

SERFF Tracking Number: ARKS-125467398 State: Arkansas
Filing Company: 00006 - INSURANCE SERVICES OFFICE, INC. State Tracking Number: #104720 \$200
Company Tracking Number: DL 2008-OTRL1
TOI: 17.2 Other Liability - Occurrence Only Sub-TOI: 17.2022 Other
Product Name: DL 2008-OTRL1
Project Name/Number: Terrorism/

Filing at a Glance

Company: 00006 - INSURANCE SERVICES OFFICE, INC.

Product Name: DL 2008-OTRL1	SERFF Tr Num: ARKS-125467398	State: Arkansas
TOI: 17.2 Other Liability - Occurrence Only	SERFF Status: Closed	State Tr Num: #104720 \$200
Sub-TOI: 17.2022 Other	Co Tr Num: DL 2008-OTRL1	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
	Author:	Disposition Date: 01/30/2008
	Date Submitted: 01/30/2008	Disposition Status: Approved
Effective Date Requested (New): On Approval		Effective Date (New):
Effective Date Requested (Renewal):		Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Terrorism	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 01/30/2008	
State Status Changed: 01/30/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
Revised terrorism forms for dwelling liability	

Company and Contact

Filing Contact Information

NA NA,	NA@NA.com
NA	(123) 555-4567 [Phone]

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NA, AR 00000

Filing Company Information

00006 - INSURANCE SERVICES OFFICE, INC.	CoCode: 6	State of Domicile: Arkansas
No Address	Group Code:	Company Type:
City, AR 99999	Group Name:	State ID Number:
(999) 999-9999 ext. [Phone]	FEIN Number: 99-9999999	

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Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	01/30/2008	01/30/2008

SERFF Tracking Number: ARKS-125467398 *State:* Arkansas
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Disposition

Disposition Date: 01/30/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ARKS-125467398 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	ARKS-125467398		No
Form		Approved	Yes
Form		Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved		DL 24 87	06 08	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 DL 24 87 08 06 Previous Filing #:		
Approved		DL 24 89	06 08	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 DL 24 87 08 06 Previous Filing #:		

SERFF Tracking Number: ARKS-125467398 State: Arkansas
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Rate Information

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Supporting Document Schedules

Review Status:

Satisfied -Name: ARKS-125467398

01/31/2008

Comments:

Attachment:

ARKS-125467398.pdf

ARKS-125467398

CK 104720

BH



2828 EAST TRINITY MILLS ROAD SUITE 150 CARROLLTON, TX 75006
TEL: (214) 390-1825 FAX: (214) 390-1975

200.00

January 24, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Approved until withdrawn
or revoked

JAN 30 2008
Arkansas Insurance Department

RECEIVED

JAN 30 2008

Attention: William R. Lacy, Director
Property and Casualty Division

PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

RE: Insurance Services Office, Inc.
DL 2008-OTRL1
Personal Liability Supplement to the Dwelling Policy Program
Revisions to Endorsements in Response to Terrorism Risk
Insurance Program Reauthorization Act of 2007
State of Arkansas

Dear Mr. Lacy:

On behalf of those participating insurers that have authorized ISO to do so, we hereby file the captioned revision. The purpose of this filing is to introduce changes necessary to bring ISO's forms into compliance with the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Congress recently passed and the President has signed into law on December 26, 2007, the Terrorism Risk Insurance Program Reauthorization Act of 2007. This Act extends the federal Terrorism Risk Insurance Program (which was set to expire at the end of December 31, 2007) for a seven-year period, through December 31, 2014. Several other noteworthy changes in the Act include:

- Revision to the criteria for certification of an act to eliminate the requirement that the act be committed on behalf of a foreign person or foreign interest.
- Requirement to provide a clear and conspicuous disclosure of the \$100 billion cap on payments for insured losses, as well as a strengthening of that cap.
- Requirement that the Secretary of the Treasury develop regulations for determining the pro rata share of insured losses to be paid under the program when those insured losses exceed \$100 billion during any one program year.

