

SERFF Tracking Number: AMAX-125446916 State: Arkansas  
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$400  
Company Tracking Number: AAIS-2008-4BPF  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners  
Liability  
Product Name: Multi-Line Terrorism Filings  
Project Name/Number: BP - Group A & B Rev & Withdrawn Forms & Rule Supplement - AAIS-2008-4/AAIS-2008-4BPF

## Filing at a Glance

Company: American Association of Insurance Services

Product Name: Multi-Line Terrorism Filings SERFF Tr Num: AMAX-125446916 State: Arkansas  
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: EFT \$400

Sub-TOI: 05.0002 Businessowners Co Tr Num: AAIS-2008-4BPF State Status: Fees verified and received  
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding  
Author: SPI AAIS Disposition Date: 02/06/2008  
Date Submitted: 01/22/2008 Disposition Status: Filed

Effective Date Requested (New): On Approval Effective Date (New): 02/06/2008  
Effective Date Requested (Renewal): Effective Date (Renewal): 02/06/2008

State Filing Description:

## General Information

Project Name: BP - Group A & B Rev & Withdrawn Forms & Rule Supplement - AAIS-2008-4 Status of Filing in Domicile: Pending

Project Number: AAIS-2008-4BPF Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:

Filing Status Changed: 02/06/2008  
State Status Changed: 02/06/2008 Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Re: AAIS-2008-4BPF

Businessowners Program

Revised Certified Terrorism Endorsements

Withdrawn Non-Certified Terrorism Endorsements



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The expedited filing transmittal document is enclosed.

## Company and Contact

### Filing Contact Information

Norma Jean Knight, Filings/Compliance      normak@aaisonline.com  
 Specialist  
 1745 South Naperville Road      (630) 681-8347 [Phone]  
 Wheaton, IL 60187-8132      (630) 681-8356[FAX]

### Filing Company Information

American Association of Insurance Services	CoCode: 31400	State of Domicile: Delaware
1745 S. Naperville Road	Group Code:	Company Type:
Wheaton, IL 60187-8132	Group Name:	State ID Number:
(630) 681-8347 ext. [Phone]	FEIN Number: 36-2021360	

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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$400.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Association of Insurance Services	\$400.00	01/22/2008	17612806

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Llyweyia Rawlins	02/06/2008	02/06/2008

*SERFF Tracking Number:*      *AMAX-125446916*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Association of Insurance Services*      *State Tracking Number:*      *EFT \$400*  
*Company Tracking Number:*      *AAIS-2008-4BPF*  
*TOI:*                      *05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI:*                      *05.0002 Businessowners*  
*Liability*  
*Product Name:*              *Multi-Line Terrorism Filings*  
*Project Name/Number:*      *BP - Group A & B Rev & Withdrawn Forms & Rule Supplement - AAIS-2008-4/AAIS-2008-4BPF*

## **Disposition**

Disposition Date: 02/06/2008

Effective Date (New): 02/06/2008

Effective Date (Renewal): 02/06/2008

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	FilingmemogroupBOPARLAOK	Filed	Yes
Supporting Document	AR - EXPEDITED. TERRORISM FILING	Filed	Yes
Supporting Document	CL 0605 0108 to CL 0605 0606	Filed	Yes
Supporting Document	BP 0750 0108 to BP 0750 05 03	Filed	Yes
Supporting Document	BP 0760 0108 to BP 0760 05 03	Filed	Yes
Form	Certified and Non-Certified Act of Terrorism Exclusions (Property Biological and Chemical Non-Certified Act of Terrorism and Liability Nuclear, Biological, and Chemical Non-Certified Act of Terrorism)	Filed	Yes
Form	Non-Certified Act of Terrorism Exclusion	Filed	Yes
Form	Certified and Non-Certified Act of Terrorism Exclusions	Filed	Yes
Form	Property Biological and Chemical Non-Certified Act of Terrorism Exclusion and Liability Nuclear, Biological and Chemical Non-Certified Act of Terrorism Exclusion	Filed	Yes
Form	Policyholder Disclosure Notice of Terrorism Exclusions - Certified and Non-Certified Acts	Filed	Yes
Form	Policyholder Disclosure Notice of Terrorism Exclusions - Certified and Non-Certified Acts	Filed	Yes
Form	Certified Terrorism Loss	Filed	Yes
Form	Certified Act of Terrorism Exclusion	Filed	Yes
Form	Certified Act of Terrorism Loss Disclosure of Premium and Federal Share of Insured Losses	Filed	Yes
Form	Policyholder Disclosure Notice of Terrorism Insurance Coverage	Filed	Yes

