Filing at a Glance

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Re: AAIS-2008-4CXLR

Commercial Output Program XL

Revised Terrorism Rules and Rating Information Supplement (Rev 01 08)

Dear Sir or Madam:

On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing revised supplement in compliance with the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA) for use with the above captioned program.

The Filing Memorandum provide background and supporting information for this submission and detailed descriptions of the materials being filed. A copy of the supplement is enclosed.

In accordance with the recent state bulletin on this issue, this filing will become effective February 26, 2008.

Companies that have granted AAIS filing authority for rules can begin using these materials on the effective date of this filing without taking any additional filing action.

Please be advised that, the materials that are the subject of this filing will also be provided to affiliated companies in an electronic format. We will be happy to furnish you the same material electronically, upon request. Due to differences in printer configurations or other hardware or software differences, the appearance of the materials that are the subject of this filing may be altered slightly when produced by another system. Such alterations will be cosmetic only and will not affect the content of the filed materials.

Under separate cover, in a filing identified as "AAIS-2008-4CXLF" we have submitted revised terrorism endorsements and notices.

The expedited filing transmittal document is enclosed.

Company and Contact

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Rate	Terrorism Rules Supplement	Filed	Yes
Rate	Terrorism Rating Supplement	Filed	Yes

Note To Reviewer

Created By:

SPI AAIS on 02/27/2008 01:03 PM

Subject:

Filing Fee

Comments:

I noticed that I forgot to attach the EFT. A check will be mailed today for the $50.00 fees.

Rate Information

Rate data does NOT apply to filing.

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Filed	Terrorism Rules Supplement	Index - i; Rules 1 -15	Replacement	AR-PC-06-020148	Index - i; Rules 1 - 15.PDF
Filed	Terrorism Rating Supplement	Rating Information - 1	Replacement		Rating Information - 1.PDF

AMERICAN ASSOCIATION OF INSURANCE SERVICES
MULTI-LINE SUPPLEMENT TO ARKANSAS MANUALS

TERRORISM LOSSES -- RULES

These pages provide rules addressing coverage and exclusions for loss arising from acts of terrorists.

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AMERICAN ASSOCIATION OF INSURANCE SERVICES
MULTI-LINE SUPPLEMENT TO ARKANSAS MANUALS

TERRORISM LOSSES -- RULES

RULE 1 -- INTRODUCTION

This Supplement provides information about the endorsements and rating information available to address loss resulting from terrorism.

1.1 Terrorism Risk Insurance Program

The federal government established the Terrorism Risk Insurance Program (TRIP or the Program) by the Terrorism Risk Insurance Act of 2002. Subject to certain changes, TRIP 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).

Companies writing commercial property and casualty insurance must make coverage for certified terrorism loss available to policyholders for those lines of insurance that are included under the Program. The federal government will reimburse companies that comply with the requirements of the federal terrorism law for a percentage of loss that is attributed to certified acts of terrorism, after the application of statutorily defined deductibles. The maximum annual limit of liability for insured losses in any one Program Year is $100 billion. No insurer that has met its obligations under the Program will be liable for payment of any portion of loss resulting from a certified act of terrorism that exceeds the $100 billion annual aggregate.

1.2 AAIS Lines That Continue To Be Included Under TRIP

The AAIS line of insurance programs listed below continue to be included in TRIP. However, under the Farm Inland Marine Program, coverage provided for Livestock is not subject to TRIP and under the Personal Liability section of the Personal and Premises Liability Program, only the Farm coverages are subject to TRIP. Also refer to the Note provided under Rule 1.3 of this Supplement with respect to policies that provide farm coverages.

Agricultural Output
Artisans
Businessowners
Commercial Inland Marine (Filed Classes)
Commercial Liability
Commercial Output
Commercial Output - XL

Commercial Properties
Contractors & Developers Output
Farm Inland Marine (Except Livestock)
Farm Properties
Glass
Personal & Premises Liability (Farm Only)

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TERRORISM LOSSES -- RULES

1.3 AAIS Lines No Longer Included Under TRIP

For purposes of TRIP, TRIEA revised the definition of property and casualty insurance to exclude certain commercial lines programs. As a result of that change, the Commercial Crime and Farmowners line of insurance programs are no longer eligible for TRIP participation.

Rule 2 of this Supplement provides more information about the terrorism exclusion endorsement options for the Commercial Crime and Farmowners line of insurance programs.

Note: Federal law authorizes the U.S. Treasury to administer TRIP. Treasury uses the NAIC line of business definitions to determine TRIP coverage and premium issues. With respect to policies that provide farm coverages, those policies for which premium is reported under NAIC Annual Statement Line 3, Farmowners multiple peril, were excluded from TRIP under TRIEA. Policies that provide farm coverages, but for which premium is reported under an NAIC Annual Statement Line that corresponds to an AAIS line of insurance program listed under Rule 1.2 of this Supplement continue to be included in TRIP.

1.4 Important Terms and Loss Criteria

1.4.1 Certified Acts of Terrorism

The terrorism endorsements filed for use with policies that remain subject to TRIP under TRIPRA include the following important terms.

Certified Act of Terrorism -- A certified act of terrorism is an act of terrorism 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;

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4. to have been committed by an individual or individuals as a 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.

Certified Terrorism Loss -- A certified terrorism loss is loss that results from a certified act of terrorism.

1.4.2 Terrorism

The following important terms and loss criteria are included in the optional terrorism exclusion endorsements filed for use with policies that are no longer subject to TRIP under TRIPRA and the optional terrorism exclusion endorsements filed for use with policies that will continue to be in effect or that become effective after TRIP ceases to be in effect or otherwise ceases to apply.

Terrorism is defined as activities against persons, organizations, or property of any nature:

1. that involve the following or preparation for the following:

   a. use or threat of force or violence; or

   b. commission or threat of a dangerous act; or

   c. commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

2. when one or both of the following applies:

   a. the effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

   b. it appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social, or economic objectives, or to express (or express opposition to) a philosophy or ideology.

There is no coverage for loss or damage caused directly or indirectly by terrorism, including action in hindering or defending against an actual or expected incident of terrorism, provided that, for the type of coverage being provided and the type of exclusion attached, one or more of the criteria shown below are attributed to the incident of terrorism.

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TERRORISM LOSSES -- RULES

1. Property Coverages

   a. Exclusion pertaining only to loss resulting from nuclear, biological, or chemical events

      1) The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination;
      2) radioactive material is released, and it appears that one purpose of the terrorism was to release such materials;
      3) the terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
      4) pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

   b. Exclusion pertaining to loss resulting from nuclear, biological, or chemical events and other events

      1) The loss meets one or more of the criteria shown above for loss resulting from nuclear, biological, or chemical events; or
      2) the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada and business interruption loss exceeds $25,000,000.

2. Liability Coverages

   a. Exclusion pertaining only to loss resulting from nuclear, biological, or chemical events

      1) The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination;
      2) radioactive material is released, and it appears that one purpose of the terrorism was to release such materials;
      3) the terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
      4) pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

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b. Exclusion pertaining to loss resulting from nuclear, biological, or chemical events and other events

1) The loss meets one or more of the criteria shown above for loss resulting from nuclear, biological, or chemical events;
2) the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada and business interruption loss exceeds $25,000,000; or
3) 50 or more persons sustain death or serious physical injury.

RULE 2 -- OPTIONAL TERRORISM EXCLUSION ENDORSEMENTS

At the option of the company, policies issued under the Commercial Crime and Farmowners programs can be endorsed to exclude coverage for terrorism loss. Such terrorism exclusions can be limited to nuclear, biological, or chemical events, or can apply to those events as well as to other events that meet certain specified thresholds, as explained under Rule 1.4.2 of this Supplement.

Attach the endorsement shown below for the applicable program and type of exclusion when coverage for terrorism loss is to be excluded.

Program	NBC-only Terrorism Loss Excluded	NBC and Other Terrorism Loss Excluded
Commercial Crime	CL 2650	CL 2630
Farmowners	FO 2650	FO 2630

When coverage for terrorism loss is not excluded, determine the premium for terrorism coverage using the rating information for terrorism coverage, if any, filed by the company with the insurance department.

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TERRORISM LOSSES -- RULES

RULE 3 -- PROGRAMS THAT REMAIN SUBJECT TO TRIP UNDER TRIPRA

In accordance with TRIPRA, companies providing commercial property and casualty insurance for the AAIS line of insurance programs identified in Rule 1.2 must make available coverage for certified terrorism loss. The mandatory offer of coverage is required at the time of offer, purchase, and renewal of the policy.

Policyholder Disclosure CL 1045 includes the terms needed to fulfill the mandatory offer requirement. The CL 1045 requires the insured's or applicant's signature to acknowledge being informed of the offer of coverage for loss caused by certified acts of terrorism and to acknowledge being informed of the portion of the annual premium that is attributable to coverage for certified acts of terrorism. The CL 1045 also discloses the $100 billion cap on annual aggregate losses.

