# **Explanation of Changes**

Below we describe the changes outlined in the Introduction block.

# Combined Definition Of "Personal and Advertising Injury"

We are employing a new definition: "personal and advertising injury". By using this approach, the Insuring Agreement and the Exclusions are less complicated, and the two coverages no longer need to be mutually exclusive. This will also make Coverage B easier to read and understand. In addition, we made the following changes:

The lead-in sentence to the current "personal injury" definition contained the phrase "other than 'bodily injury'." This is due to the possibility of resulting "bodily injury" because of such offenses as false arrest, detention or imprisonment. We have deleted this phrase and revised the lead-in so it reads (new material contains an underline: deleted material contains a strike-through):

"Personal <u>and advertising</u> injury" means injury, including <u>consequential "bodily injury"</u>, other than "bodily injury", arising out of one or more of the following offenses:

Where we excluded "hodily injury" in the current language, we are now including consequential "bodily injury". As a result, we are adding an exclusion for "bodily injury" arising out of "personal and advertising injury" under Coverage A. Such injuries would not be covered under the current language under Coverage A unless the injury arose out of an "occurrence".

We have made this change so that any "bodily injury" suffered as a consequence of a covered offense will be subject to the provisions of Coverage B only.

- We have added the term "committed" in order to provide better readability to the following offense (new material contains an underline: deleted material contains a strike through):
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, <u>committed</u> by or on behalf of its owner, landlord or lessor;

NOTE: We have revised all provisions where "personal injury" and "advertising injury" are referenced to reflect the newly combined definition.

4

#### Revised Advertising Offenses

As noted in the Background block, the definitions of "personal injury" and "advertising injury" currently contain two of the same offenses. These offenses pertain to the publication of material that:

- · slanders or libels a person or organization; or
- · violates a person' right of privacy

and are unchanged in the new definition. The three current remaining "personal injury" offenses pertain to:

- false arrest, detention or imprisonment;
- · malicious prosecution; and
- invasion of right of private occupancy

and do not relate to advertising. They are, therefore, unchanged in the new definition. The two current remaining "advertising injury" offenses are:

- Misappropriation of advertising ideas or style of doing business; or
- d. Infringement of copyright, title or slogan.

These offenses have been significantly revised in the new definition. The revised offenses read as follows:

- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

Currently, the causal connection between the offense and the act of advertising is found in the Insuring Agreement: "This insurance applies to 'advertising injury' caused by an offense committed in the course of advertising your goods, products or services." In the revised Coverage B, we have employed the term "advertisement", which we have defined, and incorporated it directly into the pertinent offenses of the definition of "personal and advertising injury". Thus coverage for these offenses does not apply unless committed in the insured's advertisement.

There are two particularly significant differences between current paragraphs c. and d. of the current "advertising injury" definition and new paragraphs f. and g. of the new definition. Some coverage disputes have involved "style of doing business." Under new paragraph f., the phrase "or style of doing business" has been deleted. Instead, we have incorporated the term "trade dress" under new paragraph g., which is described as the totality of elements in which a product or

service is packaged or presented. Trade dress can acquire an exclusive legal right as a means of identification.

Opinions in some recent court cases, despite opinions which have ruled that trademark infringement is not covered under the current CGL policy, have deemed the term "title" to include "infringement of trademark." As a result, we have deleted the term from this offense. Infringement of trademark was never intended to be covered under Personal and Advertising Injury Liability Coverage, and deleting the term "title" clarifies the original intent. The phrase "infringement of copyright" is intended to encompass publication titles such as title of song, title of book, etc.

#### New Definition Of "Advertisement"

Under the current Coverage B, in order to trigger "advertising injury" coverage, there must be a direct connection between the offense and the act of advertising. This is provided under the Insuring Agreement, since the offense for advertising injury must be "committed in the course of advertising your goods, products or services." That is the most important concept underlying how advertising injury coverage is triggered, especially since the current "personal injury" and "advertising injury" share some common offenses. Without that connection, there is no coverage.

However, questions have arisen with respect to the current advertising injury coverage as to what constitutes advertising. This prompted us to introduce the definition of "advertisement" in order to clarify the coverage intent. This new definition reads as follows:

"Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.

This new definition states what constitutes an advertisement. It is used to provide, directly in the new definition of "personal and advertising injury," the connection between the offense and advertisement.

#### Insuring Agreement

Since the "personal injury" and "advertising injury" definitions are eliminated, and "personal and advertising injury" is used, the Insuring Agreement for Coverage B has been revised to reflect this. Current paragraph b. has been revised as follows (new material contains an <u>underline</u>: deleted material contains a <u>strike</u>-through):

- b. This insurance applies to:
  - (1) "Personal "personal and advertising injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
  - (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services:

but only if the offense was committed in the "coverage territory" during the policy period.

In this revision, the direct connection in paragraph (2) above no longer needs to be specified in the Insuring Agreement since there is now a definition of "advertisement" used in connection with the offenses. Also, the phrase "excluding advertising, publishing, broadcasting or telecasting done by or for you" (originally excluding advertising, publishing, broadcasting or telecasting activities done by or for the Named Insured under "personal injury") has been deleted. In this revision, we have added an exclusion which will preclude certain coverage for insureds in those businesses.

# Coverage B Exclusions

The Exclusion section for Coverage B has been completely revised and reformatted. Currently, the exclusions contain two separate sub-paragraphs: a. pertaining to both "personal injury" and "advertising injury"; and b. pertaining only to "advertising injury". Since the definitions are combined, so are these two subparagraphs of exclusions.

The revisions to the Coverage B's exclusions include the following:

- Paragraph a. will include, in paragraphs (6), (7) and (8), the exclusions originally associated with only "advertising injury". In addition, these exclusions have been revised to employ the term "advertisement".
- An exclusion has been added to paragraph a, to preclude coverage under circumstances in which the personal or advertising injury is caused by the insured with the knowledge that the act would violate another's rights and inflict "personal and advertising injury". Although Coverage B is essentially an "intentional acts" coverage, this exclusion serves the purpose of excluding the intention to commit an offense under "personal and advertising injury". This is similar to the current exclusion pertaining to the commitment of libel or slander against another intentionally with knowledge of its falsity.
- The current exclusion for a "willful violation of a penal statute or ordinance committed by or with the consent of the insured" is deleted. This has now been replaced by:

(4) Arising out of a criminal act committed by or at the direction of any insured;

Given the largely non-accidental nature of most offenses contained in the "personal and advertising injury" definition, the element of a criminal act, in the course of such an offense, presents a scenario which is properly excluded. This is a more concrete and somewhat broader exclusion than "willful violation of penal statute."

A new exclusion has been added to preclude coverage for those insureds who are in the business of advertising, broadcasting, publishing or telecasting. An exception to that exclusion is provided for the offenses pertaining to (1) false arrest, detention or imprisonment; (2) malicious prosecution; and (3) invasion of right of private occupancy, since those in businesses related to the media (with certain exceptions) do not have an uncommon exposure in these areas.
This new exclusion reads as follows:

This insurance does not apply to:

- a. "Personal and advertising injury" :
  - (9) Committed by an insured whose business is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section; or

If there is an overlap in coverage provided by a specialty policy, or if a specific media, such as news organizations, need coverage from only a specialty policy, there is an option already available to exclude Coverage B from the policy via endorsement CG 21 38 Exclusion - Personal and Advertising Injury.

#### Coverage A Exclusion

As previously mentioned, we are adding a "personal and advertising injury" exclusion to Coverage A. Coverage B will now cover consequential "bodily injury" arising out of "personal and advertising injury". This new exclusion reads as follows:

Personal and Advertising Injury
 "Bodily injury" arising out of "personal and advertising injury".

#### Impact

The changes in this revision to Personal and Advertising Injury result in broadenings in coverage in certain respects and may, in certain states, result in a

decrease in other respects. The impact of the changes in this revision are very difficult to quantify and may differ in different states. We believe, however, that, taken as a whole, the revised Personal and Advertising Injury coverage is at least equal to, if not broader than, that which the current coverage provides. This is demonstrated by the following examples:

- Some of the issues dealt with in this revision, such as various types of intellectual property, and specifically trade dress, are emerging issues that were not fully developed when the original advertising injury coverage was conceived. We have, in this revision, specifically chosen to provide coverage for "trade dress" while deleting the terms "style of doing business" and "title."
- We have expanded coverage under Coverage B by including consequential "bodily injury", while adding a complementary exclusion under Coverage A to avoid duplicate coverage.
- The addition of an intentional injury exclusion in Coverage B clarifies the intent of the coverage as supported by the general principle of insurance which requires fortuity for coverage to apply.
- We have replaced the current "willful violation of a penal statute" exclusion with a broader "criminal acts" exclusion.
- The change from the undefined term "advertising activities" to a defined term "advertisement" is intended to strengthen the necessary causal connection between the covered offense and the insured's advertisement.