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability Attachment
Filed	Certified and Non-Certified Act of Terrorism Exclusions (Property Biological and Chemical Non-Certified Act of Terrorism and Liability Nuclear, Biological, and Chemical Non-Certified Act of Terrorism)	BP 0774	06 06	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 Previous Filing #: AR-PC-06-019781	
Filed	Non-Certified Act of Terrorism Exclusion	BP 0780	01 04	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 Previous Filing #:	
Filed	Certified and Non-Certified Act of Terrorism Exclusions	BP 0784	06 06	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 Previous Filing #: AR-PC-06-019781	
Filed	Property Biological and Chemical Non-Certified Act of Terrorism Exclusion and Liability Nuclear, Biological and Chemical Non-	BP 0800	01 04	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 Previous Filing #:	

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Certified Act of  
 Terrorism  
 Exclusion

Filed	Policyholder Disclosure Notice of Terrorism Exclusions - Certified and Non-Certified Acts	CL 0314	06 06	Disclosure/ Withdrawn Notice	Replaced Form #:0.00  Previous Filing #: AR-PC-06- 019781	
Filed	Policyholder Disclosure Notice of Terrorism Exclusions - Certified and Non-Certified Acts	CL 0319	06 06	Disclosure/ Withdrawn Notice	Replaced Form #:0.00  Previous Filing #: AR-PC-06- 019781	
Filed	Certified Terrorism Loss	BP 0750	01 08	Endorseme nt/Amendm ent/Condi tions	Replaced Form #:41.39 BP 0750 05 03 Previous Filing #:	BP 0750.PDF
Filed	Certified Act of Terrorism Exclusion	BP 0760	01 08	Endorseme nt/Amendm ent/Condi tions	Replaced Form #:45.89 BP 0760 05 03 Previous Filing #:	BP 0760.PDF
Filed	Certified Act of Terrorism Loss Disclosure of Premium and Federal Share of Insured Losses	CL 0605	01 08	Endorseme nt/Amendm ent/Condi tions	Replaced Form #:34.72 CL 0605 06 06 Previous Filing #: AR-PC-06- 019781	CL 0605.PDF
Filed	Policyholder Disclosure Notice of Terrorism Insurance Coverage	CL 1045	01 08	Disclosure/ Replaced Notice	Replaced Form #:42.02 CL 1045 06 06 Previous Filing #: AR-PC-06- 019781	CL 1045.PDF



## CERTIFIED TERRORISM LOSS

The Businessowners Policy is amended as follows:

1. The following definitions are added.
  - a. "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:
    - 1) to be an act of terrorism;
    - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
    - 3) to have resulted in damage:
      - a) within the United States; or
      - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
    - 4) 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; and
    - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
  - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".

2. The "terms" of any terrorism exclusion that is part of or that is attached to this policy are amended by the following provision:

This exclusion does not apply to "certified terrorism loss".

3. The following provision is added.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a Program Year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a Program Year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.

4. Under Property Coverages, the following provisions are added.

- a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to the Property Coverages section of this policy provide coverage for any loss that would otherwise be excluded by the Property Coverages section of this policy under:

- 1) exclusions that address war, military action, or nuclear hazard; or
- 2) any other exclusion; and

- b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by the Property Coverages section of this policy under:
  - 1) exclusions that address war, military action, or nuclear hazard; or
  - 2) any other exclusion.

## CERTIFIED ACT OF TERRORISM EXCLUSION

1. The following definition is added.

"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:

- a. to be an act of terrorism;
- b. to be a violent act or an act that is dangerous to human life, property, or infrastructure;
- c. to have resulted in damage:
  - 1) within the United States; or
  - 2) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
- d. 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; and
- e. to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.