Except with respect to the Artisans, Businessowners, and Commercial Properties programs, the following rules address the use of the endorsements that address certified acts of terrorism for the AAIS line of insurance programs identified in Rule 1.2. Separate manual supplements address endorsements and rating information for loss caused by certified acts of terrorism for the Artisans, Businessowners, and Commercial Properties programs.

3.1 Coverage For Certified Terrorism Loss Capped

When the insured accepts the offer of coverage for loss resulting from certified acts of terrorism, coverage for such loss can be capped at $100 billion annually, which is the maximum annual aggregate limit of liability set forth by TRIPRA. Attach the endorsement shown below for the applicable program.

Program	Certified Terrorism Loss Capped
Agricultural Output	CL 0600
Commercial Inland Marine (Filed Classes)	CL 0600
Commercial Liability	GL 0250
Commercial Output	CL 0600
Commercial Output - XL	CL 0600

Program	Certified Terrorism Loss Capped
Contractors & Developers Output	CL 0600
Farm Inland Marine (Except Livestock)	CL 0600
Farm Properties	FL 0600
Glass	CL 0600
Personal & Premises Liability (Farm Only)	GL 0310

See Rule 3.4 of this Supplement for instructions regarding premium determination. See Rule 3.5 regarding the premium and coverage disclosure requirements for certified terrorism loss.

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TERRORISM LOSSES -- RULES

3.2 Coverage For Certified Terrorism Loss Excluded

Coverage for loss resulting from certified acts of terrorism can be excluded when the insured rejects the offer of coverage for such loss.

Attach the endorsement shown below for the applicable program.

Program	Certified Terrorism Loss Excluded
Agricultural Output	CL 0610
Commercial Inland Marine (Filed Classes)	CL 0610
Commercial Liability	GL 0260
Commercial Output	CL 0610
Commercial Output - XL	CL 0610

Program	Certified Terrorism Loss Excluded
Contractors & Developers Output	CL 0610
Farm Inland Marine (Except Livestock)	CL 0610
Farm Properties	FL 0610
Glass	CL 0610
Personal & Premises Liability (Farm Only)	GL 0320

3.3 Additional Options For Policies That Will Be In Effect Beyond Scheduled Expiration of TRIP

This rule applies to the AAIS lines of insurance listed in Rule 1.2 of this Supplement, except with respect to the Artisans, Businessowners, and Commercial Properties programs. Separate manual supplements address endorsements filed for the Artisans, Businessowners, and Commercial Properties programs.

This rule sets forth additional options for policies that are in effect during the time that federal compensation for losses arising out of certain acts of terrorism is available under the Program and that will continue to be in effect beyond the scheduled expiration date of the Program. (The Program is scheduled to expire at midnight on December 31, 2014 unless extended.)

The options described under this rule also apply to policies that will take effect on or after the date that the Program is scheduled to cease if the status of the Program is unknown at the time of policy issue.

Upon expiration of the Program, federal compensation for certified terrorism loss will no longer be available. For those policies that are written prior to the Program's expiration date and that remain in effect after its expiration date, this unavailability of federal compensation will occur mid-term.

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TERRORISM LOSSES -- RULES

At the option of the company, a commercial lines property and/or casualty policy can be endorsed to include a conditional terrorism exclusion that applies to terrorism loss in the event of:

-- the expiration of the Program, either in its entirety or with respect to the type of insurance being provided; or

-- a renewal, extension, or replacement of the Program without a requirement that terrorism coverage be made available and with changes that redefine terrorism, increase the company's financial exposure under the Program, or impose requirements on insurance coverage for terrorism that differ from the terms that otherwise govern coverage.

The exclusion added by the conditional terrorism exclusion endorsement does not become effective unless one or more of the conditions described above occurs. However, if either of the above occurs prior to the effective date of a policy, the terrorism exclusion set forth by this endorsement will apply as of the effective date of that policy period.

If the exclusion added by the conditional terrorism exclusion endorsement becomes effective, it supersedes any other endorsements addressing certified terrorism loss that otherwise might apply.

Such terrorism exclusions can be limited to nuclear, biological, or chemical events, or can apply to those events as well as to other events that meet certain specified thresholds, as explained under Rule 1.4.2 of this Supplement.

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TERRORISM LOSSES -- RULES

Attach the endorsement shown below for the applicable program and type of exclusion when coverage is to be subject to a conditional terrorism exclusion.

Program	NBC-only Conditional Terrorism Excluded	NBC and Other Conditional Terrorism Excluded
Agricultural Output	CL 1650	CL 1630
Commercial Inland Marine (Filed Classes)	CL 1650	CL 1630
Commercial Liability	GL 1280	GL 1270
Commercial Output	CL 1650	CL 1630
Commercial Output - XL	CL 1650	CL 1630
Contractors & Developers Output	CL 1650	CL 1630
Farm Inland Marine (Except Livestock)	CL 1650	CL 1630
Farm Properties	FL 1650	FL 1630
Glass	CL 1650	CL 1630
Personal & Premises Liability (Farm Only)	GL 1340	GL 1330

See Rule 3.4 of this Supplement for instructions regarding premium determination when coverage for certified terrorism loss is provided.

3.4 Premium Determination

3.4.1 TRIP Not Scheduled To Terminate While Policy Is In Force (Does not apply to policies that are subject to Rule 4 of this Supplement)

Coverage For Certified Terrorism Loss Provided

Use the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement to determine the additional premium for coverage for certified terrorism loss.

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TERRORISM LOSSES -- RULES

3.4.2 TRIP Scheduled To Terminate While Policy Is In Force (Does not apply to policies that are subject to Rule 4 of this Supplement)

If:	See item:
Coverage for Certified Terrorism Loss is provided and a Conditional Terrorism Exclusion endorsement is not attached	a. of this rule.
Coverage for Certified Terrorism Loss is provided and a Conditional Terrorism Exclusion endorsement is attached	b. of this rule.

a. Coverage For Certified Terrorism Loss Provided and Conditional Terrorism Exclusion Endorsement Not Attached

1) Known At Time Of Premium Determination That TRIP Will Terminate

Determine the premium for terrorism coverage by prorating:
a) the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement; and
b) the rating information for full terrorism coverage, if any, filed by the company with the insurance department

based upon the proportion of time that the policy will be in effect prior to and after the Program's termination date.

2) Unknown At Time Of Premium Determination Whether Or Not TRIP Will Terminate

a) Determine the premium for terrorism coverage by prorating:
i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement; and
ii. the rating information for full terrorism coverage, if any, filed by the company with the insurance department

based upon the proportion of time that the policy will be in effect prior to and after the Program's scheduled termination date.

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TERRORISM LOSSES -- RULES

If the Program is extended, re-determine the premium using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement. If applicable, charge an additional premium or refund the excess premium; or

b) Determine the premium for terrorism coverage using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement for the entire policy term.

If the Program terminates, re-determine the premium for terrorism coverage by prorating:

i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement; and
ii. the rating information for full terrorism coverage, if any, filed by the company with the insurance department

based upon the proportion of time that the policy was in effect prior to and after the Program's termination date. If applicable, charge an additional premium or refund the excess premium.

If the Program is extended with changes, re-determine the premium for terrorism coverage using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement. If applicable, charge an additional premium or refund the excess premium.

An additional or return premium can be waived when the company has a waiver of premium rule on file with the insurance department and the amount of the additional or return premium meets the threshold specified in the rule.

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TERRORISM LOSSES -- RULES

b. Coverage For Certified Terrorism Loss Provided and Conditional Terrorism Exclusion Endorsement Attached

1) Known At Time Of Premium Determination That TRIP Will Terminate

Determine the premium for terrorism coverage by prorating the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement based upon the proportion of time that the policy will be in effect prior to the Program's termination date. Do not make a charge for the portion of time after the Program's termination date (during which the Conditional Terrorism Exclusion will apply).

2) Unknown At Time Of Premium Determination Whether Or Not TRIP Will Terminate

a) Determine the premium for terrorism coverage by prorating the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement based upon the proportion of time that the policy will be in effect prior to the Program's scheduled termination date.

If the Program is extended without terms that cause the conditional terrorism exclusion to apply, re-determine the premium using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement. If applicable, charge an additional premium or refund the excess premium; or

b) Determine the premium for terrorism coverage using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement for the entire policy term.

If the Program terminates or is extended with terms that cause the conditional terrorism exclusion to apply, re-determine the premium by prorating the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement based upon the proportion of time that the policy was in effect prior to the Program's termination or extension date and refund the excess premium.

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TERRORISM LOSSES -- RULES

If the Program is extended without terms that cause the conditional terrorism exclusion to apply, re-determine the premium using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement. If applicable, charge an additional premium or refund the excess premium.

An additional or return premium can be waived when the company has a waiver of premium rule on file with the insurance department and the amount of the additional or return premium meets the threshold specified in the rule.