- CG 00 01 07 98 Commercial General Liability Coverage Form (Occurrence Version)
- CG 00 02 07 98 Commercial General Liability Coverage Form (Claims-Made Version)

# Introduction Of Coverage For Damage To Premises Rented To You

#### Introduction

We are providing additional coverage for damage to premises rented or loaned to the named insured on a short-term basis.

#### Background

Currently, coverage for property damage to:

- property the named insured owns, rents or occupies;
- property which is loaned to the named insured; or
- personal property in the care, custody or control of the insured

is excluded under exclusion j. of the Commercial General Liability (CGL) policy. However, an exception to the Exclusions contained in Section I - Coverages, Coverage A - Bodily Injury and Property Damage Liability provides coverage for damage by fire to premises as follows:

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Limits Of Insurance (Section III).

As noted, a limit of insurance is provided for this coverage in Section III - Limits of Insurance as follows:

6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.

# **Explanation of Changes**

We are adding an exception to exclusion j., Damage To Property to provide additional coverage for damage to premises rented to the named insured on a short-term basis. This change is being made to respond to the requests of various insurers and agents associations who have expressed concern to ISO that forms for coverage of legal liability for damage to premises rented to the named insured on a short-term basis, other than Fire Damage Legal Liability, are not currently provided.

In order to respond to this coverage need, ISO has revised the Damage to Property Exclusion in Paragraph 2.. Exclusions contained in Section I - Coverages, Coverage A - Bodily Injury and Property Damage Liability by adding an exception to indicate that the exclusion does not apply to damage to premises rented to the named insured on a short-term basis as follows:

#### j. Damage to Property

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits of Insurance.

The Limits of Insurance Section is also being revised so that (1) the current Fire Damage Limit will also apply to the new coverage for other damage to premises rented to, or temporarily occupied by, the Named Insured and (2) to revise the title of this limit.

6. Subject to 5. above, the Fire Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

The Other Insurance Condition is also being revised to amend the Excess Insurance provision so that the insurance provided under the CGL will be excess over any other insurance bought specifically to cover the named insured's liability as a tenant. (The following language is the CGL Occurrence version of the Other

Insurance Condition. Similar changes will be made to the CGL Claims-made version).

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

#### b. Excess Insurance

This insurance is excess over:

- (1) Aany of the other insurance, whether primary, excess, contingent or on any other basis:
  - (a)(1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (b)(2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; er
    - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (d)(3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of <u>Section I</u> — Coverage A — Bodily Injury And Property Damage Liability (Section I).

# **Impact**

#### Coverage

This is a broadening of coverage.

#### Rating

Loss costs are not being revised at this time to reflect this revision since it is being implemented in conjunction with other broadenings and reductions in coverage in this filing. This broadening will eventually be reflected in future loss costs.

- CG 00 01 07 98 Commercial General Liability Coverage Form (Occurrence Version)
- CG 00 02 07 98 Commercial General Liability Coverage Form (Claims-Made Version)



# Editorial Changes To Supplementary Payments Provision In Various Policies

#### Introduction

The Supplementary Payments provision of the Commercial General Liability.

Owners and Contractors Protective Liability and Products/Completed Operations

Liability Coverage Forms is being reformatted for easier readability.

#### Background

Currently, two separate provisions are included in Supplementary Payments. The first deals with those expenses that will be paid by the insurer for any claim it investigates or settles or any suit against an insured it defends. The second deals with the defense obligation to, and payment of the defense expenses of, an insured's indemnitee under certain conditions.

# **Explanation of Changes**

In order to have consistency of numbering and lettering within the Supplementary Payments provision, we are separately labeling (and including appropriate lettering/numbering for) each of the two Supplementary Payments provisions described in the Background block above.

#### Impact

There is no impact on coverage.

- CG 00 01 07 98 Commercial General Liability Coverage Form (Occurrence Version)
- CG 00 02 07 98 Commercial General Liability Coverage Form (Claims-Made Version)
- CG (ii) (i)9 (i)7 98 Owners and Contractors Protective Liability Coverage Form
- CG 00 37 07 98 Products/Completed Operations Liability Coverage Form (Occurrence Version)
- CG (0) 38 07 98 Products/Completed Operations Liability Coverage Form (Claims-Made Version)





# **Amendment Of Other Insurance Condition**

#### Introduction

This module describes an amendment that is being made to the Commercial General Liability policy with respect to excess insurance.

#### Background

In previously approved 1996 multistate filing GL-96-O96ME, we introduced two mandatory amendatory endorsements:

- CG 00 55 Amendment of Other Insurance Condition (CGL Occurrence Version); and
- CG 00 56 Amendment of Other Insurance Condition (CGL Claims-Made Version)

which amend the Other Insurance Condition of the CGL policy. One is for use with CG 00 01 and the other is for use with CG 00 02. Each of these endorsements makes an insured's own CGL coverage excess insurance over the insurance provided by any other liability policy when that insured is covered by that other policy as an additional insured.

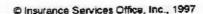
#### **Explanation of Changes**

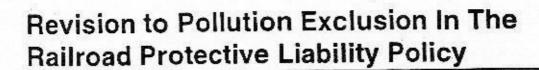
The amendment that these endorsements make to their respective CGL policies is now being incorporated directly into the policies. We have amended both policies by revising paragraph 4.b. of the Other Insurance Condition of Section IV - Commercial General Liability Conditions to add the following paragraph under b. with respect to Excess Insurance:

(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

We have also reformatted paragraph 4.b. for improved readability.

In addition, since we are adding the text of these endorsements directly into the coverage forms, we have withdrawn endorsements CG 00 55 and CG 00 56 from use.





#### Introduction

We are revising the pollution exclusion contained in the Railroad Protective Liability Coverage Form to track changes made to the pollution exclusion in the Commercial General Liability Coverage Form, to clarify coverage intent and to improve readability.

#### Background

Currently, the pollution exclusion in Section 1 - Coverages - Coverage A - Bodily Injury and Property Damage Liability in the Railroad Protective Liability Coverage Form reads as follows:

This insurance does not apply to:

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at or from the "job location":

- (1) Due to the past or present use of the "job location" by you or for you or others for the handling, storage, disposal, processing or treatment of waste; or
- (2) Due to the dumping or disposal of waste on the "job location" by the "contractor" with the knowledge of you or any of "your designated employees"; or
- (3) On which you or "contractors" working directly or indirectly on any insured's behalf are performing operations:
  - (a) If the pollutants are brought on or to the "job location" in connection with such operations by such insured, contractor or subcontractor; or
  - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraph 3.(a) does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the "job location" with the intent to be discharged. dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

Subparagraph (3)(a) does not apply to "bodily injury" or "property damage" arising out of heat, smoke or furnes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

#### **Explanation of Changes**

#### Change #1

Several changes are being made to the pollution exclusion to improve readability. These changes are described below:

- The definitions of "pollutants" and "hostile fire," which are contained within the current exclusion, are being moved to the DEFINITIONS Section. The definitions of "hostile fire" and "pollutants" remain unchanged. These terms will now be in quotation marks wherever they are used in the exclusion to indicate that they are now defined terms.
- The numbering and lettering in certain areas of the pollution exclusion are being revised.
- Exceptions to specific subparagraphs of the exclusion are now built into the subparagraphs they modify rather that being placed at the end of the whole paragraph.

#### Change #2

New subparagraph (3), which replaces current subparagraph (3), excludes coverage for:

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at or from the "job location":

- (3) On which you or "contractors" working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the "job location" in connection with such operations by you such insured, the "contractor" or "your designated employee" subcontractor. However, this subparagraph does not apply to:
  - (a) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the "job location" with the intent that they to be discharged, dispersed or released as part of the operations being performed by you, such insured, the "contractor" or "your designated employee"; you, such insured, **cubcontractor**
  - (b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire."

#### (Excerpt of CG 00 35 Pollution Exclusion)

As compared to current subparagraph (3)(a), new paragraph (3) has been made easier to read by placing the exceptions for operating fluids from mobile equipment and for heat, smoke or fumes from a hostile fire closer to the paragraph which they affect, as shown in subparagraphs (3)(a) and (b). In addition, the underlining above shows both the new language and the relocation of the current language into paragraph (3).

As a result of this change, current paragraph (3)(b) has been renumbered as paragraph (4).

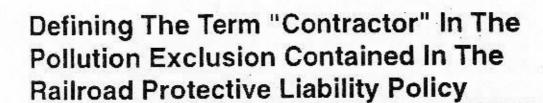
In addition, we have amended new subparagraphs (3) and (3)(a) to replace the reference to "such insured" with "you", to designate the term "contractor" as a defined term and to replace the term "subcontractor" with "your designated employee". These changes make these subparagraphs consistent with other provisions in the pollution exclusion.

# Impact

There is no impact on coverage as these changes have been made to improve readability.