2. Under Property Coverages, the following exclusion is added.

### CERTIFIED ACT OF TERRORISM EXCLUSION

"We" will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

3. Under Property Coverages, the following provisions are added.

- a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to the Property Coverages section of this policy provide coverage for any loss that would otherwise be excluded by the Property Coverages section of this policy under:
  - 1) exclusions that address war, military action, or nuclear hazard; or
  - 2) any other exclusion; and
- b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by the Property Coverages section of this policy under:
  - 1) exclusions that address war, military action, or nuclear hazard; or
  - 2) any other exclusion.

4. Under Commercial Liability Coverages, the following exclusion is added.

**CERTIFIED ACT OF TERRORISM  
EXCLUSION**

"We" will not pay for any injury or damage caused directly or indirectly by a "certified act of terrorism". Such injury or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

## **CERTIFIED TERRORISM LOSS DISCLOSURE OF PREMIUM AND FEDERAL SHARE OF INSURED LOSSES**

(The entries required to complete this endorsement will be shown below, on the "declarations", or on the "schedule of coverages".)

### **SCHEDULE**

Certified Terrorism Loss Premium \$ \_\_\_\_\_

Additional information, if any, concerning terrorism premium:

1. The portion of "your" premium that is attributed to coverage for "certified terrorism loss" is shown in the Schedule above.
2. Coverage for "certified terrorism loss", to the extent that such coverage is provided by this policy or Coverage Part, will be partially reimbursed by the United States Government, Department of Treasury under a federal program. Under that program, the United States pays 85% of insured losses for "certified terrorism loss" that exceeds the statutorily established deductible that "we" retain. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed one hundred billion dollars in a Program Year (January 1 through December 31), the Treasury will not make payment for any portion of the amount of such losses that exceeds one hundred billion dollars.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a Program Year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a Program Year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.

Insurance Company:  
Quote Number:  
Named Insured:

## POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act. See the next page for a further description of an act of terrorism as provided under the Act.

### **ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE**

You may accept or reject this offer of coverage. If you choose to accept this coverage, the premium for this coverage is payable according to the terms of your billing notice. You may reject this offer by completing and signing this statement and returning it to us. If you send us a signed rejection of coverage, your policy will exclude coverage for certified terrorism losses.

**Insurers should include the following in a Notice prepared for policies that are subject to Standard Fire Policy statutes with respect to losses resulting from terrorism:**

In the state of \_\_\_\_, a terrorism exclusion makes an exception for fire losses resulting from an act of terrorism. Accordingly, if you reject the offer of terrorism coverage as provided under the program, that rejection is not applicable to fire losses resulting from an act of terrorism. In this state, the coverage in your policy for such fire losses will continue. The premium for such fire coverage is stated below. This premium is due whether or not you reject the offer described above for terrorism coverage.

One of the following premiums is due:

If you accept this offer, the premium for terrorism coverage is \$\_\_\_\_\_

If you reject this offer, the premium for terrorism (fire only) coverage is \$\_\_\_\_\_

\_\_\_\_\_ I accept this offer of terrorism coverage and acknowledge that I have been notified that under the Terrorism Risk Insurance Act, as amended, any covered losses resulting from certified acts of terrorism under my policy will be partially reimbursed by the United States and I have been notified of the amount of my premium attributable to such coverage.

\_\_\_\_\_ I hereby reject this offer of terrorism coverage. I understand that an exclusion of certified terrorism losses will be made part of this policy. I also acknowledge that I have been notified that under the Terrorism Risk Insurance Act, as amended, any covered fire losses resulting from certified acts of terrorism under my policy will be partially reimbursed by the United States and I have been notified of the amount of my premium attributable to such coverage.

**Insurers should include the following premium statement in a Notice prepared for policies that are not subject to Standard Fire Policy statutes with respect to losses resulting from terrorism:**

The portion of your annual premium that is attributable to coverage for acts of terrorism, as defined in the Act, is:

\$\_\_\_\_\_

\_\_\_\_\_ I accept this offer of terrorism coverage and acknowledge that I have been notified that under the Terrorism Risk Insurance Act, as amended, any covered losses resulting from certified acts of terrorism under my policy will be partially reimbursed by the United States and I have been notified of the amount of my premium attributable to such coverage.

\_\_\_\_\_ I hereby reject this offer of terrorism coverage. I understand that an exclusion of certified terrorism losses will be made part of this policy.