3.5 Premium and Coverage Disclosure Requirements For Certified Terrorism Loss

When coverage is provided for certified terrorism loss, the premium charged for the portion of coverage the company retains and the federal share of compensation for insured losses must be disclosed as a separate line item of the policy.

Endorsements CL 0605 and CL 1605 can be used for this purpose or disclosure can be made on the declarations page of the policy or elsewhere within the policy itself. Endorsement CL 0605 can be used when TRIP is not scheduled to terminate while the policy is in force. Endorsement CL 1605 can be used when TRIP is scheduled to terminate while the policy is in force.

Endorsement CL 0605 also discloses the $100 billion cap on loss caused by certified acts of terrorism in a single Program Year and indicates that, if certified terrorism losses exceed $100 billion dollars in a Program Year, losses up to $100 billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

If endorsement CL 0605 or CL 1605 is used to satisfy the separate line item disclosure requirement, make an entry on the endorsement schedule to indicate the premium charged for loss caused by certified acts of terrorism.

When endorsement CL 1605 is used, also make endorsement schedule entries to indicate the termination date of the coverage for certified terrorism loss and the share of terrorism loss paid by the United States during each Program Year. When a Conditional Terrorism Exclusion endorsement is not attached to the policy, make entries in both items A. and B. of the endorsement CL 1605's schedule.

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TERRORISM LOSSES -- RULES

RULE 4 -- POLICIES THAT TAKE EFFECT ON OR AFTER THE EXPIRATION DATE OF TRIP OR THE DATE TRIP IS EXTENDED WITH CHANGES; COVERAGE FOR TERRORISM LOSS EXCLUDED

This rule applies to the AAIS lines of insurance listed in Rule 1.2 of this Supplement, except with respect to the Artisans, Businessowners, and Commercial Properties programs. Separate manual supplements address endorsements filed for the Artisans, Businessowners, and Commercial Properties programs.

This rule provides options for policies that take effect on or after the date that:

1. the Program ceases to be in effect; or

2. an extension of the Program takes effect, but only if the Program is extended without a requirement that coverage for certified terrorism loss be made available and with changes that redefine terrorism, increase the company's financial exposure under the Program, or impose requirements on insurance coverage for terrorism that differ from the terms that otherwise govern coverage.

At the option of the company, a policy can be endorsed to exclude coverage for terrorism loss. The exclusion can be limited to nuclear, biological, or chemical events, or it can apply to those events as well as to others meeting certain specified thresholds, as explained under Rule 1.4.2 of this Supplement.

Attach the endorsement shown below for the applicable program and type of exclusion when coverage for terrorism loss is to be excluded.

Program	NBC-only Terrorism Loss Excluded	NBC and other Terrorism Loss Excluded
Agricultural Output	CL 2650	CL 2630
Commercial Inland Marine (Filed Classes)	CL 2650	CL 2630
Commercial Liability	GL 2280	GL 2270
Commercial Output	CL 2650	CL 2630
Commercial Output - XL	CL 2650	CL 2630
Contractors & Developers Output	CL 2650	CL 2630
Farm Inland Marine (Except Livestock)	CL 2650	CL 2630
Farm Properties	FL 2650	FL 2630
Glass	CL 2650	CL 2630
Personal & Premises Liability (Farm Only)	GL 2340	GL 2330

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TERRORISM LOSSES -- RULES

When coverage for terrorism loss is not excluded, determine the premium for terrorism coverage using the rating information for terrorism coverage, if any, filed by the company with the insurance department.

RULE 5 -- INTERSTATE ACCOUNTS

Any manual rules specifying that policies covering property located in more than one state may be written subject to the rules, forms, and endorsements for the state with either the largest values or where the insured's headquarters are located do not apply with respect to terrorism loss. When a policy covers property located in more than one state or jurisdiction, exclusions and/or coverage for terrorism loss for each location must be written in accordance with the forms, rules, and rating information applicable in that state or jurisdiction.

When a policy covers property located in more than one state or jurisdiction and more than one endorsement must be attached, make an entry on the policy declarations page to indicate the location(s) to which each endorsement applies.

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MULTI-LINE SUPPLEMENT TO ARKANSAS MANUALS

CERTIFIED TERRORISM LOSSES -- RATING INFORMATION

All Programs Except Farm Properties and Personal & Premises Liability -- To determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company, multiply the total policy premium for all exposures in this state, after the application of IRPM credits or debits (if any), by the factor shown below for the applicable program.

Program	Factor -- Coverage For Certified Terrorism Loss Accepted
Agricultural Output	.0125
Commercial Inland Marine (Filed Classes)	.0125
Commercial Liability	.0200
Commercial Output	.0125
Commercial Output - XL	.0125
Contractors & Developers Output	.0125
Farm Inland Marine (not applicable to Livestock class)	.0125
Glass	.0125

Farm Properties and Personal & Premises Liability Only -- To determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company, multiply the total policy premium for all eligible farm exposures in this state, after the application of IRPM credits or debits (if any), by the factor shown below for the applicable program.

Do not include the property or liability premium charged for exposures arising out of dwellings occupied by the insured. Ineligible farm exposures include livestock, poultry, and any other covered animals.

Farm Properties	.0125
Personal & Premises Liability (Farm Only)	.0200

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Supporting Document Schedules

Satisfied -Name: Filing Memo Rules & Rating Info - ALL

Review Status: Filed 03/05/2008

Comments:

Attachment:

Filing Memo Rules & Rating Info - ALL.PDF

Satisfied -Name: AR Rules Supp SxS, AR Rating Supp SxS

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Comments:

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AR Rules Supp SxS.PDF

AR Rating Supp SxS.PDF

Satisfied -Name: AR - EXPD FILING TRANS FOR TER RISK

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AMERICAN ASSOCIATION OF INSURANCE SERVICES
TERRORISM LOSSES SUPPLEMENT - RULES AND RATING INFORMATION
FILING MEMORANDUM

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 manual supplements were filed to address rules and rating information for loss caused by certified acts of terrorism, non-certified acts of terrorism, and acts of terrorism after TRIP terminates. Those supplements also introduced the variety of endorsements that were filed to correspond with terms of TRIP as established by TRIEA.

At this time, we are filing revised Terrorism rules and rating information in response to changes introduced by TRIPRA and to support other changes to the terrorism endorsements as described above. Separate filings have been submitted to address those new and revised terrorism exclusion endorsements.

This filing is submitted for use under the following AAIS Programs:

- Agricultural Output
- Commercial Inland Marine
- Commercial Liability
- Commercial Output
- Commercial Output - XL
- Contractors & Developers Output
- Farm Inland Marine (Except Livestock) *
- Farm Properties
- Glass
- Personal & Premises Liability (Farm Only) **

Note the following:

* A separate Terrorism Supplement for the Farm Inland Marine program was previously filed. FIM is now included in the group of programs for which the supplement described in this memo is being filed. However, coverage provided for Livestock under FIM is not subject to TRIP.

** Under the Personal Liability section of the Personal and Premises Liability Program, only the Farm coverages are subject to TRIP.

Separate manual supplements addressing terrorism rules and rating information for loss caused by acts of terrorism for the Artisans, Businessowners, and Commercial Properties programs will be revised and filed shortly. Various endorsements for these programs that are referenced in the currently filed Terrorism Supplement have been omitted.

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AMERICAN ASSOCIATION OF INSURANCE SERVICES
TERRORISM LOSSES SUPPLEMENT - RULES AND RATING INFORMATION
FILING MEMORANDUM

Changes to the rules and rating information found in the Terrorism Losses Supplement are described below:

- **Index**

  The index page has been modified to add rule numbers for all the rules found in the Terrorism Losses Supplement.

- **Rule 1 -- Introduction**

  The revised rules provide background information regarding TRIA, TRIEA, and the latest addition of TRIPRA; and identify those AAIS programs that continue to be included in TRIP and those that are no longer included in TRIP.

  The AAIS Commercial Crime and Farmowners programs continue to be excluded from TRIP. For AAIS programs that are included under TRIP, as mentioned previously, coverage for livestock provided under Farm Inland Marine program is not subject to TRIP, and under the Personal Liability section of the Personal and Premises Liability Program, only the Farm coverages are subject to TRIP.

  Rule 1 of the revised Terrorism Losses Supplement continues to provide information regarding the terms used in the various terrorism endorsements, including terrorism (as used in endorsements for policies not subject to TRIP), certified act of terrorism, and certified terrorism loss. References to non-certified act of terrorism and non-certified terrorism loss are no longer applicable within this revision and are thus eliminated.

- **Rule 2 -- Optional Terrorism Exclusion Endorsements**

  No significant changes were made to this rule. It identifies the optional terrorism exclusion endorsements for the Commercial Crime and Farmowners programs that can be used to exclude coverage for terrorism loss. These endorsements were previously filed and approved for use in this state.