The revisions to the Terrorism Risk Insurance Act were effective upon the President's signature. Insurers are now faced with the task of overhauling policy administration systems to comply with

the new requirements, including new policy language reflecting the revised definition of a certified act, additional disclosure requirements, and other issues. For this reason, we are proposing that this revision become effective in accordance with the following rule of application:

These changes are available for insurer use upon your approval, in accordance with Treasury guidance on this matter.

To provide maximum flexibility to insurers in revising their policy administration systems, we propose that insurers are not required to advise you of the actual date on which they incorporate the attached into their workflow. This will avoid the need for unnecessary filings to delay effective dates, and takes into consideration the fact that insurers have varying system considerations and lead-time requirements.

It is very important that insurers have the tools contained in this filing available for use as soon as practicable. Your prompt approval of this critical filing is appreciated. Should you have any questions on the material contained herein, we would be happy to discuss them with you at your convenience.

Please return an acknowledged copy of this cover letter for our records. An addressed, stamped envelope is enclosed for your convenience.

Very truly yours,

A handwritten signature in black ink, appearing to read "Donald J. Beckel". The signature is written in a cursive, flowing style.

Donald J. Beckel, CPCU, ARM
Assistant Regional Manager

DJB:db
Encl.

**EXPEDITED FILING TRANSMITTAL DOCUMENT
FOR TERRORISM RISK INSURANCE FORMS AND PRICING**

This page applies to the following state(s) Arkansas

Indicate Type of Filing
<input checked="" type="checkbox"/> Filing Related to <i>Certified Losses</i>
<input type="checkbox"/> Filing Related to <i>Non-Certified Losses</i>
<input type="checkbox"/> Filing Applicable to Both Certified and Non-Certified Losses

Department Use only

Company Name(s)	Domicile	NAIC #	FEIN #
Insurance Service Office, Inc.	Delaware	N/A	13-3131412

Contact Info for Filer

Name and address of Filer(s)	Telephone #	FAX #	e-mail
Donald J. Beckel, CPCU, ARM Insurance Services Office, Inc. 2828 E. Trinity Mills Road, Suite 315 Carrollton, TX 75006	(214) 390-1825	(214) 390-1975	dbeckel@iso.com

Filing information

Line of Insurance (see attachment)	Other Liability - Comprehensive Personal Liability
Company Program Title (Marketing title) (if applicable)	Personal Liability Supplement to the Dwelling Policy Program
Filing Type ** see note below	Forms (Endorsements)
This application is used with:	DL 24 01 12 02
Effective Date Requested	This revision is available upon your approval for insurer use in accordance with Treasury guidance on this matter
Filing date	1/24/08
Company Tracking Number	DL-2008-OTRL1
Date filing approved in domiciliary state, if applicable	Pending

Component/Form Name /Description/Synopsis	Form # or Rate Page Include edition date	Replacement Or withdrawn?	If replacement, give form # or rate page(s) it replaces	Previous State Filing Number, if required by state
Cap On Losses From Certified Acts Of Terrorism	DL 24 87 06 08	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	DL 24 87 08 06	
Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act	DL 24 89 06 08	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	DL 24 89 08 06	

To be complete, a filing must include the following:

- A completed Expedited Filing Transmittal Document for each insurer or advisory organization.
- One copy of each endorsement, disclosure form or other policy language, unless the insurer has given an advisory organization authorization to file them on its behalf.
- A copy of the rates, rating systems and supporting documentation.
- The appropriate filing fees, if required
- A postage-paid, self-addressed envelope large enough to accommodate the return.

The insurer(s) submitting this filing certifies that it:

- Is in compliance with the terms of the Terrorism Risk Insurance Act, as amended, and the laws of this state; and
- Is in compliance with the requirements of the bulletin containing the voluntary expedited filing procedures.

