of existing form numbers are 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-2024-016](#) 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 3-25 (or the earliest possible subsequent date), along with any new and/or revised forms.

REFERENCE(S)

- [LI-CL-2024-058](#) (07/11/2024) Delaware Former S.B. 200 Regarding Cancellation and Nonrenewal Under Review
- [LI-CL-2024-016](#) (03/12/2024) Commercial Lines Revised Lead Time Requirements Listing

[ATTACHMENT\(S\)](#)

Filing CL-2024-OCH1

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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:
Danny Kiehn
Compliance and Product Services – Property
201-469-2094
Danny.Kiehn@verisk.com
property@verisk.com

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

E-mail: info@verisk.com

Phone: 800-888-4476

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Delaware Changes Endorsements Revised

Applicable Lines of Business

This filing applies to the following lines of business:

- ◆ Agricultural Capital Assets (Output Policy)
- ◆ Businessowners
- ◆ Capital Assets Program (Output Policy)
- ◆ Commercial Flood
- ◆ Commercial Fire and Allied Lines
- ◆ Employment-related Practices Policy
- ◆ Farm
- ◆ Commercial General Liability
- ◆ Medical Professional Liability

About This Filing

This filing revises various Delaware-specific Commercial Lines endorsements in response to 2024 Del. Laws 272 (former S.B. 200).

Revised Forms

We are revising the following forms:

- ◆ **AG 01 08 09 07** – Delaware Changes – Termination Provisions
- ◆ **BP 02 37 04 12** – Delaware Changes
- ◆ **BP 31 01 04 20** – Delaware Changes – Micro-Businessowners
- ◆ **FC 02 07 10 18** – Delaware Changes – Cancellation and Nonrenewal
- ◆ **IL 02 37 04 12** – Delaware Changes – Termination Provisions

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the 03 25 editions. Concurrent with implementation, the 03 25 editions will supersede the prior editions.

Background

2024 Del. Laws 272 (former S.B. 200), effective October 1, 2024, contains, in part, the following revision to DEL. CODE ANN. tit. 18 § 4122:

"(d) Except for notices for nonpayment of premium, the notices required under subsection (b) and subsection (c)(2) of this section shall be delivered to the named insured by certified mail or by USPS Intelligent Mail barcode. [...] For purposes of this section, ""certified mail"" includes certified mail, certified mail return receipt, and certified mailing list, as used by the postal service."

Explanation of Changes

In response to 2024 Del. Laws 272 (former S.B. 200), we have revised various Delaware-specific Commercial Lines endorsements in order to track the revisions to DEL. CODE ANN. tit. 18 § 4122 by:

- Specifying in the Cancellation condition that if cancellation is for a reason other than nonpayment of premium, notice will be mailed by certified mail or by USPS Intelligent Mail barcode.
- Specifying in the Nonrenewal condition that if nonrenewal is for a reason other than nonpayment of premium, notice will be mailed by certified mail or by USPS Intelligent Mail barcode.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELAWARE CHANGES – TERMINATION PROVISIONS

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

If the policy covers a building that contains no more than 4 "dwelling" units, one of which is the insured's principal place of residence, or covers the insured's household personal property in a residential building, the following applies:

1. Paragraphs 2. and 3. of the **Cancellation** Common Policy Condition ~~is~~are replaced by the following:
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation along with the reasons for cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.

After coverage has been in effect for more than 60 days or after the effective date of a renewal of this policy, no notice of cancellation will be issued by us unless it is based on at least one of the following reasons:

- (1) Nonpayment of premium;
- (2) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- (3) Discovery of willful or reckless acts or omissions on your part that increase any hazard insured against;
- (4) The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued or renewed;

- (5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any covered property or its occupancy that substantially increases any hazard insured against;
- (6) A determination by the Insurance Commissioner that the continuation of the policy would place us in violation of the Delaware insurance laws; or
- (7) Real property taxes owing on the insured property have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If we cancel this policy for a reason other than nonpayment of premium, the cancellation notice will be delivered by certified mail or by USPS Intelligent Mail barcode.