#### **Revised Form**

CG 00 35 07 98 Railroad Protective Liability Coverage Form



#### Introduction

The Railroad Protective Liability Coverage Form contains a Pollution Exclusion which excludes coverage for bodily injury or property damage arising out of the discharge, etc. of pollutants at a job location on which the named insured or contractors are performing operations. In addition, there is an exception to the pollution exclusion which provides that the exclusion does not apply to losses arising out of the escape of fuels, lubricants or other operating fluids resulting from the normal functioning of mobile equipment, provided the pollutants escape from the mobile equipment part designed by its manufacturer to hold such pollutants.

#### Background

In paragraph f.(3)(a), as well as in the exception to paragraph f.(3)(a), in the Railroad Protective Liability Coverage Form, the word "contractor" is not shown as a defined term.

#### **Explanation of Changes**

We are indicating that "contractor" is a defined term in paragraph f.(3)(a) as well as in the exception to paragraph f.(3)(a).

#### **Impact**

There is no impact on coverage.

#### Revised Form

CG (X) 35 (77 98 Railroad Protective Liability Coverage Form

# Introduction Of Definitions Of "Auto" And "Mobile Equipment" In Railroad Protective Liability Policy

#### Introduction

Currently, there is no definition of either "mobile equipment" or "auto" contained in the DEFINITIONS Section of the Railroad Protective Liability Coverage Form.

#### Background

In previously approved filing GL-95-O95FO\*, we amended the Pollution Exclusion in the various ISO General Liability policies (including the Railroad Protective Liability Policy) to add an exception to paragraph f.(3)(a) so that the exclusion does not apply to losses arising out of the escape of fuels, lubricants or other operating fluids resulting from the normal functioning of mobile equipment, provided the pollutants escape from the mobile equipment part designed by its manufacturer to hold such pollutants. However, we inadvertently did not include a definition of "mobile equipment" or "auto" in the Railroad Protective Liability Coverage Form at the time we made this change to the Pollution Exclusion.

(\*In AK, CT, HI, KY, MT, NC, ND, OH, OR, PR, SC, TN, UT, WA and WV, the previously approved filing referred to above was GL-95-O95FC).

#### **Explanation of Changes**

In order to provide consistency within the various ISO General Liability Coverage Forms, we are including a definition of both "mobile equipment" and "auto" in the Railroad Protective Liability Coverage Form. The definitions of "mobile equipment" and "auto" being included are identical to the definitions contained in the other ISO General Liability Coverage Forms.

#### As a result:

- quotations have been added wherever the terms "auto" and "mobile equipment" are referenced; and
- the Definitions section has been renumbered to reflect the addition of these two newly defined terms.

#### Impact

There is no impact on coverage.

# **Revised Form**

CG (X) 35 07 98 Railroad Protective Liability Coverage Form

# Revision To Pollution Liability Policies Exclusion and Underground Storage Tank Policy Exclusion

#### Introduction

CG (0) 39 Pollution Liability Coverage Form, CG (0) 40 Pollution Liability Limited Coverage Form and CG (0) 42 Underground Storage Tank Policy all contain a Failure to Comply With Environmental Laws Exclusion which excludes coverage for bodily injury or property damage arising out of a pollution incident (for the Pollution policies) or arising out of an underground storage tank incident (for the UST policy) which results from a failure by the insured, the named insured or any of the named insured's members, partners or executive officers to comply with any applicable statute, regulation, ordinance, directive or order.

#### Background

In previously approved filing GL-95-O95FO\* (for the Pollution policies) and in previously approved filing GL-95-O95ST\*\* (for the UST policy), we amended the WHO IS AN INSURED provision of the various ISO General Liability policies to provide coverage for members and managers of a limited liability company in a manner consistent with that provided for members of a partnership and executive officers of a corporation.

(\*In AK, CT, HI, KY, MT, NC, ND, OH, OR, PR, SC, TN, UT, WA and WV, the previously approved filing referred to above was GL-95-O95FC).

(\*\*In DC, IL, LA, MI, MT, NY, SD, WA and WY, the previously approved filing referred to above was GL-94-O94US Amendment).

#### **Explanation of Changes**

Since the Failure to Comply with Environmental Laws exclusion described above contains a reference to both members, partners and executive officers, we believe that a reference to managers of limited liability companies should also be included.

#### Impact

Managers of limited liability companies will be excluded for bodily injury or property damage arising out of a pollution incident (for the Pollution policies) or arising out of an underground storage tank incident (for the UST policy) which

results from that manager's failure to comply with any applicable statute, regulation, ordinance, directive or order.

- CG (0) 39 07 98 Pollution Liability Coverage Form
- CG 00 40 07 98 Pollution Liability Limited Coverage Form
- CG (X) 42 ()7 98 Underground Storage Tank Policy



# Revision To "Products-Completed Operations Hazard" Definition In Pollution Liability Policies

#### Introduction

CG (X) 39 Pollution Liability Coverage Form and CG 00 40 Pollution Liability Limited Coverage Form both contain a "products-completed operations hazard" definition which is used in conjunction with the Products-Completed Operations Hazard exclusion contained in both policies.

#### Background

In previously approved filing GL-95-O95FO\*, we amended the "products-completed operations hazard" definition in the CGL and Products policies to improve its readability and to more clearly express that the transportation of property exception to the definition does not cover a loss if the insured is in the business of providing transportation of property to others, since the transportation of property by the insured in connection with its work performed for itself or for others is part of the insured's ongoing operations.

(\*In AK, CT, HI, KY, MT, NC, ND, OH, OR, PR, SC, TN, UT, WA and WV, the previously approved filing referred to above was GL-95-O95FC).

#### **Explanation of Changes**

We are amending the "products-completed operations hazard" definition contained in the Pollution policies to track the above mentioned changes made to the CGL and Products policies.

#### **Impact**

The "products-completed operations hazard" definition has been editorially revised and reformatted in order to improve its readability.

- CG (X) 39 07 98 Pollution Liability Coverage Form
- CG (x) 40 07 98 Pollution Liability Limited Coverage Form



# Introduction of "Pollutants" Definition In Pollution Liability Policies

#### Introduction

CG (ii) 39 Pollution Liability Coverage Form and CG (iii) 40 Pollution Liability Limited Coverage Form both contain reference to the term "pollutants" in the Clean-Up Costs exclusion (for CG 00 39) and the Statutory or Governmental Assertions and Clean-Up Costs exclusion (for CG (iii) 40) and in the definitions of "clean-up costs" (for CG 00 39), "environmental damage" (for both policies) and "pollution incident" (for both policies).

#### Background

In the Revision to Pollution Exclusion module contained in Section I - Policy Changes of this filing, we revised the Commercial General Liability (CGL) policy to place the term "pollutants" in quotation marks to indicate that it is being made a defined term and the definition is being moved from the pollution exclusion to the Definitions Section of the policy.

#### **Explanation of Changes**

CG (x) 39 and CG (x) 40 are being revised to provide for consistency with the changes made to the CGL policy by indicating that "pollutants" is a defined term and by moving the definition from its current position within the definition of "pollution incident".

#### Impact

There is no impact on coverage.

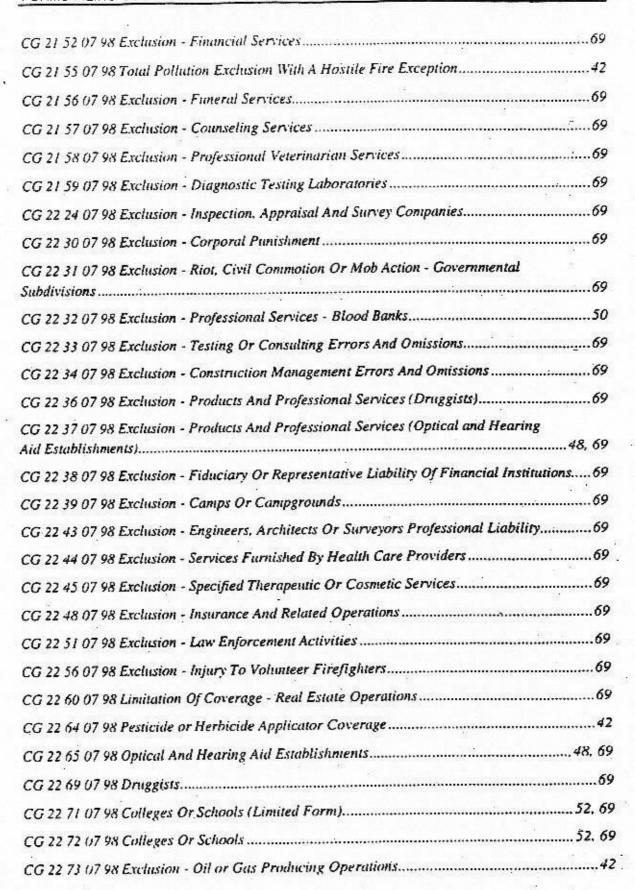
- ◆ CG (X) 39 ()7 98 Pollution Liability Coverage Form
- CG 00 40 07 98 Pollution Liability Limited Coverage Form

# Section II - Multistate Endorsement Changes

This section revises the various multistate endorsements to incorporate the various revisions discussed in Section I - Policy Changes.