- **Rule 3 - Programs That Remain Subject to TRIP under TRIPRA**

  Rule 3 includes a number of sub-parts that support the endorsements, rating procedures, and disclosure requirements pertaining to those AAIS programs that remain subject to TRIP under TRIPRA. This rule addresses the endorsement options available under the various covered lines of insurance with respect to certified acts of terrorism while TRIP remains in effect, and the

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conditional terrorism exclusion endorsements that will be suitable for use with policies which become effective while TRIP is in place but that will continue to be in effect beyond TRIP's scheduled termination on December 31, 2014.

Information regarding endorsement options with respect to Non-Certified terrorism loss has been eliminated, and as a result, Rule 3 has been consolidated to include only 5 sub-parts, as opposed to 7 in the currently filed supplement. Each of the sub-parts is described below:

1. Rule 3.1, Coverage for Certified Terrorism Loss Capped.

   This rule addresses the use of the endorsements to cap coverage for loss resulting from certified acts of terrorism. Those endorsements have been revised based on the previously filed and approved editions to correspond with changes introduced by TRIPRA, and submitted under a companion filing in this state.

2. Rule 3.2, Coverage for Certified Terrorism Loss Excluded

   This rule addresses the use of the endorsements to exclude coverage for loss resulting from certified acts of terrorism. Those endorsements have been revised based on the previously filed and approved editions to correspond with changes introduced by TRIPRA, and submitted under a companion filing in this state.

3. Rule 3.3, Additional Options For Policies That Will Be In Effect Beyond Scheduled Expiration of TRIP

   This rule addresses the use of conditional terrorism exclusion endorsements that can be attached to policies that will become effective while TRIP is in place, but that will continue to be in effect beyond TRIP's scheduled termination on December 31, 2014. No significant changes were made to this rule.

4. Rule 3.4, Premium Determination

   This rule sets forth the terrorism losses premium determination procedures for policy terms that begin and end prior to the scheduled termination of TRIP and for policy terms that begin while TRIP is in effect, but that span beyond TRIP's scheduled termination. References to the rating procedures for non-certified terrorism losses have been eliminated.

5. Rule 3.5, Premium Disclosure Requirements

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This rule addresses the separate line item disclosure requirements imposed by TRIPRA and the endorsements that can be used to satisfy those requirements. Endorsement CL 0605 can be used when TRIP is not scheduled to terminate while the policy is in force. Endorsement CL 1605 can be used when TRIP is scheduled to terminate while the policy is in force.

Endorsement CL 0605 described above was revised based on the previously filed and approved edition to reflect the TRIP terms introduced by TRIPRA, and has been submitted under a companion filing.

- **Rule 4 -- Policies That Take Effect On or After the Expiration Date of TRIP or the Date TRIP is Extended With Changes**

  This rule continues to addresses the use of the optional 'post-TRIP' terrorism exclusion endorsements applicable to policies that take effect on or after TRIP's termination date or the date TRIP is extended, however, with significant changes to key terms of the Act, such as no longer requiring the mandatory terrorism coverage offer.

- **Rule 5 -- Interstate Accounts**

  No significant changes have been made to this rule.

- **Rating Information**

  Terrorism rating information for the Farm Inland Marine program has been incorporated into the Rating Information section of the Terrorism Supplement**.** However, no significant changes have been made to the previously filed and approved Rating Information for the remaining programs.

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AMERICAN ASSOCIATION OF INSURANCE SERVICES
SUPPLEMENT TO ARKANSAS MANUALS

TERRORISM LOSSES -- RULES

These pages provide rules addressing coverage and exclusions for loss arising from acts of terrorists.

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AMERICAN ASSOCIATION OF INSURANCE SERVICES
MULTI-LINE SUPPLEMENT TO ARKANSAS MANUALS
TERRORISM LOSSES -- RULES

These pages provide rules addressing coverage and exclusions for loss arising from acts of terrorists.

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The proposed Supplement is identified as 'Multi-Line' to distinguish it from other Terrorism Supplements that apply only to a single line of insurance. The index page has been modified to add rule numbers for all the rules found in the Terrorism Losses Supplement.

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RULE 1 -- INTRODUCTION

This Supplement provides information about the endorsements and rating information available to address loss resulting from terrorism.

1.1 Terrorism Risk Insurance Program

The federal government established the Terrorism Risk Insurance Program (TRIP or the Program) by the Terrorism Risk Insurance Act of 2002. The Terrorism Risk Insurance Extension Act of 2005 (TRIEA) extended the Program, subject to certain changes.

Companies writing commercial property and casualty insurance must make coverage for certified terrorism loss available to policyholders for those lines of insurance that are included under the Program. The federal government will reimburse companies that comply with the requirements of the federal law for a specified percentage of loss that are attributed to certified acts of terrorism, after the application of statutorily defined deductibles. The maximum annual limit of liability for insured losses in any one Program year is $100 billion, until such time as Congress makes other provisions for such losses. No insurer that has met its obligations under the Program will be liable for payment of any portion of loss resulting from a certified act of terrorism that exceeds the annual aggregate.

1.2 AAIS Lines That Continue To Be Included Under TRIP

Under TRIEA, the following AAIS line of insurance programs continue to be included in TRIP:

Agricultural Output	Commercial Output - XL
Artisans	Commercial Properties
Businessowners	Contractors & Developers Output
Commercial Inland Marine (Filed Classes)	Farm Properties
Commercial Liability	Glass
Commercial Output	Personal & Premises Liability (Farm Only)

Also refer to the Note provided under Rule 1.3 of this Supplement with respect to policies that provide farm coverages.

The table above identifies AAIS programs on file in most jurisdictions.

RULE 1 -- INTRODUCTION

This Supplement provides information about the endorsements and rating information available to address loss resulting from terrorism.

1.1 Terrorism Risk Insurance Program

The federal government established the Terrorism Risk Insurance Program (TRIP or the Program) by the Terrorism Risk Insurance Act of 2002. Subject to certain changes, TRIP 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).

Companies writing commercial property and casualty insurance must make coverage for certified terrorism loss available to policyholders for those lines of insurance that are included under the Program. The federal government will reimburse companies that comply with the requirements of the federal terrorism law for a percentage of loss that is attributed to certified acts of terrorism, after the application of statutorily defined deductibles. The maximum annual limit of liability for insured losses in any one Program Year is $100 billion. No insurer that has met its obligations under the Program will be liable for payment of any portion of loss resulting from a certified act of terrorism that exceeds the $100 billion annual aggregate.

1.2 AAIS Lines That Continue To Be Included Under TRIP

The AAIS line of insurance programs listed below continue to be included in TRIP. However, under the Farm Inland Marine Program, coverage provided for Livestock is not subject to TRIP and under the Personal Liability section of the Personal and Premises Liability Program, only the Farm coverages are subject to TRIP. Also refer to the Note provided under Rule 1.3 of this Supplement with respect to policies that provide farm coverages.

Agricultural Output	Commercial Properties
Artisans	Contractors & Developers Output
Businessowners	Farm Inland Marine (Except Livestock)
Commercial Inland Marine (Filed Classes)	Farm Properties
Commercial Liability	Glass
Commercial Output	Personal & Premises Liability (Farm Only)
Commercial Output - XL	

The proposed Supplement introduces references to TRIPRA. The proposed Supplement also incorporates references to the Farm Inland Marine Program. Previously, a separate Terrorism Supplement addressed the Farm Inland Marine Program. (The table above identifies AAIS programs on file in most jurisdictions.)

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1.3 AAIS Lines No Longer Included Under TRIP

For purposes of TRIP, TRIEA revises the definition of property and casualty insurance to exclude certain commercial lines programs. As a result of that change, the Commercial Crime and Farmowners programs line are no longer eligible for TRIP participation.

Rule 2 of this Supplement provides more information about the terrorism exclusion endorsement options for the Commercial Crime and Farmowners line of insurance programs.

Note: Federal law authorizes the U.S. Treasury to administer TRIP. Treasury uses the NAIC line of business definitions to determine TRIP coverage and premium issues. With respect to policies that provide farm coverages, those policies for which premium is reported under NAIC Annual Statement Line 3, Farmowners multiple peril, are excluded from TRIP under TRIEA. Policies that provide farm coverages, but for which premium is reported under an NAIC Annual Statement Line that corresponds to an AAIS line of insurance program listed under Rule 1.2 of this Supplement continue to be included in TRIP under TRIEA.

1.4 Important Terms and Loss Criteria

1.4.1 Certified and Non-Certified Acts of Terrorism
The terrorism endorsements filed for use with policies that remain subject to TRIP under TRIEA include the following important terms and loss criteria.

Certified Act of Terrorism
A certified act of terrorism is an act of terrorism 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

1.3 AAIS Lines No Longer Included Under TRIP

For purposes of TRIP, TRIEA revised the definition of property and casualty insurance to exclude certain commercial lines programs. As a result of that change, the Commercial Crime and Farmowners line of insurance programs are no longer eligible for TRIP participation.

Rule 2 of this Supplement provides more information about the terrorism exclusion endorsement options for the Commercial Crime and Farmowners line of insurance programs.

