

**COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE**

AT RICHMOND, NOVEMBER 15, 2000  
ADMINISTRATIVE ORDER NO. 11409

COMMERCIAL AUTOMOBILE INSURANCE

ESTABLISHMENT OF STANDARD FORMS OF POLICIES, RIDERS, ENDORSEMENTS, AND OTHER SPECIAL OR SUPPLEMENTAL AGREEMENTS AND PROVISIONS FOR USE BY ALL INSURANCE COMPANIES IN INSURING (1) AGAINST LOSS OR DAMAGE RESULTING FROM ACCIDENT TO, OR INJURY SUFFERED BY, ANY PERSON, AND FOR WHICH THE PERSON INSURED IS LIABLE, (2) AGAINST LOSS BY LIABILITY FOR DAMAGE TO PROPERTY RESULTING FROM THE OWNERSHIP, MAINTENANCE OR USE OF ANY MOTOR VEHICLE, AND (3) AGAINST LOSS OF OR DAMAGE TO ANY MOTOR VEHICLE OWNED BY THE INSURED, PURSUANT TO THE PROVISIONS OF SECTIONS 38.2-2218 TO 38.2-2223, INCLUSIVE, OF THE CODE OF VIRGINIA.

WHEREAS, Pursuant to the provisions of Sections 38.2-2218 to 38.2-2223, inclusive, of the Code of Virginia, certain forms of policies, riders, endorsements, and other special or supplemental agreements and provisions for use by all insurance companies in insuring (1) against loss or damage resulting from accident to, or injury suffered by, any person, and for which the person insured is liable, (2) against loss by liability for damage to property resulting from the ownership, maintenance, or use of any motor vehicle, and (3) against loss of or damage to any motor vehicle owned by the insured have been established by other Administrative Orders:

AND IT APPEARING to the Commissioner of Insurance that the use of certain other forms, policies, riders, endorsements, and other special or supplemental agreements and provisions for use in writing the type of insurance herein referred to is so extensive that a standard form thereof should be established;

IT IS, THEREFORE, ORDERED, That the following form of endorsement for use in connection with the standard forms of policies be, and they hereby are, approved by the State Corporation Commission, Bureau of Insurance in its office at Richmond, Virginia:

CC 01 16 (ED 01 01) CHANGES IN POLICY - VIRGINIA

IT IS FURTHER ORDERED, That, except as hereinafter provided, the proposed new form of endorsement shall become the standard form thereof for use by all insurance companies, applicable to all policies effective on or after January 1, 2001, and thereafter no insurance company shall use any form covering substantially the same agreement provided for by such form, unless it is in the precise language of the standard form.

IT IS FURTHER ORDERED, That if objection to the provisions of any proposed new standard form is filed in writing by any insurance company within twenty days from the day upon which this Order is entered, such form shall not become standard as provided herein and proceedings in reference thereto shall be instituted but such objection shall not serve to prevent the proposed standard form to which no objection has been filed from becoming a standard form on and after January 1, 2001, in accordance with the provisions hereof.

IT IS FURTHER ORDERED, That the Bureau of Insurance shall immediately notify all parties to whom attested copies of the Order are directed, in writing, upon receipt of an objection from any insurance company to the provisions of the proposed form of endorsement.

IT IS FURTHER ORDERED, That there being, in the opinion of the State Corporation Commission, no further necessity for the continuance of the following form of endorsement, it is withdrawn for use with policies effective on and after January 1, 2001:

CC 01 16 (Ed. 03 93) CHANGES IN POLICY - VIRGINIA

IT IS FURTHER ORDERED, That attested copies of this Order be sent to all licensed rate service organizations, Mary M. Bannister, Deputy Commissioner of Insurance, and all companies which are affected thereby.