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States government generally pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium shown above does not include any charges for the portion of loss covered by the federal government under the Act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

**Policyholder's Signature:**

**Date:**

\_\_\_\_\_

\_\_\_\_\_

Print Name

\_\_\_\_\_

The following excerpt from the Act is provided for your information:

According to Section 102(1) of the Terrorism Risk Insurance Act, as amended, "The term "act of terrorism" means any 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 ---- (i) to be an act of terrorism; (ii) to be a violent act or an act that is dangerous to (I) human life; (II) property; or (III) infrastructure; (iii) to have resulted in damage within the United States, or outside the United States in the case of (I) an air carrier or vessel described in paragraph (5)(B); or (II) the premises of a United States mission; and (iv) 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 102(1)(B) states, "No act shall be certified by the Secretary as an act of terrorism if (I) the act is committed as part of the course of war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000." Section 102(1)(C) and (D) specify that the determinations are final and not subject to judicial review and that the Secretary of the Treasury cannot delegate the determination to anyone.



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## Supporting Document Schedules

**Bypassed -Name:** Uniform Transmittal Document-  
Property & Casualty  
**Bypass Reason:** N/A to this filing - Expedited Terrorism  
**Comments:**

**Review Status:**  
Filed 02/06/2008

**Satisfied -Name:** FilingmemogroupBOPARLAOK  
**Comments:**  
**Attachment:**  
FilingmemogroupBOPARLAOK.PDF

**Review Status:**  
Filed 02/06/2008

**Satisfied -Name:** AR - EXPEDITED. TERRORISM  
FILING  
**Comments:**  
**Attachment:**  
AR - EXPEDITED\_ TERRORISM FILING.PDF

**Review Status:**  
Filed 02/06/2008

**Satisfied -Name:** CL 0605 0108 to CL 0605 0606  
**Comments:**  
**Attachment:**  
CL 0605 0108 to CL 0605 0606.PDF

**Review Status:**  
Filed 02/06/2008

**Satisfied -Name:** BP 0750 0108 to BP 0750 05 03  
**Comments:**  
**Attachment:**  
BP 0750 0108 to BP 0750 05 03.PDF

**Review Status:**  
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**Satisfied -Name:** BP 0760 0108 to BP 0760 05 03 **Review Status:** Filed 02/06/2008  
**Comments:**  
**Attachment:**  
BP 0760 0108 to BP 0760 05 03.PDF

**AMERICAN ASSOCIATION OF INSURANCE SERVICES  
TERRORISM ENDORSEMENTS  
FILING MEMORANDUM - BUSINESSOWNERS**

The Terrorism Risk Insurance Program (the Program or 'TRIP'), as established by the Terrorism Risk Insurance Act of 2002 ('TRIA'), was extended by the Terrorism Risk Insurance Extension Act of 2005 ('TRIEA') and again by the Terrorism Risk Insurance Program Reauthorization Act of 2007 ('TRIPRA'). The latest extension of TRIP will terminate on 12/31/2014. Previous AAIS endorsements have been filed to address loss caused by certified acts of terrorism, non-certified acts of terrorism, certified and non-certified acts of terrorism, and optionally, to exclude loss caused by terrorism once the Program is no longer in effect.

This filing consists of revised terrorism-related endorsements to correspond with recent changes to TRIP as established by TRIPRA. The revised terrorism endorsements included with this filing reflect only those changes necessitated by TRIPRA.

All previously filed exclusion endorsements addressing certified and non-certified acts of terrorism and exclusion endorsements addressing non-certified acts of terrorism exclusively are being withdrawn. There are no new endorsements being submitted with this filing.