Descriptions of the various individual changes being made to each endorsement can be found beginning on the following pages:

beginning on the following pages:
CG 04 28 07 98 Pollution Exclusion - Named Peril Limited Exception For A Short-Term Pollution Event
CG 04 29 07 98 Pollution Exclusion - Limited Exception For A Short-Term Pollution Event 42
CG 04 30 07 98 Pollution Exclusion - Limited Exception For Designated Pollutant(s)42
CG 20 07 07 98 Additional Insured - Engineers, Architects, Or Surveyors
CG 20 12 07 98 Additional Insured - State Or Political Subdivisions - Permits69
CG 20 21 07 98 Additional Insured - Volunteer Workers69
CG 20 22 07 98 Additional Insured - Church Members, Officers And Volunteer Workers69
CG 20 32 07 98 Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured
CG 20 33 07 98 Additional Insured - Owners, Lessees Or Contractors - Automatic Status When Required In Construction Agreement With You
CG 21 00 07 98 Exclusion - All Hazards In Connection With Designated Premises
CG 21 16 07 98 Exclusion - Designated Professional Services
CG 21 17 07 98 Exclusion - Movement Of Buildings Or Structure
CG 21 40 01 96 Coverage B - Personal Injury Liability Only (Advertising Injury Liability Not Included) (Occurrence Version)
CG 21 44 07 98 Limitation Of Coverage To Designated Premises Or Project
CG 21 45 07 98 Exclusion - Damage To Premises Rented To You
CG 21 46 07 98 Abuse Or Molestation Exclusion
CG 21 47 07 98 Employment-Related Practices Exclusion
CG 21 48 01 96 Coverage B - Personal Injury Liability Only (Advertising Injury Liability Not Included) (Claims-Made Version)
CG 21 49 07 98 Total Pollution Exclusion Endorsement 4





CG 22 74 07 98 Limited Contractual Liability Coverage For Personal And Advertising
Injury69
CG 22 75 07 98 Professional Liability Exclusion - Computer Software
CG 22 76 07 98 Professional Liability Exclusion - Health Or Exercise Clubs69
CG 22 77 07 98 Professional Liability Exclusion - Electronic Data Processing
CG 22 78 07 98 Hazardous Material Contractors
CG 22 79 07 98 Exclusion - Contractors - Professional Liability
CG 22 80 07 98 Limited Exclusion - Contractors - Professional Liability
CG 22 87 07 98 Exclusion - Adult Day Care Centers
CG 22 88 07 98 Professional Liability Exclusion - Electronic Date Processing Exclusion and Computer Consulting Or Programming Services
CG 22 89 07 98 Exclusion - Property Damage To Electronic Data (Computer Software  Manufacturer)
CG 22 90 07 98 Professional Liability Exclusion - Spas Or Personal Enhancement Facilities69
CG 22 91 07 98 Exclusion - Telecommunication Equipment Or Service Providers Errors And
Omissions 69
CG 22 93 07 98 Lawn Care Services Coverage
CG 24 09 07 98 Governmental Subdivisions57
CG 24 10 07 98 Excess Provision - Vendors
CG 24 11 07 98 Fiduciaries - Fiduciary Interest69
CG 24 15 07 98 Limited Pollution Liability Extension Endorsement
CG 25 01 07 98 Amendment of Limits of Insurance (Designated Project or Premises)59
CG 25 02 07 98 Amendment of Limits of Insurance
CG 25 11 07 98 Amendment of Limits of Insurance (Designated Project or Premises)
CG 27 10 07 98 Supplemental Extended Reporting Period Endorsement
CG 27 11 07 98 Supplemental Extended Reporting Period Endorsement For Specific Accidents.  Products, Work Or Locations
CG 28 05 07 98 Personal Injury Liability
CG 28 07 07 98 Principals Protective Liability Coverage
CG 28 31.07 98 Pollution Exclusion Amendment Endorsement
To view these endorsements, please refer to Section III - Attachment of Forms for a complete copy of each form.

1

# Changes To Various General Liability Endorsements - Pollution Exclusion

#### Introduction

We are making changes to various General Liability endorsements to reflect the changes made in Revision To Pollution Exclusion module in Section 1 - Policy Changes of this filing.

#### Background

Several changes are being made to the pollution exclusion in the General Liability Coverage Forms to improve readability and to clarify coverage. These changes are as follows:

- The definitions of "pollutants" and "hostile fire," which are contained within the current exclusion, are being moved to the Definitions Section. The = wording of the definitions of "pollutants" and "hostile fire" remain unchanged. These terms will now be in quotation marks wherever they are used in the exclusion to indicate that they are now defined terms.
  - As a result, the numbering of the Definitions Section in CG 00 01, CG 00 02 and CG 00 09 has been revised.
- The exclusion is clarified for certain third-party property damage with respect to clean-up costs;
- The numbering and lettering in certain areas of the pollution exclusion are being revised.
- Exceptions to specific subparagraphs of the paragraph f.1. exclusion are now built into the subparagraphs they modify rather than being placed at the end of paragraph f.1.

#### **Explanation of Changes**

As a result of these changes to the General Liability Coverage Forms, we are revising various General Liability multistate endorsements, listed below, for consistency.

In addition, we further revised CG 04 28 and CG 04 29 to move the exceptions for a short term pollution event as subparagraph (iv) to paragraphs f.(1)(a) and (d) in order to provide for consistency with the change in format of the pollution exclusion. The definition of "underground storage tank" in CG 04 28 has also been revised for consistency with CG 04 29.



- CG ()4 28 4)7 98 Pollution Exclusion Named Peril Limited Exception For A Short-Term Pollution Event
- CG 04 29 07 98 Pollution Exclusion Limited Exception For A Short-Term Pollution Event
- CG ()4 30 07 98 Pollution Exclusion Limited Exception For Designated Pollutant(s)
- CG 21 49 07 98 Total Pollution Exclusion Endorsement
- CG 21 55 07 98 Total Pollution Exclusion With A Hostile Fire Exception
- CG 22 64 07 98 Pesticide or Herbicide Applicator Coverage
- CG 22 73 07 98 Exclusion Oil or Gas Producing Operations
- CG 22 78 07 98 Hazardous Material Contractors
- CG 24 15 07 98 Limited Pollution Liability Extension Endorsement







#### Introduction

We are withdrawing endorsements:

- CG 21 40, Coverage B Personal Injury Liability Only (Advertising Injury Liability Not Included) (Occurrence Version); and
- CG 21 48, Coverage B Personal Injury Liability Only (Advertising Injury Liability Not Included) (Claims-Made Version).

#### Background

Current endorsements CG 21 40 and CG 21 48 exclude "advertising injury" — coverage by replacing the Insuring Agreement and Exclusions for Coverage B and deleting the references to the definition of "advertising injury" so that only "personal injury" is included. Because the Insuring Agreement and Exclusions are replaced, two versions of this endorsement, occurrence and claims-made, are maintained, since the CGL's claims-made Insuring Agreement differs from the occurrence version.

#### **Explanation of Changes**

Because the "personal injury" and "advertising injury" definitions are being combined (as discussed in Section I of this filing), we are withdrawing these endorsements from the General Liability program. It is no longer necessary to create an endorsement splitting the coverages apart. An insured will either have "personal and advertising injury" coverage or can delete it all by attaching multistate endorsement CG 21 38. Exclusion - Personal and Advertising Injury to the CGL policy.

#### Impact

The vehicle to exclude only advertising offenses without excluding "personal injury" offenses is withdrawn from the General Liability program.

# Withdrawn Forms

- CG 21 40 01 96 Coverage B Personal Injury Liability Only (Advertising Injury Liability Not Included) (Occurrence Version)
- CG 21 48 01 96 Coverage B Personal Injury Liability Only (Advertising Injury Liability Not Included) (Claims-Made Version)



# Changes to CG 21 45 Exclusion - Damage To Premises Rented To You Endorsement

#### Introduction

We are revising endorsement CG 21 45, Exclusion - Fire Damage Legal Liability to reflect a change being made in the underlying Commercial General Liability (CGL) Policy.

#### Background

In the Damage To Premises Rented To You Coverage module contained in Section I - Policy Changes of this filing, we provided additional coverage for damage to premises rented or loaned to the named insured for a short-term basis.

Currently, endorsement CG 21 45, Exclusion - Fire Damage Legal Liability provides a way to completely exclude the Fire Damage Legal Liability coverage provided in the CGL. In order to make the wording of this form consistent with the wording of the additional coverage provided in the CGL, it is necessary to revise this endorsement.