**Administrative Order No. 11409**

**Date: November 15, 2000**

**Standard Commercial Automobile Form  
CC 01 16 (ED 01 01)**

**The standard commercial automobile forms have been amended via a Virginia Amendatory endorsement to define the terms “employee”, “leased worker” and “temporary worker”. In addition, the employer’s liability exclusion has been amended to add reference to employees “performing duties related to the conduct of the insured’s business” because the term “employment” does not technically apply to leased worker. These changes cause workers’ compensation to be the exclusive remedy for leased workers. This is consistent with the professional employer organization legislation effective on or after January 1, 2001.**

**The form is also being amended to delete the fellow employee exclusion found in the standard forms as this exclusion is contrary to Virginia Code § 38.2-2207. This statute does not allow policies relating to motor vehicle insurance to exclude coverage to an employee of the insured in any controversy arising between employees even though one employee shall be awarded workers compensation.**

**Effective Date: January 1, 2001**

**SM**

**BUREAU OF INSURANCE**

## **CHANGES IN POLICY – VIRGINIA**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

For a covered **auto** principally located or principally used in, or **garage operations** conducted in, Virginia, the policy is changed as follows:

**A. WORDS AND PHRASES WITH SPECIAL MEANING** is changed by the addition of the following:

"**Employee**" includes a **leased worker**. **Employee** does not include a **temporary worker**.

"**Leased worker**" means a person leased to **you** by a labor leasing firm under an agreement between **you** and the labor leasing firm, to perform duties related to the conduct of **your** business. **Leased worker** does not include a **temporary worker**.

"**Temporary worker**" means a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

These additional definitions apply regardless of whether the terms appear in boldface type.

**B. CHANGES IN LIABILITY INSURANCE**

1. If the policy provides LIABILITY INSURANCE only for owned **autos**, a temporary substitute for one of these will also be considered a covered **auto**, subject to the following provisions:

- a. The owned **auto** must be out of service because of its breakdown, repair, servicing, **loss** or destruction.
- b. The temporary substitute must be owned by someone other than **you** or a member of **your** household.
- c. The temporary substitute must be used with the permission of the owner.
- d. The LIABILITY INSURANCE for the temporary substitute is excess over any other collectible insurance.

2. WE WILL NOT COVER – EXCLUSIONS in the BUSINESS AUTO POLICY and TRUCKERS POLICY is amended as follows:

- a. Paragraph 4. does not apply.
- b. Paragraph 5. is replaced by the following:
  5. **Bodily injury** to any **employee** of the **insured** arising out of and in the course of employment by the **insured** or while performing duties related to the conduct of the **insured's** business. However, this exclusion does not apply to **bodily injury** to domestic **employees** not entitled to workers' compensation benefits.

3. WE WILL NOT COVER – EXCLUSIONS in the GARAGE POLICY is amended as follows:

- a. Paragraph 4. is replaced by the following:
  4. **Bodily injury** to any **employee** of the **insured** arising out of and in the course of employment by the **insured** or while performing duties related to the conduct of the **insured's** business. However, this exclusion does not apply to **bodily injury** to domestic **employees** not entitled to workers' compensation benefits.
- b. Paragraph 5. does not apply.

4. OUR LIMIT OF LIABILITY applies except that **we** will apply the limit shown in the Declarations to first provide the separate limits required by Virginia law as follows:

- a. \$25,000 for **bodily injury** to any one person caused by any one **accident**,
- b. \$50,000 for **bodily injury** to two or more persons caused by any one **accident**, and
- c. \$20,000 for **property damage** caused by any one **accident**.

This provision will not change **our** limit of liability.

**C. PHYSICAL DAMAGE INSURANCE** is changed as follows:

Paragraph 2. of HOW WE WILL PAY FOR LOSSES – THE MOST WE WILL PAY is replaced by the following:

2. The most **we** will pay for **loss** is the least of the following amounts:
  - a. The limit shown in the Declarations.

- b. The actual cash value of the damaged or stolen property at the time of the **loss**.
- c. The cost of repairing or replacing the damaged or stolen property with other of like kind and quality.

**D. CHANGES IN CONDITIONS**

YOUR DUTIES AFTER ACCIDENT OR LOSS is changed for LIABILITY INSURANCE by adding the following:

The **insured** will be deemed not to have cooperated with **us** only if his or her failure or refusal to do so harms **our** defense of an action for damages.