John J. Kollar
Signature

John J. Kollar
Print Name:

Vice President
Title:

RECEIVED

JAN 30 2008

Insurance Services Office, Inc.
Policy and Endorsement Certification Form

State of: Arkansas Filing Designation #: DL-2008-OTRL1

ISO Program on File (edition): Personal Liability Supplement to the Dwelling
2002 Program

Forms/Endorsements Affected:

DL 24 87 06 08 Cap On Losses From Certified Acts of Terrorism

DL 24 89 06 08 Cap On Losses From Certified Acts of Terrorism; Disclosure
Pursuant To Terrorism Risk Insurance Act

Proposed Effective Date: _____

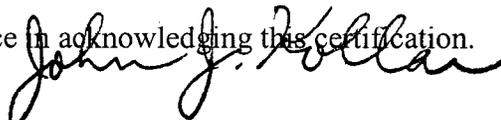
OR

Proposed Distribution Date: 6/01/2008

This is to certify that the above captioned form(s) meet the minimum readability requirements specified under **ARK. INS. RULE & REG. 29 § 5.**

If a proposed effective date is shown above, we are certifying on behalf of participating insurers adopting these ISO forms. We believe that this procedure will be administratively beneficial and in full compliance with the requirements.

An extra copy of this letter is enclosed for your convenience in acknowledging this certification.



Authorized Signature

John J. Kollar
Name

Vice President
Title

1/24/2008
Date

Revisions To Endorsements In Response To The Terrorism Risk Insurance Program Reauthorization Act Of 2007

About This Filing

This filing revises DL 24 87, Cap On Losses From Certified Acts Of Terrorism and DL 24 89, Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act, in response to the Terrorism Risk Insurance Program Reauthorization Act Of 2007.

Revised Forms

We are revising the following endorsements:

- ◆ DL 24 87 08 06, Cap On Losses From Certified Acts Of Terrorism
- ◆ DL 24 89 08 06, Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the 06 08 editions. Concurrent with implementation, the 06 08 editions will supersede the prior editions.

Related Filings

- ◆ Companion Rules Filing DL-2008-RTRL1

Background

The Terrorism Risk Insurance Act (TRIA) of 2002 established a program (Terrorism Risk Insurance Program) within the Department of Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. Pursuant to Section 103(c) of the Act, all insurers providing commercial property and casualty insurance are required to participate in the program by making available coverage for insured losses resulting from an act of terrorism as defined by the Act (so-called certified acts coverage). The

Terrorism Risk Insurance Program was extended for two years, until December 31, 2007, by the Terrorism Risk Insurance Extension Act of 2005, which incorporated various changes with respect to federal share of losses and affected lines of business. We responded in the past to each of these enactments, with filings of disclosure forms and endorsements addressing the terrorism risk.

Currently, there are no terrorism exclusions in effect in the ISO Personal Liability Supplement to the Dwelling Policy Program. In addition, there are no exclusions for terrorism being proposed in this filing. Therefore, by employing these endorsements, insurers will not be changing the level of coverage for certified acts of terrorism to insureds.

Current Environment

The federal Terrorism Risk Insurance Program has been revised and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007, which was enacted on December 26, 2007 and incorporates various changes to the Program. Certain changes, summarized as follows and recognized in the next section of this filing document, have an impact on ISO terrorism forms:

- ◆ Under Section 102 (1)(A)(iv) of the Act, the definition of an act of terrorism (with respect to certification of such act) is revised by eliminating the criterion that the act be committed on behalf of a foreign person or foreign interest. As revised, the definition, in part, requires the act to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- ◆ Section 103(b)(3) of the Act requires disclosure of the existence of the \$100 billion cap on payments by insurers.
- ◆ Section 103(e)(2)(A) of the Act eliminates the provision asserting that Congress may take action to increase the \$100 billion cap in the event that the insured losses exceed such cap; and Section 103(e)(2)(B) requires the Secretary of Treasury to issue regulations for determining the pro rata share of insured losses to be paid under the Program (up to \$100 billion) when insured losses exceed \$100 billion.