# **Explanation of Changes**

#### We have:

- changed the title of the endorsement to Exclusion Damage To Premises
   Rented To You to reflect the title of the coverage provided in the underlying
   CGL policy;
- amended current paragraph 1. (newly lettered paragraph A.) of this endorsement to more specifically indicate the section of the policy being referred to;
- added new paragraph B. to indicate that the exception to the Damage To
  Property exclusion (which provides the coverage for damage to premises,
  including contents, rented or temporarily occupied by the named insured on a
  short-term basis) does not apply;
- revised current paragraph 2. (newly lettered paragraph C.) for better readability; and
- amended current paragraph 3. (newly lettered paragraph D.) to reflect the new title of the coverage.

# **Impact**

There is no impact on coverage.

# **Revised Form**

CG 21 45 07 98 Exclusion - Damage To Premises Rented To You



# Changes to Optical And Hearing Aid Establishments Endorsements CG 22 65 and CG 22 37

#### Introduction

We are revising endorsements CG 22 65, Optical and Hearing Aid Establishments, and CG 22 37, Exclusion - Products And Professional Services (Optical And Hearing Aid Establishments), to provide for consistency with PR 00 11 12 97, Optometrists Professional Liability Coverage Form, recently filed with Professional Liability Simplification (Filing Designation Number PR-96-096FR).

#### Background

Under the General Liability program, we:

- provide professional liability coverage for optical and hearing aid establishments via endorsement CG 22 65. This includes providing professional liability coverage to optometrists that are either employed by the optical stores, or that sell optical goods or products.
- exclude professional liability coverage for optical and hearing aid establishments via endorsement CG 22 37 if products liability coverage is not to be provided.

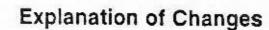
In multistate filing PR-96-096FR, we introduced a new simplified professional liability coverage form for optometrists risks. The Optometrists Professional Liability Coverage Form contains the following exclusion:

#### g. Products Liability

Injury arising out of:

- The production or reproduction of ophthalmic lenses and related products, including the mounting of such lenses into frames;
- (2) The fitting of ophthalmic lenses to the eyes; or
- (3) The preparing, selling, handling or distributing of optical goods or products in connection with your practice of optometry.

This exclusion was incorporated since coverage is provided under the Commercial General Liability policy in connection with the products liability coverage for the insured optometrists, if purchased.

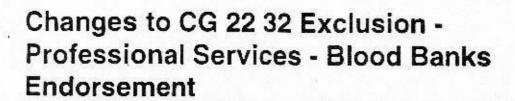


In order to provide for consistency with the PR 00 11 12 97, Optometrists Professional Liability Coverage Form, we are revising paragraph A. of endorsement CG 22 65 and paragraph 1. of endorsement CG 22 37 to more closely reflect the wording of the Products Liability exclusion exhibited in the Background block above. In addition, we have made minor clarifications to the language in both paragraphs A. and B. of CG 22 65 for better readability and consistency with the Optometrists Professional Liability Coverage Form.

#### Impact

There is no impact on coverage.

- CG 22 37 07 98 Exclusion Products And Professional Services (Optical And Hearing Aid Establishments)
- CG 22 65 07 98 Optical and Hearing Aid Establishments (For use with CGL policies)



#### Introduction

We are revising endorsement CG 22 32, Exclusion - Professional Services - Blood Banks to provide for consistency with PR 00 07 12 97, Blood Banks Professional Liability Coverage Form recently filed with Professional Liability Simplification (Filing Designation Number PR-96-096FR).

#### Background -

Under the General Liability program, we exclude professional liability exposures with respect to blood bank operations via endorsement CG 22 32.

In multistate filing PR-96-096FR, we introduced a new simplified professional liability coverage form for blood bank risks. Under the Blood Banks Professional Liability Coverage Form, coverage for injury arising out of a "medical incident" is defined as:

...any act or omission arising out of:

- The providing of or failure to provide professional health care services in connection with the making of a blood donation;
- b. The handling or distribution of any blood products; or
- Any representation or warranty made at any time with respect to any blood product.

# **Explanation of Changes**

This endorsement is revised to provide for consistency of wording with the coverage afforded under PR (X) 07-12-97, Blood Banks Professional Liability Coverage Form. The language of this exclusion endorsement more closely mirrors the language of the professional liability trigger of a "medical incident" as exhibited above.

#### Impact

There is no impact on coverage.

# **Revised Form**

 CG 22 32 07 98 Exclusion - Professional Services - Blood Banks (For use with CGL policies)

## Revision To College Or Schools Endorsements CG 22 71 and CG 22 72

#### Introduction

We are revising endorsements CG 22.71 and CG 22.72 to add an athletic or sports participants exclusion, which will apply under certain circumstances.

#### Background

According to the ISO Classification Table, either endorsement CG 22.71 — Colleges Or Schools (Limited Form) or endorsement CG 22.72 — Colleges Or Schools is required to be attached to a CGL policy insuring a school. These endorsements amend several provisions of the CGL policy to:

- · Exclude coverage for :
  - bodily injury or property damage arising out of the transportation of students to or from schools; and
  - liability arising out of the rendering or failure to render professional health care services, if the college or school owns or operates an infirmary with facilities for lodging and treatment; or a public clinic or hospital.
- Add as additional insureds:
  - the trustees or members of the Board of Governors, if the college or school is a private charitable or educational institution;
  - any board member or commissioners, if the college or school is a public board or commission; and
  - any student teachers teaching as part of their educational requirements.

Endorsement CG 22 71 also excludes medical payments to students.

Additionally, the classification footnotes for Schools indicate that if a school has a stadium, the stadium shall be separately classified and rated. In that case, a footnote under the applicable "Stadiums" classification requires the mandatory attachment of endorsement CG 21 01 -- Exclusion - Athletic Or Sports Participants to the policy. This endorsement excludes bodily injury to any person while practicing for or participating in any sports or athletic contest or exhibition sponsored by the named insured as shown in the endorsement schedule. However, the Stadiums footnote specifically indicates that when this classification is written in conjunction with a School classification, the Description of Operations in the endorsement schedule should clearly indicate that the designated operations are for

athletic or sports activities sponsored by the insured school or college other than the normal athletic or sports activities.

This exception is intended to distinguish between those sports or athletic activities that are normally conducted as part of a school's extra curricular activities and those sports or athletic activities that are sponsored by the school but may be-organized by other parties. In the latter case, liability arising out of the sponsored athletic or sporting event is intended to be excluded from the insured school's CGL policy, since the school typically has no, or minimal, management or supervision over these events and typically participants are not regularly enrolled in the insured school. Furthermore, the organizing party is usually responsible for carrying its own insurance for these events.

To more clearly express this coverage intent, we believe it would be more appropriate to address this exposure in class specific endorsements CG 22.71 and CG 22.72, rather than in a footnote under the Stadiums Classification. Therefore, we are revising these endorsements to add an athletic or sports participants exclusion consistent with the intent currently reflected in the Classification—footnote described above.

Additionally, corresponding changes to the classification footnotes for Schools and Stadiums are being made in companion rule filing GL-97-O97RU.

#### **Explanation of Changes**

We have added an athletic or sports participants exclusion in new paragraph B.2. of endorsements CG 22 71 and CG 22 72 to exclude:

"Bodily injury" to any person while practicing for or participating in any sports or athletic contest or exhibition if there is no direct management, organization or supervision of such sports or athletic contest by any insured.

Additionally, the numbering and lettering of the endorsements have been revised to accommodate this revision.

#### Impact

While the athletic or sports participants exclusion for college or school risks will apply regardless of whether the insured school has a stadium, its application will be restricted to situations in which the qualifications listed in the exclusion are met.

#### **Revised Forms**

CG 22 71 07 98 -- Colleges or Schools (Limited Form)

• CG 22 72 07 98 -- Colleges or Schools



# Changes To Exclusion - Property Damage To Electronic Data (Computer Software Manufacturer) Endorsement CG 22 89

#### Introduction

We are making changes to the Exclusion - Property Damage to Electronic Data (Computer Software Manufacturer) endorsement.

#### **Explanation of Changes**

We are adding additional language to CG 22 89 Exclusion - Property Damage To Electronic Data (Computer Software Manufacturer) endorsement to clarify the definition of "insured contract" with respect to the manufacturing or development of computer software programs.

#### **Impact**

There is no impact on coverage.

#### **Revised Form**

 CG 22 89 07 98 Exclusion - Property Damage To Electronic Data (Computer Software Manufacturer)



## Introduction Of Lawn Care Services Coverage Endorsement CG 22 93

#### Introduction

In the new class table filing CL-96-O96CT, we added a classification for "lawn care services." The footnote of the "lawn care services" classification includes coverage for incidental application of "over the counter" herbicides or pesticides on lawns under the insured's regular care. Since, the current pollution exclusion may preclude this coverage for "lawn care services" risks, we are introducing an endorsement to provide such coverage for those risks.