Note: Federal law authorizes the U.S. Treasury to administer TRIP. Treasury uses the NAIC line of business definitions to determine TRIP coverage and premium issues. With respect to policies that provide farm coverages, those policies for which premium is reported under NAIC Annual Statement Line 3, Farmowners multiple peril, were excluded from TRIP under TRIEA. Policies that provide farm coverages, but for which premium is reported under an NAIC Annual Statement Line that corresponds to an AAIS line of insurance program listed under Rule 1.2 of this Supplement continue to be included in TRIP.

1.4 Important Terms and Loss Criteria

1.4.1 Certified Acts of Terrorism
The terrorism endorsements filed for use with policies that remain subject to TRIP under TRIPRA include the following important terms.

Certified Act of Terrorism -- A certified act of terrorism is an act of terrorism 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;

No material changes were made to Rule 1.3. Changes to Rule 1.4 are identified on the next page.

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4. to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as a 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. An act of terrorism resulting in losses less than $5,000,000 in the aggregate will not be certified by the Secretary of the Treasury as an act of terrorism. **Certified Terrorism Loss** A certified terrorism loss is loss that results from a certified act of terrorism.	4. to have been committed by an individual or individuals as a 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. **Certified Terrorism Loss** -- A certified terrorism loss is loss that results from a certified act of terrorism. Rule 1.4 explains that certified act of terrorism is an act that, in addition to meeting other criteria, results in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance that are subject to TRIA.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
Non-certified Act of Terrorism A non-certified act of terrorism is a violent act or an act that is dangerous to human life, property, or infrastructure that: 1. is committed by an individual or individuals; and 2. appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion; and 3. is not certified as a terrorist act pursuant to federal law. When a non-certified act of terrorism exclusion endorsement described under Rule 3 of this Supplement applies, there is no coverage for loss or damage caused directly or indirectly by non-certified acts of terrorism, including action in hindering or defending against an actual or expected non-certified act of terrorism, provided that, for the type of coverage being provided and the type of exclusion attached, one or more of the criteria shown below are attributed to the non-certified act of terrorism. 1. Property Coverages a. Exclusion pertaining only to losses resulting from biological or chemical events 1) The loss is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or 2) pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials. b. Exclusion pertaining to losses resulting from biological or chemical events and other events 1) The loss meets one or more of the criteria shown above for losses resulting from biological or chemical events; or 2) the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada and business interruption losses exceeds $25,000,000.	Terms that are specific to non-certified acts of terrorism have been removed from the proposed Supplement.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
2. Liability Coverages a. Exclusion pertaining only to loss resulting from nuclear, biological, or chemical events 1) The loss involves the use, release, or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; 2) the loss is carried out by means of the dispersal or application n of pathogenic or poisonous biological or chemical materials; or 3) pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials. b. Exclusion pertaining to loss resulting from nuclear, biological, or chemical events and other events 1) The loss meets one or more of the criteria shown above for loss resulting from nuclear, biological, or chemical events; 2) the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada and business interruption loss exceeds $25,000,000; or 3) 50 or more persons sustain death or serious physical injury. **Non-certified Terrorism Loss** A non-certified terrorism loss is loss that results from a non-certified act of terrorism	Terms that are specific to non-certified acts of terrorism have been removed from the proposed Supplement.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
1.4.2 Terrorism The following important terms and loss criteria are included in the optional terrorism exclusion endorsements filed for use with policies that are no longer subject to TRIP under TRIEA and the optional terrorism exclusion endorsements filed for use with policies that will be in effect and/or that become effective after TRIP ceases to be in effect or otherwise ceases to apply. Terrorism is defined as activities against persons, organizations, or property of any nature: 1. that involve the following or preparation for the following: a. use or threat of force or violence; or b. commission or threat of a dangerous act; or c. commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and 2. when one or both of the following applies: a. the effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or b. it appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social, or economic objectives, or to express (or express opposition to) a philosophy or ideology. There is no coverage for loss or damage caused directly or indirectly by terrorism, including action in hindering or defending against an actual or expected incident of terrorism, provided that, for the type of coverage being provided and the type of exclusion attached, one or more of the criteria shown below are attributed to the incident of terrorism.	**1.4.2 Terrorism** The following important terms and loss criteria are included in the optional terrorism exclusion endorsements filed for use with policies that are no longer subject to TRIP under TRIPRA and the optional terrorism exclusion endorsements filed for use with policies that will continue to be in effect or that become effective after TRIP ceases to be in effect or otherwise ceases to apply. Terrorism is defined as activities against persons, organizations, or property of any nature: 1. that involve the following or preparation for the following: a. use or threat of force or violence; or b. commission or threat of a dangerous act; or c. commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and 2. when one or both of the following applies: a. the effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or b. it appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social, or economic objectives, or to express (or express opposition to) a philosophy or ideology. There is no coverage for loss or damage caused directly or indirectly by terrorism, including action in hindering or defending against an actual or expected incident of terrorism, provided that, for the type of coverage being provided and the type of exclusion attached, one or more of the criteria shown below are attributed to the incident of terrorism. There is no change to the description of the terms that are included in the optional terrorism exclusion endorsements filed for use with policies that are no longer subject to TRIP under TRIPRA and the optional terrorism exclusion endorsements filed for use with policies that will continue to be in effect or that become effective after TRIP ceases to be in effect or otherwise ceases to apply.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
1. Property Coverages a. Exclusion pertaining only to loss resulting from nuclear, biological, or chemical events 1) The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; 2) radioactive material is released, and it appears that one purpose of the terrorism was to release such materials; 3) the terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or 4) pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials. b. Exclusion pertaining to loss resulting from nuclear, biological, or chemical events and other events 1) The loss meets one or more of the criteria shown above for loss resulting from nuclear, biological, or chemical events; or 2) the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada and business interruption loss exceeds $25,000,000.	1. Property Coverages a. Exclusion pertaining only to loss resulting from nuclear, biological, or chemical events 1) The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; 2) radioactive material is released, and it appears that one purpose of the terrorism was to release such materials; 3) the terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or 4) pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials. b. Exclusion pertaining to loss resulting from nuclear, biological, or chemical events and other events 1) The loss meets one or more of the criteria shown above for loss resulting from nuclear, biological, or chemical events; or 2) the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada and business interruption loss exceeds $25,000,000. There is no change to the description of the loss criteria for the optional terrorism exclusion endorsements filed for use with policies that are no longer subject to TRIP under TRIPRA and the optional terrorism exclusion endorsements filed for use with policies that will continue to be in effect or that become effective after TRIP ceases to be in effect or otherwise ceases to apply.

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2. Liability Coverages a. Exclusion pertaining only to loss resulting from nuclear, biological, or chemical events 1) The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; 2) radioactive material is released, and it appears that one purpose of the terrorism was to release such materials; 3) the terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or 4) pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials. b. Exclusion pertaining to loss resulting from nuclear, biological, or chemical events and other events 1) The loss meets one or more of the criteria shown above for loss resulting from nuclear, biological, or chemical events; 2) the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada and business interruption loss exceeds $25,000,000; or 3) 50 or more persons sustain death or serious physical injury.	2. Liability Coverages a. Exclusion pertaining only to loss resulting from nuclear, biological, or chemical events 1) The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; 2) radioactive material is released, and it appears that one purpose of the terrorism was to release such materials; 3) the terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or 4) pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials. b. Exclusion pertaining to loss resulting from nuclear, biological, or chemical events and other events 1) The loss meets one or more of the criteria shown above for loss resulting from nuclear, biological, or chemical events; 2) the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada and business interruption loss exceeds $25,000,000; or 3) 50 or more persons sustain death or serious physical injury. There is no change to the description of the loss criteria for the optional terrorism exclusion endorsements filed for use with policies that are no longer subject to TRIP under TRIPRA and the optional terrorism exclusion endorsements filed for use with policies that will continue to be in effect or that become effective after TRIP ceases to be in effect or otherwise ceases to apply.

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(Comments are highlighted throughout this document.)	(Comments are highlighted throughout this document.)

RULE 2 -- OPTIONAL TERRORISM EXCLUSION ENDORSEMENTS

At the option of the company, policies issued under the Commercial Crime and Farmowners programs can be endorsed to exclude coverage for terrorism loss. Such terrorism exclusions can be limited to nuclear, biological, or chemical events, or can apply to those events as well as to others meeting certain specified thresholds, as explained under Rule 1.4.2 of this Supplement.

Attach the endorsement shown below for the applicable program and type of exclusion when coverage for terrorism loss is to be excluded.

Program	NBC-only Terrorism Loss Excluded	NBC and other Terrorism Loss Excluded
Commercial Crime	CL 2650	CL 2630
Farmowners	FO 2650	FO 2630

When coverage for terrorism loss is not excluded, determine the premium for terrorism coverage using the rating information for terrorism coverage, if any, filed by the company with the insurance department.

The table above identifies AAIS programs on file in most jurisdictions.