The following revised terrorism related endorsements are being submitted:

- BP 0750 01 08
- BP 0760 01 08
- CL 0605 01 08

The following terrorism related endorsements are being withdrawn:

- BP 0774 06 06      Certified And Non-Certified Act Of Terrorism Exclusions (Property Biological And Chemical Non-Certified Acts Of Terrorism And Liability Nuclear, Biological, And Chemical Non-Certified Acts Of Terrorism)
- BP 0780 01 04      Non-Certified Act of Terrorism Exclusion
- BP 0784 06 06      Certified And Non-Certified Act Of Terrorism Exclusions
- BP 0800 01 04      Property Biological and Chemical Non-Certified Act of Terrorism Exclusion and Liability Nuclear, Biological, and Chemical Non-Certified Act of Terrorism Exclusion

**AMERICAN ASSOCIATION OF INSURANCE SERVICES  
TERRORISM ENDORSEMENTS  
FILING MEMORANDUM - BUSINESSOWNERS**

Within this memorandum, a summary of changes is provided for each revised endorsement. Copies of the endorsements being submitted for approval are enclosed with this filing. Mock-ups (current to proposed) are attached for the revised endorsements.

The manual rules section of the Terrorism Supplement has been updated accordingly and is being submitted under a separate filing.

Summary of Changes

**BP 0750 01 08, CERTIFIED TERRORISM LOSS**

Replaces BP 0750 05 03

We are replacing the state-specific endorsement with countrywide edition 01 08, as we believe that TRIPRA requirements as provided in this form satisfy all statutes.

The "certified act of terrorism" definition has been amended in two ways. The requirement that the act be committed by an individual or group acting on behalf of a foreign person or foreign interest has been removed. Also, to be a "certified act of terrorism" there must be insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to TRIA.

Language has been added stating that if the aggregate amount of loss from a "certified act of terrorism" has exceeded one hundred billion dollars in a Program Year (January 1 through December 31), and the company has met its deductible under TRIA, the company will not be responsible for any portion of "certified terrorism loss" over one hundred billion dollars. Additionally, if losses attributable to "certified terrorism loss" exceed one hundred billion dollars in a Program Year, losses up to that amount are subject to pro rata allocation in accordance with the procedures established by the Secretary of the Treasury under TRIA.

**BP 0760 01 08, CERTIFIED ACT OF TERRORISM EXCLUSION**

Replaces BP 0760 05 03

We are replacing the state-specific endorsement with countrywide edition 01 08, as we believe that TRIPRA requirements as provided in this form satisfy all statutes.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES  
TERRORISM ENDORSEMENTS  
FILING MEMORANDUM - BUSINESSOWNERS**

The "certified act of terrorism" definition has been amended in two ways. The requirement that the act be committed by someone acting on behalf of a foreign person or foreign interest has been removed and to be a "certified act of terrorism", there must be insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to TRIA.

**CL 0605 01 08, CERTIFIED TERRORISM LOSS DISCLOSURE OF PREMIUM  
AND FEDERAL SHARE OF INSURED LOSSES**

Replaces CL 0605 06 06

The federal share has been set at 85% for the duration of the TRIA extension under the Terrorism Risk Insurance Program Reauthorization Act of 2007. Therefore, the Schedule has been revised to remove the lines stating the percentage of the federal share of terrorism losses in a given year. Also removed are references to the federal percentage of losses in 2006 and 2007 and extensions of the program beyond 2007.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES  
TERRORISM ENDORSEMENTS  
FILING MEMORANDUM - BUSINESSOWNERS**

**CL 1045 01 08, POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM  
INSURANCE COVERAGE**

This revised notice replaces CL 1045 06 06, and is being included in this filing for informational purposes only. Due to the March 31, 2008 deadline set by the US Treasury for implementation of the revised "make available" notice, the CL 1045 has already been released to AAIS affiliated companies for their immediate use.

CL 1045 is intended to be used as the basis of a notice that will satisfy the make available requirements of TRIA. It advises the policyholder of the right to purchase insurance coverage for losses arising out of terrorism, as defined in Section 102(1) of TRIA, as amended, and includes the premium applicable to the purchase of such coverage. The notice indicates that losses caused by certified acts of terrorism will be partially reimbursed by the federal government. An option is also provided whereby the policyholder may elect to attach an exclusion for certified terrorism losses attached to the policy when coverage is rejected.

The 01 08 edition of the CL 1045 reflects revisions made in the latest NAIC materials; specific changes include the following:

- The Terrorism Risk Insurance Act is referenced without specifying a particular year.
- The percentage share of losses paid by the Federal government was updated to refer only to 85%.
- The definition of an act of terrorism was amended to delete the requirement that the act be committed by those acting on behalf of a foreign person or a foreign interest.
- A disclosure of the \$100 billion annual aggregate cap was added.