#### **Explanation of Changes**

We are introducing Form CG 22 93 07 98 Lawn Care Services Coverage to - provide an exception to the application of herbicides and pesticides:

- by an insured on lawns under the Named Insured's regular care; and
- for which the insured is not required to obtain a license or permit to apply.

#### Impact

With the attachment of this endorsement, coverage is broadened to provide limited pollution coverage for lawn care services risks.

#### New Form

CG 22 93 07 98 Lawn Care Services Coverage

## Revision To Governmental Subdivisions Endorsement CG 24 09

#### Introduction

Endorsement CG 24 09 amends the definition of "mobile equipment" contained in the Commercial General Liability Coverage Form.

#### Background

As described in various modules of Section I of this filing, we are renumbering the Definitions Section of the Commercial General Liability Coverage Form to include new definitions. The definition of "mobile equipment", which is currently labeled as definition 11., is now labeled as definition 12.

#### **Explanation of Changes**

Since Endorsement CG 24 09 amends the definition of "mobile equipment" and contains a reference to that definition as definition 11., we are newly labeling the reference to the definition of "mobile equipment" in this form as definition 12.

#### Impact

There is no impact on coverage.

#### **Revised Form**

CG 24 09 07 98 Governmental Subdivisions

## Revision Of CG 24 10 - Excess Provision - Vendors Endorsement

#### Introduction

We are revising endorsement CG 24 10 Excess Provision - Vendors to include the Commercial General Liability Coverage Part as an applicable line of business.

#### Background

In previously approved multistate forms filing GL-96-O96ME, we introduced endorsements CG 00 55 Amendment Of Other Insurance Condition (Occurrence Version) and CG 00 56 Amendment Of Other Insurance Condition (Claims-Made Version). These endorsements were created to amend the Other Insurance Condition of the CGL to make an insured's own CGL coverage excess insurance over the insurance provided by any other liability policy when that insured is covered by that other policy as an additional insured. Since CG 00 55 and CG 00 56 amend the Other Insurance Condition the CGL in a similar manner to that of CG 24 10, multistate forms filing GL-96-O96ME removed endorsement CG 24 10 from use with the Commercial General Liability Coverage Part. The endorsement continued to apply to the Products/Completed Operations Liability Coverage Part.

After further review of endorsements CG 00 55 and CG 00 56, we have decided to address "products" sold, handled or distributed as is referenced in endorsement CG 24 10. Therefore, we are revising endorsement CG 24 10 to again enable the attachment of it to a Commercial General Liability Coverage Part.

## **Explanation of Changes**

As a result, we are revising endorsement CG 24 10 to include the Commercial General Liability Coverage Part as an applicable line of business again. We have also added a lead-in sentence to explain for whom the coverage in endorsement CG 24 10 applies.

#### Impact

There is no impact on coverage.

#### **Revised Form**

CG 24 10 07 98 Excess Provision - Vendors



## Amendment of Limits of Insurance

#### Introduction

#### We are:

- revising endorsement CG 25 01, Amendment of Limits of Insurance (Designated Project or Premises) for consistency with changes made to the underlying Commercial General Liability (CGL) policy and to limit its application of the form to the CGL policy;
- revising endorsement CG 25 02, Amendment of Limits of Insurance for consistency with changes made to the underlying Commercial General Liability (CGL) policy; and
- introducing endorsement CG 25 11, Amendment of Limits of Insurance (Designated Project or Premises) for use with the Owners and Contractors Protective (OCP) Liability Policy in order to provide for consistency with changes made to the underlying Commercial General Liability (CGL) policy.

#### Background

In the Damage To Premises Rented To You Coverage module contained in Section I - Policy Changes of this filing, we provided additional coverage for damage to premises rented or loaned to the named insured for a short-term basis. We also re-titled the coverage to Damage To Premises Rented To You to reflect the expanded coverage.

#### Currently:

- endorsement CG 25 01 provides a way to amend both the CGL and the OCP policies to replace the limits shown in the Declarations of the policy with the limits designated in the Schedule of the endorsement for the project or premises designated in the endorsement. Since:
  - there is a reference to the Fire Damage Limit in the Schedule of this endorsement, it needs to be revised to reflect the revised title of this coverage for the CGL policy; and
  - all of the limits displayed in current endorsement CG 25 01 do not apply to the OCP policy, we are creating a separate version of this form for use only with the OCP policy.
- endorsement CG 25 02 provides a way to replace the limits shown in the Declarations of the policy with the limits designated in the Schedule of the endorsement. Since there is a reference to the Fire Damage Limit in the



Schedule of this endorsement, it needs to be revised to reflect the revised title of this coverage.

## **Explanation of Changes**

- In revised endorsement CG 25 01 (for use with the CGL), we have:
  - changed the reference from Fire Damage coverage to Damage To
     Premises Rented To You coverage, as well as changed the limit reference
     from any one fire limit to any one premises limit; and
  - deleted the reference to the Owners and Contractors Protective (OCP) Liability Coverage Part from the heading of the form. Since all of the limits displayed do not apply to the OCP policy, we are creating a separate version of this form for use only with the OCP policy.
- In revised endorsement CG 25 02 (for use with the CGL), we have changed
  the reference from Fire Damage coverage to Damage To Premises Rented To
  You coverage, as well as changed the limit reference from any one fire limit to
  any one premises limit.
- In newly created endorsement CG 25 11 (for use with the OCP), we have provided a way to replace the limits shown in the Declarations of the OCP policy with the limits designated in the Schedule of the endorsement for the project or premises designated in the endorsement.

#### **Impact**

There is no impact on coverage.

#### **Revised Forms**

- CG 25 01 07 98 Amendment of Limits of Insurance (Designated Project or Premises) (for use with the CGL)
- CG 25 02 07 98 Amendment of Limits of Insurance (for use with the CGL)

#### **New Form**

 CG 25 11 07 98 Amendment of Limits of Insurance (Designated Project or Premises)



## Revision of Supplemental Extended Reporting Period Endorsements

#### Introduction

The purpose of this module is to revise the titles of the Supplemental Extended Reporting Period Endorsements for editorial purposes.

#### Background

In 1996 multistate filing GL-96-O96ME, we introduced two mandatory amendatory endorsements:

- CG 00 55 Amendment of Other Insurance Condition (CGL Occurrence); and
- CG 00 56 Amendment of Other Insurance Condition (CGL Claims-Made)

which amend the Other Insurance Condition of the CGL policy with respect to excess insurance. In a separate module of this current multistate filing, we have built the text of these endorsements directly into the various coverage forms and have withdrawn the endorsements.

The following endorsements:

- CG 27 10 Supplemental Extended Reporting Period Endorsement With Amendment Of Other Insurance Condition; and
- CG 27 11 Supplemental Extended Reporting Period Endorsement For Specific Accidents, Products, Work Or Locations With Amendment Of Other Insurance Condition

reference "Amendment of Other Insurance Condition" in their titles, since, in the 1996 filing GL-96-O96ME, the language regarding excess insurance from endorsements CG 00 55 and CG 00 56 had also been included in CG 27 10 and CG 27 11. Since this language has been built into the various coverage forms and CG 00 55 and CG 00 56 have been withdrawn, the Other Insurance language in the endorsement is no longer different from that of the CGL form, other than the language related to the Supplementary Extended Reporting Period. Therefore, this title needs to be revised to remove the "Amendment of Other Insurance Condition" reference.

## **Explanation of Changes**

We have amended these endorsements by removing the words "Amendment of Other Insurance Condition" from the title of each form. We have also amended these endorsements to incorporate the change made to the underlying policies in Section I. This change makes the insurance provided under the CGL excess over any other insurance bought specifically to cover the named insured's liability as a tenant.

#### **Revised Forms**

- ♦ CG 27 10 07 98 Supplemental Extended Reporting Period Endorsement
- CG 27 11 07 98 Supplemental Extended Reporting Period Endorsement For Specific Accidents, Products, Work Or Locations



## Changes to Personal Injury Liability Endorsement CG 28 05 (For OCP Policy)

#### Introduction

Multistate endorsement CG 28 05, Personal Injury Liability (for use with the Owners and Contractors Protective Liability Coverage Form) is being revised to reflect the changes to Coverage B, Personal And Advertising Injury Liability in the Commercial General Liability Coverage Form.

#### Background

By attaching multistate endorsement CG 28 05 to an OCP policy, the insured receives Personal Injury Liability coverage on a limited basis. "Personal injury" is limited to an offense arising out of false arrest, detention or imprisonment.

Since we are revising Coverage B, Personal and Advertising Injury Liability in the Commercial General Liability Coverage Form, we have revised this endorsement to provide for consistency with the CGL policy.