RULE 2 -- OPTIONAL TERRORISM EXCLUSION ENDORSEMENTS

At the option of the company, policies issued under the Commercial Crime and Farmowners programs can be endorsed to exclude coverage for terrorism loss. Such terrorism exclusions can be limited to nuclear, biological, or chemical events, or can apply to those events as well as to other events that meet certain specified thresholds, as explained under Rule 1.4.2 of this Supplement.

Attach the endorsement shown below for the applicable program and type of exclusion when coverage for terrorism loss is to be excluded.

Program	NBC-only Terrorism Loss Excluded	NBC and Other Terrorism Loss Excluded
Commercial Crime	CL 2650	CL 2630
Farmowners	FO 2650	FO 2630

When coverage for terrorism loss is not excluded, determine the premium for terrorism coverage using the rating information for terrorism coverage, if any, filed by the company with the insurance department.

There is no change to the rule that describes the optional terrorism exclusion endorsements for those programs no longer subject to TRIP. (The table above identifies AAIS programs on file in most jurisdictions.)

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
RULE 3 -- PROGRAMS THAT REMAIN SUBJECT TO TRIP UNDER TRIEA In accordance with TRIEA, companies providing commercial property and casualty insurance for the AAIS line of insurance programs identified under Rule 1.2 must make available coverage for certified terrorism loss. Companies must also provide written notice to insureds of their right to purchase this coverage. Form CL 1045 is a Policyholder Disclosure Notice that requires the insured to sign the Notice to acknowledge being informed of this right as well as the portion of annual premium that is attributable to coverage for acts of terrorism. Companies can use this notice or develop one of their own to meet this requirement. At the option of the company, coverage for loss resulting from non-certified acts of terrorism can be excluded under the same AAIS line of insurance programs. The following rules address the use of the endorsements that address certified and non-certified acts of terrorism for the AAIS line of insurance programs identified under Rule 1.2.	**RULE 3 -- PROGRAMS THAT REMAIN SUBJECT TO TRIP UNDER TRIPRA** In accordance with TRIPRA, companies providing commercial property and casualty insurance for the AAIS line of insurance programs identified in Rule 1.2 must make available coverage for certified terrorism loss. The mandatory offer of coverage is required at the time of offer, purchase, and renewal of the policy. Policyholder Disclosure CL 1045 includes the terms needed to fulfill the mandatory offer requirement. The CL 1045 requires the insured's or applicant's signature to acknowledge being informed of the offer of coverage for loss caused by certified acts of terrorism and to acknowledge being informed of the portion of the annual premium that is attributable to coverage for certified acts of terrorism. The CL 1045 also discloses the $100 billion cap on annual aggregate losses. Except with respect to the Artisans, Businessowners, and Commercial Properties programs, the following rules address the use of the endorsements that address certified acts of terrorism for the AAIS line of insurance programs identified in Rule 1.2. Separate manual supplements address endorsements and rating information for loss caused by certified acts of terrorism for the Artisans, Businessowners, and Commercial Properties programs. The proposed Supplement acknowledges the separate Terrorism Supplements now on file for the Artisans, Businessowners, and Commercial Properties programs. There are no other material changes to the lead-in section of Rule 3.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)

3.1 Coverage for Certified Terrorism Loss Capped; Coverage for Non-Certified Terrorism Loss Not Excluded

When the insured accepts the offer of coverage for loss resulting from certified acts of terrorism, coverage for such loss can be capped at the maximum annual limit of liability as set forth by TRIEA. Attach the endorsement shown below for the applicable program.

Program	Certified Terrorism Loss Capped
Agricultural Output	CL 0600
Artisans	AP 0700
Businessowners	BP 0750
Commercial Inland Marine (Filed Classes)	CL 0600
Commercial Liability	GL 0250
Commercial Output	CL 0600

Program	Certified Terrorism Loss Capped
Commercial Output - XL	CL 0600
Commercial Properties	CL 0600
Contractors & Developers Output	CL 0600
Farm Properties	FL 0600
Glass	CL 0600
Personal & Premises Liability (Farm Only)	GL 0310

Do not attach any of the non-certified terrorism exclusion endorsements described under Rule 3 of this Supplement when coverage for loss resulting from non-certified acts of terrorism is not excluded.

See Rule 3.6 of this Supplement for instructions regarding premium determination. See Rule 3.7 regarding the premium and coverage disclosure requirements for certified terrorism loss.

The table above identifies AAIS programs on file in most jurisdictions.

3.1 Coverage For Certified Terrorism Loss Capped

When the insured accepts the offer of coverage for loss resulting from certified acts of terrorism, coverage for such loss can be capped at $100 billion annually, which is the maximum annual aggregate limit of liability set forth by TRIPRA. Attach the endorsement shown below for the applicable program.

Program	Certified Terrorism Loss Capped
Agricultural Output	CL 0600
Commercial Inland Marine (Filed Classes)	CL 0600
Commercial Liability	GL 0250
Commercial Output	CL 0600
Commercial Output - XL	CL 0600

Program	Certified Terrorism Loss Capped
Contractors & Developers Output	CL 0600
Farm Inland Marine (Except Livestock)	CL 0600
Farm Properties	FL 0600
Glass	CL 0600
Personal & Premises Liability (Farm Only)	GL 0310

See Rule 3.4 of this Supplement for instructions regarding premium determination. See Rule 3.5 regarding the premium and coverage disclosure requirements for certified terrorism loss.

Reference to non-certified acts of terrorism has been omitted from the proposed Supplement. Furthermore, reference to the Artisans, Businessowners, and Commercial Properties programs has been deleted in the table above and reference to the Farm Inland Marine Program has been added. (The table above identifies AAIS programs on file in most jurisdictions.)

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)

3.2 Coverage for Certified Terrorism Loss Capped; Coverage for Non-Certified Terrorism Loss Excluded

When the insured accepts the offer of coverage for certified terrorism loss, companies have the option to exclude coverage for non-certified terrorism loss. However, when the insured accepts the offer of coverage for certified terrorism loss, the exclusion for non-certified terrorism loss does not apply to loss from an act that is not certified by the Secretary of the Treasury solely because the property and casualty loss resulting from the act does not exceed $5,000,000 in the aggregate.

The exclusion pertaining to non-certified terrorism loss can be limited to nuclear (liability coverages only), biological, or chemical events, or it can apply to those events as well as others meeting certain specified thresholds, as explained under Rule 1.4.1 of this Supplement. (The property terms that address terrorism will rely on the Nuclear Hazard exclusion that is currently included in forms and coverage parts.)

Attach the endorsement shown under Rule 3.1 for the applicable program and attach the endorsement shown below for the applicable program and type of exclusion when coverage for non-certified terrorism loss is to be excluded, but certified terrorism loss is not excluded. With the exception of the Businessowners endorsements, the endorsements listed in the table below also restate the War exclusion.

Program	NBC/BC-only Non-Certified Terrorism Loss Excluded	NBC/BC and other Non-Certified Terrorism Loss Excluded
Agricultural Output	CL 0650	CL 0630
Artisans	AP 0750	AP 0730
Businessowners	BP 0800	BP 0780
Commercial Inland Marine (Filed Classes)	CL 0650	CL 0630
Commercial Liability	GL 0280	GL 0270
Commercial Output	CL 0650	CL 0630
Commercial Output - XL	CL 0650	CL 0630
Commercial Properties	CL 0650	CL 0630
Contractors & Developers Output	CL 0650	CL 0630
Farm Properties	FL 0650	FL 0630
Glass	CL 0650	CL 0630
Personal & Premises Liability (Farm Only)	GL 0340	GL 0330

See Rule 3.6 of this Supplement for instructions regarding premium determination. See Rule 3.7 regarding the premium and coverage disclosure requirements for certified terrorism loss.

Given that reference to non-certified acts of terrorism has been omitted from the proposed Supplement, no counterpart to Rule 3.2 in the current Supplement is needed in the proposed Supplement.

The table in the current section identifies AAIS programs on file in most jurisdictions.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)

3.3 Coverage for Certified Terrorism Loss Excluded; Coverage for Non-Certified Terrorism Loss Not Excluded

Coverage for loss resulting from certified acts of terrorism can be excluded when the insured rejects the offer coverage for such loss.

Attach the endorsement shown below for the applicable program.

Program	Certified Terrorism Loss Excluded
Agricultural Output	CL 0610
Artisans	AP 0710
Businessowners	BP 0760
Commercial Inland Marine (Filed Classes)	CL 0610
Commercial Liability	GL 0260
Commercial Output	CL 0610

Program	Certified Terrorism Loss Excluded
Commercial Output - XL	CL 0610
Commercial Properties	CL 0610
Contractors & Developers Output	CL 0610
Farm Properties	FL 0610
Glass	CL 0610
Personal & Premises Liability (Farm Only)	GL 0320

Do not attach any of the non-certified terrorism exclusion endorsements described under Rule 3 of this Supplement when coverage for loss resulting from non-certified acts of terrorism is not excluded.