2. The following Condition is added:

NONRENEWAL

- a. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 30 days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.
- b. Any notice of nonrenewal will include the reason(s) for nonrenewal and will be mailed or delivered to the first Named Insured at the last mailing address known to us. If we decide not to renew this policy for a reason other than nonpayment of premium, the notice of nonrenewal will be delivered by certified mail or by USPS Intelligent Mail barcode.
- c. If notice is mailed, proof of mailing will be sufficient proof of notice.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELAWARE CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Section II – Liability is amended as follows:

The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Delaware law.

B. Section III – Common Policy Conditions is amended as follows:

1. Paragraph A. Cancellation is amended as follows:

1. Paragraph 2. is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured a written notice of cancellation at least:

- a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b.** 60, but not more than 120, days before the effective date of cancellation if we cancel for any other permissible reason.

2. Paragraph 3. is replaced by the following:

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If we cancel this policy for a reason other than nonpayment of premium, the cancellation notice will be delivered by certified mail or by USPS Intelligent Mail barcode.

23. The following paragraph is added:

7. If this policy:

- a.** Has been in effect for more than 60 days or is a renewal of a policy we issued; and
- b.** Covers buildings that contain no more than four dwelling units, one of which is the principal place of residence of the insured;

we may cancel this policy only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;

(3) Discovery of willful or reckless acts or omissions on your part that increase any hazard insured against;

(4) The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued or renewed;

(5) A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any covered property or its occupancy that substantially increases any hazard insured against;

(6) A determination by the Insurance Commissioner that the continuation of the policy would place us in violation of the Delaware insurance laws; or

(7) Real property taxes owing on the insured property have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued.

Notice of cancellation will state the specific reason for cancellation.

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2. The following paragraph is added:

M. Nonrenewal

1. If we decide not to renew this policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, along with the reasons for nonrenewal, at least 60, but not more than 120, days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.

2. We will mail or deliver this notice to the first Named Insured's last mailing address known to us. If we decide not to renew this policy for a reason other than nonpayment of premium, the notice of nonrenewal will be delivered by certified mail or by USPS Intelligent Mail barcode.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELAWARE CHANGES – MICRO-BUSINESSOWNERS

This endorsement modifies insurance provided under the following:

MICRO-BUSINESSOWNERS COVERAGE FORM

A. Section II – Liability is amended as follows:

The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Delaware law.

B. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2. Cancellation** is replaced by the following:

2. We may cancel this Policy by mailing or delivering to the first Named Insured a written notice of cancellation at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 60, but not more than 120, days before the effective date of cancellation if we cancel for any other permissible reason.

2. Paragraph **A.3. Cancellation** is replaced by the following:

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If we cancel this Policy for a reason other than nonpayment of premium, the cancellation notice will be delivered by certified mail or by USPS Intelligent Mail barcode.

23. The following paragraph is added:

M. Nonrenewal

1. If we decide not to renew this Policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, along with the reasons for nonrenewal, at least 60, but not more than 120, days before the expiration date.

2. We will mail or deliver this notice to the first Named Insured's last mailing address known to us. If we decide not to renew this Policy for a reason other than nonpayment of premium, the notice of nonrenewal will be delivered by certified mail or by USPS Intelligent Mail barcode.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELAWARE CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL FLOOD POLICY

If the Policy covers a building that contains no more than four dwelling units, one of which is the insured's principal place of residence, or covers the insured's household personal property in a residential building, the following applies:

A. Paragraph **b.** of the **Cancellation** Condition is replaced by the following:

b. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation along with the reasons for cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 45 days before the effective date of cancellation if we cancel for any other reason.

B. Paragraph **c.** of the **Cancellation** Condition is replaced by the following:

c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If we cancel this Policy for a reason other than nonpayment of premium, the cancellation notice will be delivered by certified mail or by USPS Intelligent Mail barcode.