## **Explanation of Changes**

We have revised this endorsement to:

- Identify Bodily Injury and Property Damage Liability as Coverage A and Personal Injury Liability as Coverage B.
- Add an exclusion to Coverage A with respect to "personal injury" (for consistency with the changes made to the CGL policy).
- Add a new exclusion pertaining to "personal injury" "caused by...with the knowledge that the act would violate another's rights and inflict 'personal injury'." This exclusion was also recently added to the CGL policy.
- Delete the exclusion pertaining to "personal injury" "...done by or at the
  direction of the insured with knowledge of its falsity." In the CGL policy, this
  exclusion only applied to "oral or written publication of material." Since there
  is no coverage for this type of offense in CG 28 05, the exclusion is no longer
  necessary.
- Delete the exclusion pertaining to a "willful violation of a penal statute or ordinance committed...by the insured." This is consistent with the changes made in the CGL policy. In this exclusion's place, we have added a Criminal Acts exclusion.

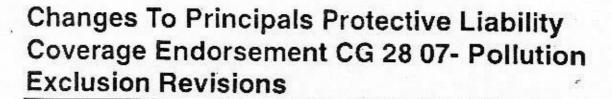
 Revise the "personal injury" definition to add "including consequential bodily injury" instead of the phrase "other than bodily injury". This is consistent with the changes made in the CGL policy.

#### Impact

We consider this to be a clarification of coverage. Because it supports the fortuity requirement in insurance, the intentional injury exclusion in particular is not considered a reduction in coverage.

#### **Revised Form**

CG 28 05 07 98 Personal Injury Liability



#### Introduction

We are making changes to the Principals Protective Liability Coverage endorsement to reflect the changes made to the pollution exclusion in the Owners, and Contractors Protective Liability Coverage Form.

#### Background

Several changes are being made to the pollution exclusion in the Owners and Contractors Protective Liability Coverage Form to improve readability. These changes are as follows:

The definitions of "pollutants" and "hostile fire," which are contained within the current exclusion, are being moved to the Definitions Section. The wording of the definitions of "pollutants" and "hostile fire" remain unchanged. These terms will now be in quotation marks wherever they are used in the exclusion to indicate that they are now defined terms.

As a result, the numbering of the Definitions Section in CG 00 09 has been revised.

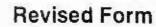
- The numbering and lettering in certain areas of the pollution exclusion are being revised.
- Exceptions to specific subparagraphs of the exclusion are now built into the subparagraphs they modify rather than being placed at the end of the whole paragraph.
- The endorsement is reformatted to improve readability.

#### **Explanation of Changes**

As a result of these changes to the Owners and Contractors Protective Liability Coverage Form, we are revising Principals Protective Liability Coverage endorsement for consistency.

#### Impact

There is no impact on coverage.



CG 28 07 07 98 Principals Protective Liability Coverage



## Pollution Exclusion Amendment Endorsement (Railroad)

#### Introduction

We are revising endorsement CG 28 31, Pollution Exclusion Amendment (for use with the Railroad Protective Liability Coverage Part).

#### Background

Currently, paragraph B.4. of rule 49. Railroad Protective Liability indicates that endorsement CG 28 31 can be used with a Railroad Protective Liability Coverage Form to modify the pollution exclusion in the Coverage Form when the insured railroad is not a contracting party with the contractor designated in the Declarations of the Coverage Form. When endorsement CG 28 31 is attached to a Railroad Protective Liability Coverage Form, it amends the pollution exclusion to provide broader coverage for certain pollution situations (i.e., for discharges, dispersals, etc. of fuels or lubricants for equipment used at the job location) than coverage available through the exceptions to the pollution exclusion in the Coverage Form.

- In the Revision to Pollution Exclusion module contained in Section I Policy Changes of this filing, we revised the pollution exclusion in the Commercial General Liability (CGL) policy to place the terms "hostile fire" and "pollutants" in quotation marks to indicate that they are being made defined terms and being moved to the Definitions Section of the policy.
- In the Revision to Pollution Exclusion In The Railroad Protective Liability Policy module contained in Section I - Policy Changes of this filing, new subparagraphs (3) and (3)(a) of the pollution exclusion in the Railroad Policy were revised to make these subparagraphs consistent with other provisions in the pollution exclusion.

### **Explanation of Changes**

This endorsement is revised to provide for consistency with the changes made to the pollution exclusion in the Railroad policy by:

- indicating that "pollutants" is a defined term: and
- replacing the reference to "such insured" with "you", to designate the term
  "contractor" as a defined term, to delete the term "subcontractor" (because it is
  part of the definition of "contractor") and to add the term "your designated
  employee".

#### Impact

There is no impact on coverage.

#### **Revised Form**

CG 28 31 07 98 Pollution Exclusion Amendment Endorsement



## Editorial Changes To Various General Liability Endorsements – Combined Personal and Advertising Injury Definition

#### Introduction

We are making minor editorial changes to various General Liability endorsements to reflect the combined definition of "personal and advertising injury".

## **Explanation of Changes**

Wherever the definitions "personal injury" and/or "advertising injury" are referenced, we have revised the endorsement to read: "personal and advertising injury".

We also made minor editorial revisions to:

- increase uniformity of style and wording;
- Schedules which have been encased in borders; and
- various paragraphs for better readability.

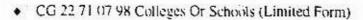
#### Impact

There is no impact on coverage; however, in some endorsements, where only "personal injury" was referenced, the definition now includes "advertising injury".

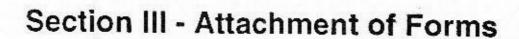
#### **Revised Forms**

- CG 20 07 07 98 Additional Insured Engineers, Architects, Or Surveyors
- CG 20 12 07 98 Additional Insured State Or Political Subdivisions Permits
- CG 20 21 07 98 Additional Insured Volunteer Workers
- CG 20 22 07 98 Additional Insured Church Members, Officers And Volunteer Workers
- CG 20 32 07 98 Additional Insured Engineers, Architects Or Surveyors Not Engaged By The Named Insured
- CG 20 33 07 98 Additional Insured Owners, Lessees Or Contractors -Automatic Status When Required In Construction Agreement With You
- CG 21 00 07 98 Exclusion All Hazards In Connection With Designated Premises

- CG 21 16 07 98 Exclusion Designated Professional Services
- CG 21 17 07 98 Exclusion Movement Of Buildings Or Structures
- CG 21 44 07 98 Limitation Of Coverage To Designated Premises Or Project
- CG 21 46 07 98 Abuse Or Molestation Exclusion
- CG 21 47 07 98 Employment-Related Practices Exclusion
- CG 21 52 07 98 Exclusion Financial Services
- CG 21 56 07 98 Exclusion Funeral Services
- CG 21 57 07 98 Exclusion Counseling Services
- CG 21 58 07 98 Exclusion Professional Veterinarian Services
- CG 21 59 07 98 Exclusion Diagnostic Testing Laboratories
- CG 22 24 07 98 Exclusion Inspection, Appraisal And Survey Companies
- CG 22 30 07 98 Exclusion Corporal Punishment
- CG 22 31 07 98 Exclusion Riot, Civil Commotion Or Mob Action -Governmental Subdivisions
- CG 22 33 07 98 Exclusion Testing Or Consulting Errors And Omissions
- CG 22 34 07 98 Exclusion Construction Management Errors And Omissions
- CG 22 36 07 98 Exclusion Products And Professional Services (Druggists)
- CG 22 37 07 98 Exclusion Products And Professional Services (Optical and Hearing Aid Establishments)
- CG 22 38 07 98 Exclusion Fiduciary Or Representative Liability Of Financial Institutions
- CG 22 39 07 98 Exclusion Camps Or Campgrounds
- CG 22 43 07 98 Exclusion Engineers, Architects Or Surveyors Professional Liability
- CG 22 44 07 98 Exclusion Services Furnished By Health Care Providers
- CG 22 45 07 98 Exclusion Specified Therapeutic Or Cosmetic Services
- CG 22 48 07 98 Exclusion Insurance And Related Operations
- CG 22 51 07 98 Exclusion Law Enforcement Activities
- CG 22 56 07 98 Exclusion Injury To Volunteer Firefighters
- CG 22 60 07 98 Limitation Of Coverage Real Estate Operations
- CG 22 65 07 98 Optical And Hearing Aid Establishments
- CG 22 69 07 98 Druggists