When coverage for non-certified terrorism loss is not excluded, determine the premium for terrorism coverage using the rating information for terrorism coverage, if any, filed by the company with the insurance department.

The table above identifies AAIS programs on file in most jurisdictions.

3.2 Coverage For Certified Terrorism Loss Excluded

Coverage for loss resulting from certified acts of terrorism can be excluded when the insured rejects the offer of coverage for such loss.

Attach the endorsement shown below for the applicable program.

Program	Certified Terrorism Loss Excluded
Agricultural Output	CL 0610
Commercial Inland Marine (Filed Classes)	CL 0610
Commercial Liability	GL 0260
Commercial Output	CL 0610
Commercial Output - XL	CL 0610

Program	Certified Terrorism Loss Excluded
Contractors & Developers Output	CL 0610
Farm Inland Marine (Except Livestock)	CL 0610
Farm Properties	FL 0610
Glass	CL 0610
Personal & Premises Liability (Farm Only)	GL 0320

Reference to non-certified acts of terrorism has been omitted from the proposed Supplement. Furthermore, reference to the Artisans, Businessowners, and Commercial Properties programs has been deleted in the table above and reference to the Farm Inland Marine Program has been added. (The table above identifies AAIS programs on file in most jurisdictions.)

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)

3.4 Coverage for Certified Terrorism Loss Excluded; Coverage for Non-Certified Terrorism Loss Excluded

When the insured rejects the offer of coverage for certified terrorism loss, companies have the option to exclude coverage for both certified and non-certified terrorism loss, without making an exception for loss resulting from an act that is not certified by the Secretary of the Treasury solely because the property and casualty loss resulting from the act does not exceed $5,000,000 in the aggregate.

The exclusion pertaining to non-certified terrorism loss can be limited to nuclear (liability coverages only), biological, or chemical events, or it can apply to those events as well as to others meeting certain specified thresholds, as explained under Rule 1.4.2 of this Supplement. (The property terms that address terrorism will rely on the Nuclear Hazard exclusion that is currently included in forms and coverage parts.)

Attach the endorsement shown below for the applicable program when coverage for both certified and non-certified terrorism loss is to be excluded. With the exception of the Businessowners endorsements, the endorsements listed in the table below also restate the War exclusion.

Program	Certified and NBC/BC-only Non-Certified Terrorism Loss Excluded	Certified and NBC/BC and other Non-Certified Terrorism Loss Excluded
Agricultural Output	CL 0654	CL 0634
Artisans	AP 0754	AP 0734
Businessowners	BP 0774	BP 0784
Commercial Inland Marine (Filed Classes)	CL 0654	CL 0634
Commercial Liability	GL 0284	GL 0274
Commercial Output	CL 0654	CL 0634
Commercial Output - XL	CL 0654	CL 0634
Commercial Properties	CL 0654	CL 0634
Contractors & Developers Output	CL 0654	CL 0634
Farm Properties	FL 0654	FL 0634
Glass	CL 0654	CL 0634
Personal & Premises Liability (Farm Only)	GL 0344	GL 0334

The table above identifies AAIS programs on file in most jurisdictions.

Given that reference to non-certified acts of terrorism has been omitted from the proposed Supplement, no counterpart to Rule 3.4 in the current Supplement is needed in the proposed Supplement.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
When an endorsement listed in the table above is used for the first time, a policyholder disclosure notice can be provided to emphasize that there is no exception for loss resulting from an act that is not certified by the Secretary of the Treasury solely because the property and casualty loss resulting from the act does not exceed $5,000,000 in the aggregate. Sample disclosure notices CL 0314 and CL 0319 are described below. CL 0314 - confirms that coverage is not provided for certified acts of terrorism as well as two specific types of non-certified acts of terrorism, including specific nuclear, biological, and chemical loss and losses that reach a specific dollar or injury threshold. The non-certified terrorism exclusion applies regardless of the magnitude of the property and casualty insurance losses resulting from the act. CL 0319 - confirms that coverage is not provided for certified acts of terrorism as well as certain types of non-certified acts of terrorism, including nuclear, biological, and chemical loss. The non-certified terrorism exclusion applies regardless of the magnitude of the property and casualty insurance losses resulting from the act.	Given that reference to non-certified acts of terrorism has been omitted from the proposed Supplement, reference to Disclosure Notices CL 0314 and CL 0319 is no longer needed in the proposed Supplement.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
3.5 Additional Options for Policies That Will Be In Effect Beyond Scheduled Expiration of TRIP This rule sets forth additional options for policies that are in effect during the time that federal compensation for losses arising out of certain acts of terrorism is available under the Program and that will continue to be in effect beyond the scheduled expiration date of the Program. (The Program is scheduled to expire at midnight on December 31, 2007 unless extended.) The options described under this rule also apply to policies that will take effect on or after the date that the Program is scheduled to cease if the status of the Program is unknown at the time of policy issue. Upon expiration of the Program, federal compensation for certified terrorism loss will no longer be available. For those policies that are written prior to the Program's expiration date and that remain in effect after its expiration date, this unavailability of federal compensation will occur mid-term. At the option of the company, a commercial lines property and/or casualty policy can be endorsed to include a conditional terrorism exclusion that applies to terrorism loss in the event of: -- the expiration of the Program, either in its entirety or with respect to the type of insurance being provided; or -- a renewal, extension, or replacement of the Program without a requirement that terrorism coverage be made available and with changes that redefine terrorism, increase the company's financial exposure under the Program, or impose requirements on insurance coverage for terrorism that differ from the terms that otherwise govern coverage. The conditional terrorism exclusion endorsement can be attached to a policy regardless of whether or not other endorsements addressing certified terrorism loss and/or non-certified terrorism loss are also attached. The exclusion added by the conditional terrorism exclusion endorsement does not become effective unless one or more of the conditions described above occurs. However, if either of the above occurs prior to the effective date of a policy, the terrorism exclusion set forth by this endorsement will apply as of the effective date of that policy period. If the exclusion added by the conditional terrorism exclusion endorsement becomes effective, it supersedes any other endorsements addressing certified terrorism loss and/or non-certified terrorism loss that otherwise might apply.	**3.3 Additional Options For Policies That Will Be In Effect Beyond Scheduled Expiration of TRIP** This rule applies to the AAIS lines of insurance listed in Rule 1.2 of this Supplement, except with respect to the Artisans, Businessowners, and Commercial Properties programs. Separate manual supplements address endorsements filed for the Artisans, Businessowners, and Commercial Properties programs. This rule sets forth additional options for policies that are in effect during the time that federal compensation for losses arising out of certain acts of terrorism is available under the Program and that will continue to be in effect beyond the scheduled expiration date of the Program. (The Program is scheduled to expire at midnight on December 31, 2014 unless extended.) The options described under this rule also apply to policies that will take effect on or after the date that the Program is scheduled to cease if the status of the Program is unknown at the time of policy issue. Upon expiration of the Program, federal compensation for certified terrorism loss will no longer be available. For those policies that are written prior to the Program's expiration date and that remain in effect after its expiration date, this unavailability of federal compensation will occur mid-term. At the option of the company, a commercial lines property and/or casualty policy can be endorsed to include a conditional terrorism exclusion that applies to terrorism loss in the event of: -- the expiration of the Program, either in its entirety or with respect to the type of insurance being provided; or -- a renewal, extension, or replacement of the Program without a requirement that terrorism coverage be made available and with changes that redefine terrorism, increase the company's financial exposure under the Program, or impose requirements on insurance coverage for terrorism that differ from the terms that otherwise govern coverage. The exclusion added by the conditional terrorism exclusion endorsement does not become effective unless one or more of the conditions described above occurs. However, if either of the above occurs prior to the effective date of a policy, the terrorism exclusion set forth by this endorsement will apply as of the effective date of that policy period. If the exclusion added by the conditional terrorism exclusion endorsement becomes effective, it supersedes any other endorsements addressing certified terrorism loss that otherwise might apply. Such terrorism exclusions can be limited to nuclear, biological, or chemical events, or can apply to those events as well as to other events that meet certain specified thresholds, as explained under Rule 1.4.2 of this Supplement. The proposed Supplement acknowledges the separate Terrorism Supplements now on file for the Artisans, Businessowners, and Commercial Properties programs. The proposed Supplement also acknowledges that TRIP is now scheduled to expire at midnight on December 31, 2014, unless extended. There are no other material changes to this rule.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08
(Comments are highlighted throughout this document.)	**(Comments are highlighted throughout this document.)**

Attach the endorsement shown below for the applicable program and type of exclusion when coverage is to be subject to a conditional terrorism exclusion.