BC. The following are added to the **Cancellation** Condition and supersede any provision to the contrary:

After coverage has been in effect for more than 60 days or after the effective date of a renewal of this Policy, no notice of cancellation will be issued by us unless it is based on at least one of the following reasons:

- (1) Nonpayment of premium;
- (2) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the Policy, continuing the Policy or in presenting a claim under the Policy;

(3) Discovery of willful or reckless acts or omissions on your part that increase any hazard insured against;

(4) The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued or renewed;

(5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any covered property or its occupancy that substantially increases any hazard insured against;

(6) A determination by the Insurance Commissioner that the continuation of the Policy would place us in violation of the Delaware insurance laws; or

(7) Real property taxes owing on the insured property have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued.

CD. The **Nonrenewal** Condition is replaced by the following:

11. Nonrenewal

- a.** If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 30 days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.

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- b. Any notice of nonrenewal will include the reason(s) for nonrenewal and will be mailed or delivered to the first Named Insured at the last mailing address known to us. If we decide not to renew this Policy for a reason other than nonpayment of premium, the notice of nonrenewal will be delivered by certified mail or by USPS Intelligent Mail barcode.
- c. If notice is mailed, proof of mailing will be sufficient proof of notice.

DE. If Cancellation Changes **FC 02 99** is attached to the Policy, Paragraph **D.2.** of that form is replaced by the following:

- 2. Pay property taxes that are owing and have been outstanding for more than two years following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELAWARE CHANGES – TERMINATION PROVISIONS

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. With respect to the:

Farm Property – Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form;
 Commercial Property Coverage Part; and
 Capital Assets Program (Output Policy) Coverage Part;

If the policy covers a building that contains no more than four dwelling units, one of which is the insured's principal place of residence, or covers the insured's household personal property in a residential building, the following applies:

1. Paragraphs **2. and 3.** of the **Cancellation** Common Policy Condition is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation along with the reasons for cancellation at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

After coverage has been in effect for more than 60 days or after the effective date of a renewal of this policy, no notice of cancellation will be issued by us unless it is based on at least one of the following reasons:

- (1) Nonpayment of premium;

- (2) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- (3) Discovery of willful or reckless acts or omissions on your part that increase any hazard insured against;
- (4) The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued or renewed;
- (5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any covered property or its occupancy that substantially increases any hazard insured against;
- (6) A determination by the Insurance Commissioner that the continuation of the policy would place us in violation of the Delaware insurance laws; or

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(7) Real property taxes owing on the insured property have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If we cancel this policy for a reason other than nonpayment of premium, the cancellation notice will be delivered by certified mail or by USPS Intelligent Mail barcode.

2. The following Condition is added:

Nonrenewal

a. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 30 days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.

b. Any notice of nonrenewal will include the reason(s) for nonrenewal and will be mailed or delivered to the first Named Insured at the last mailing address known to us. If we decide not to renew this policy for a reason other than nonpayment of premium, the notice of nonrenewal will be delivered by certified mail or by USPS Intelligent Mail barcode.

c. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. If Cancellation Changes CP 02 99 is attached to the Commercial Property Coverage Part, Paragraph E.2. of that form is replaced by the following:

2. Pay property taxes that are owing and have been outstanding for more than two years following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

B. With respect to the:

Commercial General Liability Coverage Part;
Commercial Property – Legal Liability Coverage Form;
Commercial Property – Mortgageholders Errors And Omissions Coverage Form;
Employment-Related Practices Liability Coverage Form;
Farm Liability Coverage Form;
Liquor Liability Coverage Part;
Medical Professional Liability Coverage Part;
Pollution Liability Coverage Part; and
Products/Completed Operations Liability Coverage Part:

1. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 60, but not more than 120, days before the effective date of cancellation if we cancel for any other permissible reason.

2. The following Condition is added and supersedes any other condition to the contrary:

Nonrenewal

a. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60, but not more than 120, days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.

b. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us.

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