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STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

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ADMINISTRATIVE LETTER 1985-10

**TO:** All Companies Licensed to Write Liability Other Than Automobile Insurance  
in Virginia

It has come to the attention of the Bureau of Insurance that some insurance companies may be attaching endorsements to policies which provide general liability coverage and by means of this endorsement are totally excluding all coverage for pollution liability, both for sudden and accidental as well as gradual pollution.

It is important that all companies be aware that the Bureau of Insurance has not approved any endorsement totally excluding sudden and accidental pollution liability and any company which attaches such an endorsement may subject themselves to action by the Bureau of Insurance for a violation of the Virginia Forms Filing Laws.

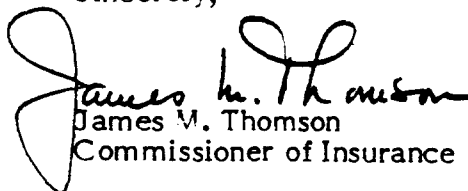
The Bureau of Insurance has permitted a pollution liability exclusion endorsement which is attached when the insured already has a separate pollution liability policy. Further, we have permitted exclusion of the cost of on-site cleanup which may be required by Federal or State Superfund Laws. In addition, we have also approved a total pollution exclusion as long as the company has filed a buy-back endorsement which it is obligated to write at the option of the insured. In addition, we have permitted the buy-back endorsement to be (a) rated.

The Bureau is currently analyzing the ISO CGL policy which has been filed to be effective 1/1/86 and will probably approve the basic CGL policy with the total pollution liability exclusions contained therein. However, any endorsements which have been filed by the ISO or any other companies to existing policies which totally exclude pollution liability except as mentioned above, have been disapproved and will continue to be disapproved until approval of the new ISO CGL form.

You are cautioned to advise all of your branch offices and producers in Virginia that no such exclusion should be attached to either inforce policies or policies issued or renewed in Virginia.

Any questions concerning this matter should be addressed to P. A. Synnott, Jr., CPCU, CLU, Deputy Commissioner, Market Regulation.

Sincerely,

  
James M. Thomson  
Commissioner of Insurance

JMT/kac