Explanation of Changes

In response to the Terrorism Risk Insurance Program Reauthorization Act of 2007, endorsements **DL 24 87 08 06**, Cap On Losses From Certified Acts Of Terrorism and **DL 24 89 08 06**, Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act, are being revised as follows:

- ◆ The language expressing the existence and effect of the cap now explicitly refers to the amount of the cap and addresses allocation of insured losses, pursuant to Sections 103(e)(2)(A) and 103(e)(2)(B) of the Act;
- ◆ The definition of certified act of terrorism has been revised by deleting the text "acting on behalf of any foreign person or foreign interest", in line with the revision to Section 102(1)(A)(iv) of the Act; and
- ◆ The Schedule entry for disclosure of the federal share of terrorism losses is being removed from DL 24 89 08 06. Paragraph C. of the endorsement discloses the federal share of 85%. The Schedule entry had accommodated the possibility of change in the federal share for Program Years after 2007. With the 2007 extension of TRIA, the 85% federal share will remain constant for the life of the extension, that is, through December 31, 2014.

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Important Note

Insurance Services Office, Inc. (ISO) makes available advisory services to property/casualty insurers. ISO has no adherence requirements. ISO policy forms and explanatory materials are intended solely for the information and use of ISO's participating insurers and their representatives, and insurance regulators. Neither ISO's general explanations of policy intent nor opinions expressed by ISO's staff necessarily reflect every insurer's view or control any insurer's determination of coverage for a specific claim. ISO does not intercede in coverage disputes arising from insurance policies. If there is any conflict between a form and any other part of the attached material, the provisions of the form apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

~~With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under:~~

- ~~1. The terms of the federal Terrorism Risk Insurance Act; or~~
- ~~2. Any subsequent acts of Congress pursuant to the Act;~~

~~due to the application of any clause which results in a cap on our liability for payments for terrorism losses.~~

~~If:~~

1. Aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31); and
2. We have met our insurer deductible under the Terrorism Risk Insurance Act;

we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The federal Terrorism Risk Insurance Act includes the following criteria in a "certified act of terrorism":

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act:

a. Is violent or dangerous to:

- (1) Human life;
- (2) Property; or
- (3) Infrastructure; and

b. Is committed by an individual or individuals acting on behalf of any foreign person or foreign interest; and

c. Is part of an effort:

- (1) To coerce the civilian population of the United States; or
- (2) To influence the policy or affect the conduct of the United States Government by coercion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM; DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts):		
Additional information, if any, concerning the terrorism premium:		
Federal share of terrorism losses	%	Year:
(Refer to Paragraph C. in this endorsement.)		
Federal share of terrorism losses	%	Year:
(Refer to Paragraph C. in this endorsement.)		
Entries may be left blank if shown elsewhere in this policy for this coverage.		

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A. Cap On Losses From Certified Acts Of Terrorism

~~With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under:~~

- ~~1. The terms of the federal Terrorism Risk Insurance Act; or~~
- ~~2. Any subsequent acts of Congress pursuant to the Act;~~

~~due to the application of any clause which results in a cap on our liability for payments for terrorism losses.~~

If:

- 1. Aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31); and

2. We have met our insurer deductible under the Terrorism Risk Insurance Act;

we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The federal Terrorism Risk Insurance Act includes the following criteria in a "certified act of terrorism":

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act:
 - a. Is violent or dangerous to:
 - (1) Human life;
 - (2) Property; or
 - (3) Infrastructure; and
 - b. Is committed by an individual or individuals ~~acting on behalf of any foreign person or foreign interest; and~~
 - c. Is part of an effort:
 - (1) To coerce the civilian population of the United States; or
 - (2) To influence the policy or affect the conduct of the United States Government by coercion.

B. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, which can be attributed to coverage for terrorist acts certified under that Act. The portion of your premium which can be attributed to such coverage is shown in the Schedule of this endorsement or the Declarations.

C. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals: 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

- ~~1. For losses that occur through December 31, 2006, 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention;~~
- ~~2. For losses that occur on or after January 1, 2007 through December 31, 2007, 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention; and~~
- ~~3. For losses that occur on or after January 1, 2008, the applicable percentage shown in the Schedule or in the Declarations if the federal program is in effect beyond 2007.~~

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