The acceptance/rejection section of the CL 1045 was also reformatted to improve its usage. When AAIS created the original version of the CL 1045, wording was added to distinguish between the premium statements used in states where Standard Fire Policy (SFP) statutes apply to property loss caused by acts of terrorism and states where such statutes do not apply. The new CL 1045 format displays the material required for SFP and non-SFP states in separate boxes. Companies must select the appropriate information needed to complete the notice.

Affiliated companies have been advised that they can use this AAIS policyholder notice with slight modifications for individual policies or develop an independent notice that contains information similar to the NAIC sample. Companies that develop an independent notice were advised that they are required to place it on file with the Departments of Insurance for informational purposes.

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

**This page applies to the following state(s)** \_\_\_\_\_

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 #
American Association of Insurance Services	DE		36-2021360

**Contact Info for Filer**

Name and address of Filer(s)	Telephone #	FAX #	e-mail
Norma Jean Knight 1745 S. Naperville Road Wheaton, Illinois 60187-8132	630-681-8347	630-681-8356	normak@aaisonline.com

**Filing information**

<b>Line of Insurance</b> (see attachment)	5.0002 - Businessowners
<b>Company Program Title</b> (Marketing title) (if applicable)	Businessowners Program
<b>Filing Type</b> ** see note below	Forms
<b>This application is used with:</b>	Businessowners Program
<b>Effective Date Requested</b>	February 22, 2008
<b>Filing date</b>	January 22, 2008
<b>Company Tracking Number</b>	AAIS-2008-4BPF
<b>Date filing approved in domiciliary state, if applicable</b>	Pending

	<u>Component/Form Name /Description/Synopsis</u>	<u>Form # or Rate Page Include edition date</u>	<u>Replacement Or withdrawn?</u>	<u>If replacement, give form # or rate page(s) it replaces</u>	<u>Previous State Filing Number, if required by state</u>
01	Certified Terrorism Loss	BP 0750 01 08	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	BP 0750 12 02	
02	Certified Act of Terrorism Exclusion	BP 0760 01 08	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	BP 0760 12 02	
03	Certified Terrorism Loss Disclosure Of Premium And Federal Share Of Insured Losses	CL 0605 01 08	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	CL 0605 06 06	AR-PC-06-019781
04	Policyholder Disclosure Notice Of Terrorism Insurance Coverage	CL 1045 01 08	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	CL 1045 06 06	AR-PC-06-019781
05	Certified And Non-Certified Act Of Terrorism Exclusions (Property Biological And Chemical Non-Certified Acts Of Terrorism And Liability Nuclear, Biological, And Chemical Non-Certified Acts Of Terrorism)	BP 0774 06 06	<input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		AR-PC-06-019781
06	Non-Certified Act of Terrorism Exclusion	BP 0780 01 04	<input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		

07	Certified And Non-Certified Act Of Terrorism Exclusions	BP 0784 06 06	<input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		AR-PC-06-019781
08	Property Biological and Chemical Non-Certified Act of Terrorism Exclusion and Liability Nuclear, Biological, and Chemical Non-Certified Act of Terrorism Exclusion	BP 0800 01 04	<input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
09	Policyholder Disclosure Notice Of Terrorism Exclusions - Certified And Non-Certified Acts	CL 0314 06 06	<input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		AR-PC-06-019781
10	Policyholder Disclosure Notice Of Terrorism Exclusions - Certified And Non-Certified Acts	CL 0319 06 06	<input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		AR-PC-06-019781

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.



Norma Jean Knight

Filings/Compliance Specialist

Signature

Print Name:

Title:

## CERTIFIED TERRORISM LOSS DISCLOSURE OF PREMIUM AND FEDERAL SHARE OF INSURED LOSSES

(The entries required to complete this endorsement will be shown below, on the "declarations", or on the "schedule of coverages".)