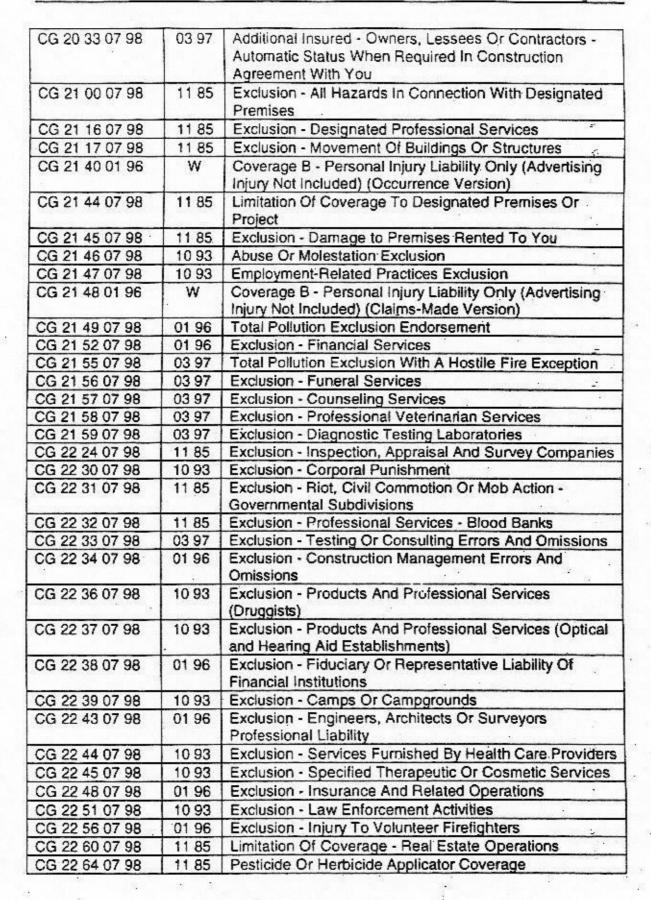
- CG 22 72 07 98 Colleges Or Schools
- CG 22 74 07 98 Limited Contractual Liability Coverage For Personal And Advertising Injury
- CG 22 75 07 98 Professional Liability Exclusion Computer Software 5
- CG 22 76 07 98 Professional Liability Exclusion Health Or Exercise Clubs
- CG 22 77 07 98 Professional Liability Exclusion Electronic Data Processing
- CG 22 79 07 98 Exclusion Contractors Professional Liability
- CG 22 80 07 98 Limited Exclusion Contractors Professional Liability
- CG 22 87 07 98 Exclusion Adult Day Care Centers
- CG 22 88 07 98 Professional Liability Exclusion Electronic Date Processing Exclusion and Computer Consulting Or Programming Services
- CG 22 90 07 98 Professional Liability Exclusion Spas Or Personal Enhancement Facilities
- CG 22 91 07 98 Exclusion Telecommunication Equipment Or Service Providers Errors And Omissions
- CG 24 11 07 98 Fiduciaries Fiduciary Interest



This section contains a complete copy of all new, revised and withdrawn forms and endorsements as listed below. All revised forms contain a standard format of striking through deletions and underlining new material.

Each coverage form and endorsement are attached as follows. The previous editions of all revised forms are indicated below or otherwise labeled as new or withdrawn.

Form Number	Prev. Ed.	Form Title
CG 00 01 07 98	01 96	Commercial General Liability Coverage Form (Occurrence Version)
CG 00 02 07 98	01 96	Commercial General Liability Coverage Form (Claims- Made Version)
CG 00 09 07 98	01 96	Owners and Contractors Protective Liability Coverage Form
CG 00 35 07 98	01 96	Railroad Protective Liability Coverage Form
CG 00 37 07 98	01 96	Products/Completed Operations Liability Coverage Forms (Occurrence Version)
CG 00 38 07 98	01 96	Products/Completed Operations Liability Coverage Forms (Claims-Made Version)
CG 00 39 07 98	01 96	Pollution Liability Coverage Form
CG 00 40 07 98	01 96	Pollution Liability Limited Coverage Form
CG 00 42 07 98	03 96	Underground Storage Tank Policy Designated Tanks
CG 00 54 03 97	W	Amendment Of Pollution Exclusion - Exception For Building Heating Equipment
CG 00 55 03 97	W	Amendment Of Other Insurance Condition (Occurrence Version)
CG 00 56 03 97	W	Amendment Of Other Insurance Condition (Claims-Made Version)
CG 04 28 07 98	09 97	Pollution Exclusion - Named Peril Limited Exception For A Short-Term Pollution Event
CG 04 29 07 98	09 97	Pollution Exclusion - Limited Exception For A Short-Term Pollution Event
CG 04 30 07 98	09 97	Pollution Exclusion - Limited Exception For Designated Pollutant(s)
CG 20 07 07 98	01 96	Additional Insured - Engineers, Architects, Or Surveyors
CG 20 12 07 98	11 85	Additional Insured - State Or Political Subdivisions - Permits
CG 20 21 07 98	01 96	Additional Insured - Volunteer Workers
CG 20 22 07 98	01 96	Additional Insured - Church Members, Officers And Volunteer Workers
CG 20 32 07 98	01 96	Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured



CG 22 65 07 98	01 96	Optical And Hearing Aid Establishments
CG 22 69 07 98	01 96	Druggists
CG 22 71 07 98	10 93	Colleges Or Schools (Limited Form)
CG 22 72 07 98	10 93	Colleges Or Schools
CG 22 73 07 98	10 93	Exclusion - Oil Or Gas Producing Operations
CG 22 74 07 98	03 97	Limited Contractual Liability Coverage For Personal And
¥		Advertising Injury
CG 22 75 07 98	10 93	Professional Liability Exclusion - Computer Software
CG 22 76 07 98	09 97	Professional Liability Exclusion - Health Or Exercise
		Clubs Or Commercially Operated Health Or Exercise
		Facilities
CG 22 77 07 98	09 97	Professional Liability Exclusion - Computer Data
		Processing
CG 22 78 07 98	01 87	Hazardous Material Conductors
CG 22 79 07 98	01 96	Exclusion - Contractors - Professional Liability
CG 22 80 07 98	01 96	Limited Exclusion - Contractors - Professional Liability
CG 22 87 07 98	09 97	Exclusion - Adult Day Care Centers
CG 22 88 07 98	. 09 97	Professional Liability Exclusion - Electronic Data
		Processing Exclusion and Computer Consulting Or
		Programming Services
CG 22 89 07 98	09 97	Exclusion - Property Damage To Electronic Data
00.00.00.07.00	00.07	(Computer Software Manufacturer)
CG 22 90 07 98	09 97	Professional Liability Exclusion - Spas Or Personal
CG 22 91 07 98	00.07	Enhancement Facilities
CG 22 91 07 98	09 97	Exclusion - Telecommunication Equipment Or Service
CG 22 93 07 98	N	Providers Errors And Ornissions
CG 24 09 07 98	01 96	Lawn Care Services Coverage
CG 24 10 07 98	03 97	Governmental Subdivisions
CG 24 11 07 98	01 96	Excess Provision - Vendors
CG 24 15 07 98	01 96	Fiduciaries - Fiduciary Interest
CG 25 01 07 98	11 85	Limited Pollution Liability Extension Endorsement
00 20 01 07 96	11.03	Amendment of Limits of Insurance (Designated Project or Premises)
CG 25 02 07 98	11 85	Amendment of Limits of Insurance
CG 25 11 07 98	N N	
00 23 11 07 96		Amendment of Limits of Insurance (Designated Project or Premises)
CG 27 10 07 98	03 97	Supplemental Extended Reporting Period Endorsement
CG 27 11 07 98	03 97	Supplemental Extended Reporting Period Endorsement
		For Specific Accidents, Products, Work Or Locations
CG 28 05 07 98	01 96	Personal Injury Liability
OG 28 07 07 98	01 96	Principals Protective Liability Coverage .
CG 28 31 07 98	10 93	Pollution Exclusion Amendment

RE:

Hameid vs. National Fire Insurance of Hartford

CASE NO.: The Supreme Court of California

#### PROOF OF SERVICE

I am employed in the County of Orange, State of California. I am over the age of eighteen (18) years and not a party to the within action; my business address is: Gauntlett & Associates, 18400 Von Karman Avenue, Suite 300, Irvine, CA 92612.

On July 23, 2002, I served the foregoing document described as: MOTION REQUESTING JUDICIAL NOTICE IN SUPPORT OF AMICUS CURIAE BRIEF OF UNITED POLICYHOLDERS ON THE MERITS IN SUPPORT OF PLAINTIFF /APPELLANT on the interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

Jon Kardassakis, Esq. Jeffrey D. Wolf, Esq. Hawkins, Schnabel, Lindahl & Beck 660 S. Figueroa Street, Suite 1500 Los Angeles, CA 90017

California Court of Appeal Fourth Appellate District, Division Three 925 N. Spurgeon St. Santa Ana, CA 92701-3700

Bernard F. Klein, Esq. Law Offices of Bernard F. Klein 31852 Apuesto Way Coto De Caza, CA 92679

- (BY UPS NEXT DAY AIR) I caused such package to be deposited with the UPS [X] Drop Box or UPS Air Service Center located at one of the following locations: 18400 Von Karman, Irvine, California 92612 or 2222 Michelson Drive, #240, Irvine, California, 92612.
- (STATE) I declare under penalty of perjury under the laws of the State of California [X] that the above is true and correct.

Executed on July 23, 2002, at Irvine, California.

Nancy Lev (Print Name)