### SCHEDULE

~~A. Certified Terrorism Loss Premium through \_\_\_\_\_: \$ \_\_\_\_\_~~

~~B. (This item may be left blank; see Paragraph 2. below for more information.)~~

~~\_\_\_\_\_ Federal share of terrorism losses: \_\_\_\_\_%, for losses occurring in year 20\_\_\_\_~~

~~\_\_\_\_\_ Federal share of terrorism losses: \_\_\_\_\_%, for losses occurring in year 20\_\_\_\_~~

Additional information, if any, concerning terrorism premium:

1. The portion of "your" premium that is attributed to coverage for "certified terrorism loss" is shown ~~under item A.~~ in the Schedule above.
2. Coverage for "certified terrorism loss", to the extent that such coverage is provided by this policy or Coverage Part, will be partially reimbursed by the United States Government, Department of Treasury under a federal program. Under that program, the United States pays ~~the following percentages of the amount of covered~~ 85% of insured losses for "certified terrorism loss" that exceeds the statutorily established deductible that "we" retain. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed one hundred billion dollars in a Program Year (January 1 through December 31), the Treasury will not make payment for any portion of the amount of such losses that exceeds one hundred billion dollars.  
~~a. 90% for losses occurring in 2006; and~~ If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a Program Year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a Program Year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.

~~b. 85% for losses occurring in 2007.~~

~~If the federal program is extended beyond 2007, the percentage of covered "certified terrorism loss" that exceeds the statutorily established deductible that "we" retain and that is paid by the United States is shown under item B. in the Schedule above.~~

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CL 0605 ~~06-06~~01 08

## CERTIFIED TERRORISM LOSS

The Businessowners Policy is amended as follows:

1. The following definitions are added.

a. "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:

- 1) to be an act of terrorism;
- 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
- 3) to have resulted in damage:

- a) within the United States; or
- b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission; ~~and~~

4) to have been committed by an individual or individuals ~~acting on behalf of any foreign person or foreign interest~~, 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; ~~and~~

5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.

~~No act will be certified by the Secretary of the Treasury as an act of terrorism if the act is committed as part of the course of a war declared by the Congress (except with respect to any coverage for workers' compensation) or if property and casualty insurance losses resulting from the act do not exceed \$5,000,000 in the aggregate.~~

b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".

2. The "terms" of any terrorism exclusion that is part of or that is attached to this policy are amended by the following provision:

This exclusion does not apply to "certified terrorism loss".

3. The following provision is added.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a Program Year (January 1 through December 31), and "we" have met "our" insurer deductible under the maximum annual liability ~~Terrorism Risk Insurance Act, as set forth by the Federal Terrorism Risk Insurance Act of 2002 or any amendments thereto~~ amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds the maximum annual liability one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a Program Year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.

4. Under Property Coverages, the following provisions are added.
  - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to the Property Coverages section of this policy provide coverage for any loss that would otherwise be excluded by the Property Coverages section of this policy under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion; and
  - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by the Property Coverages section of this policy under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion.

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BP 0750 ~~05-03~~01 08

## CERTIFIED ACT OF TERRORISM EXCLUSION

1. The following definition is added.

"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:

- a. to be an act of terrorism;
- b. to be a violent act or an act that is dangerous to human life, property, or infrastructure;
- c. to have resulted in damage:
  - 1) within the United States; or
  - 2) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission; ~~and~~

~~d. to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, 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.~~

~~No act will be certified by the Secretary of the Treasury as an act of terrorism if the act is committed as part of the course of a war declared by the Congress (except with respect to any coverage for workers' compensation) or if property and casualty insurance losses resulting from the act do not exceed \$5,000,000 in the aggregate.~~

d. 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; and

e. to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.

2. Under Property Coverages, the following exclusion is added.

### CERTIFIED ACT OF TERRORISM EXCLUSION

"We" will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

3. Under Property Coverages, the following provisions are added.

a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to the Property Coverages section of this policy provide coverage for any loss that would otherwise be excluded by the Property Coverages section of this policy under:

- 1) exclusions that address war, military action, or nuclear hazard; or
- 2) any other exclusion; and

- b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by the Property Coverages section of this policy under:
  - 1) exclusions that address war, military action, or nuclear hazard; or
  - 2) any other exclusion.

- 4. Under Commercial Liability Coverages, the following exclusion is added.

**CERTIFIED ACT OF TERRORISM  
EXCLUSION**

"We" will not pay for any injury or damage caused directly or indirectly by a "certified act of terrorism". Such injury or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.