Program	NBC-only Conditional Terrorism Excluded	NBC and other Conditional Terrorism Excluded
Agricultural Output	CL 1650	CL 1630
Artisans	AP 1750	AP 1730
Businessowners	BP 1800	BP 1780
Commercial Inland Marine (Filed Classes)	CL 1650	CL 1630
Commercial Liability	GL 1280	GL 1270
Commercial Output	CL 1650	CL 1630
Commercial Output - XL	CL 1650	CL 1630
Commercial Properties	CL 1650	CL 1630
Contractors & Developers Output	CL 1650	CL 1630
Farm Properties	FL 1650	FL 1630
Glass	CL 1650	CL 1630
Personal & Premises Liability (Farm Only)	GL 1340	GL 1330

See Rule 3.6 of this Supplement for instructions regarding premium determination when coverage for certified terrorism loss is provided.

The table above identifies AAIS programs on file in most jurisdictions.

Attach the endorsement shown below for the applicable program and type of exclusion when coverage is to be subject to a conditional terrorism exclusion.

Program	NBC-only Conditional Terrorism Excluded	NBC and Other Conditional Terrorism Excluded
Agricultural Output	CL 1650	CL 1630
Commercial Inland Marine (Filed Classes)	CL 1650	CL 1630
Commercial Liability	GL 1280	GL 1270
Commercial Output	CL 1650	CL 1630
Commercial Output - XL	CL 1650	CL 1630
Contractors & Developers Output	CL 1650	CL 1630
Farm Inland Marine (Except Livestock)	CL 1650	CL 1630
Farm Properties	FL 1650	FL 1630
Glass	CL 1650	CL 1630
Personal & Premises Liability (Farm Only)	GL 1340	GL 1330

See Rule 3.4 of this Supplement for instructions regarding premium determination when coverage for certified terrorism loss is provided.

Reference to the Artisans, Businessowners, and Commercial Properties programs has been deleted in the table above and reference to the Farm Inland Marine Program has been added. (The table above identifies AAIS programs on file in most jurisdictions.)

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)

3.6 Premium Determination

3.6.1 TRIP Not Scheduled To Terminate While Policy Is In Force (Does not apply to policies that are subject to Rule 4 of this Supplement)

Coverage For Certified Terrorism Loss Provided

Use the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement to determine the additional premium for coverage for certified terrorism loss.

3.6.2 TRIP Scheduled To Terminate While Policy Is In Force (Does not apply to policies that are subject to Rule 4 of this Supplement)

If:	See item:
Coverage for Certified Terrorism Loss is provided and a Conditional Terrorism Exclusion endorsement is not attached	a. of this rule.
Coverage for Certified Terrorism Loss is provided and a Conditional Terrorism Exclusion endorsement is attached	b. of this rule.

a. Coverage For Certified Terrorism Loss Provided and Conditional Terrorism Exclusion Endorsement Not Attached (Does not apply when coverage for non-certified terrorism loss is excluded. Refer to company.)

1) Known At Time Of Premium Determination That TRIP Will Terminate.

Determine the premium for terrorism coverage by prorating:

a) the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement;
b) any rating information that may apply to coverage for non-certified terrorism loss; and
c) the rating information for full terrorism coverage, if any, filed by the company with the insurance department

based upon the proportion of time that the policy will be in effect prior to and after the Program's termination date.

3.4 Premium Determination

3.4.1 TRIP Not Scheduled To Terminate While Policy Is In Force (Does not apply to policies that are subject to Rule 4 of this Supplement)

Coverage For Certified Terrorism Loss Provided

Use the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement to determine the additional premium for coverage for certified terrorism loss.

3.4.2 TRIP Scheduled To Terminate While Policy Is In Force (Does not apply to policies that are subject to Rule 4 of this Supplement)

If:	See item:
Coverage for Certified Terrorism Loss is provided and a Conditional Terrorism Exclusion endorsement is not attached	a. of this rule.
Coverage for Certified Terrorism Loss is provided and a Conditional Terrorism Exclusion endorsement is attached	b. of this rule.

a. Coverage For Certified Terrorism Loss Provided and Conditional Terrorism Exclusion Endorsement Not Attached

1) Known At Time Of Premium Determination That TRIP Will Terminate

Determine the premium for terrorism coverage by prorating:
a) the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement; and
b) the rating information for full terrorism coverage, if any, filed by the company with the insurance department

based upon the proportion of time that the policy will be in effect prior to and after the Program's termination date.

Reference to rating information for non-certified acts of terrorism has been omitted from the proposed Supplement.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
2) Unknown At Time Of Premium Determination Whether Or Not TRIP Will Terminate. a) Determine the premium for terrorism coverage by prorating: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement; ii. any rating information that may apply to coverage for non-certified terrorism loss; and iii. the rating information for full terrorism coverage, if any, filed by the company with the insurance department based upon the proportion of time that the policy will be in effect prior to and after the Program's scheduled termination date. If the Program is extended, re-determine the premium using: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement, and ii. any rating information that may apply to coverage for non-certified terrorism loss. If applicable, charge an additional premium or refund the excess premium; or	2) Unknown At Time Of Premium Determination Whether Or Not TRIP Will Terminate a) Determine the premium for terrorism coverage by prorating: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement; and ii. the rating information for full terrorism coverage, if any, filed by the company with the insurance department based upon the proportion of time that the policy will be in effect prior to and after the Program's scheduled termination date. If the Program is extended, re-determine the premium using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement. If applicable, charge an additional premium or refund the excess premium; or Reference to rating information for non-certified acts of terrorism has been omitted from the proposed Supplement.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
b) determine the premium for terrorism coverage using: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement, and ii. any rating information that may apply to coverage for non-certified terrorism loss for the entire policy term. If the Program terminates, re-determine the premium for terrorism coverage by prorating: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement; ii. any rating information that may apply to coverage for non-certified terrorism loss; and iii. the rating information for full terrorism coverage, if any, filed by the company with the insurance department based upon the proportion of time that the policy was in effect prior to and after the Program's termination date. If applicable, charge an additional premium or refund the excess premium. If the Program is extended with changes, re-determine the premium for terrorism coverage using: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement, and ii. any rating information that may apply to coverage for non-certified terrorism loss. If applicable, charge an additional premium or refund the excess premium. An additional or return premium can be waived when the company has a waiver of premium rule on file with the insurance department and the amount of the additional or return premium meets the threshold specified in the rule.	b) Determine the premium for terrorism coverage using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement for the entire policy term. If the Program terminates, re-determine the premium for terrorism coverage by prorating: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement; and ii. the rating information for full terrorism coverage, if any, filed by the company with the insurance department based upon the proportion of time that the policy was in effect prior to and after the Program's termination date. If applicable, charge an additional premium or refund the excess premium. If the Program is extended with changes, re-determine the premium for terrorism coverage using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement. If applicable, charge an additional premium or refund the excess premium. An additional or return premium can be waived when the company has a waiver of premium rule on file with the insurance department and the amount of the additional or return premium meets the threshold specified in the rule. Reference to rating information for non-certified acts of terrorism has been omitted from the proposed Supplement.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
b. Coverage For Certified Terrorism Loss Provided and Conditional Terrorism Exclusion Endorsement Attached 1) Known At Time Of Premium Determination That TRIP Will Terminate Determine the premium for terrorism coverage by prorating: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement, and ii. any rating information that may apply to coverage for non-certified terrorism loss (if coverage for non-certified terrorism loss is provided) based upon the proportion of time that the policy will be in effect prior to the Program's termination date. Do not make a charge for the portion of time after the Program's termination date (during which the Conditional Terrorism Exclusion will apply). 2) Unknown At Time Of Premium Determination Whether Or Not TRIP Will Terminate (1) Determine the premium for terrorism coverage by prorating: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement and ii. any rating information that may apply to coverage for non-certified terrorism loss (if coverage for non-certified terrorism loss is provided) based upon the proportion of time that the policy will be in effect prior to the Program's scheduled termination date. If the Program is extended without terms that cause the conditional terrorism exclusion to apply, re-determine the premium using: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement and ii. any rating information that may apply to coverage for non-certified terrorism loss (if coverage for non-certified terrorism loss is provided). If applicable, charge an additional premium or refund the excess premium; or	b. Coverage For Certified Terrorism Loss Provided and Conditional Terrorism Exclusion Endorsement Attached 1) Known At Time Of Premium Determination That TRIP Will Terminate Determine the premium for terrorism coverage by prorating the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement based upon the proportion of time that the policy will be in effect prior to the Program's termination date. Do not make a charge for the portion of time after the Program's termination date (during which the Conditional Terrorism Exclusion will apply). 2) Unknown At Time Of Premium Determination Whether Or Not TRIP Will Terminate a) Determine the premium for terrorism coverage by prorating the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement based upon the proportion of time that the policy will be in effect prior to the Program's scheduled termination date. If the Program is extended without terms that cause the conditional terrorism exclusion to apply, re-determine the premium using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement. If applicable, charge an additional premium or refund the excess premium; or Reference to rating information for non-certified acts of terrorism has been omitted from the proposed Supplement.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
(2) Determine the premium for terrorism coverage using: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement and ii. any rating information that may apply to coverage for non-certified terrorism loss (if coverage for non-certified terrorism loss is provided) for the entire policy term. If the Program terminates or is extended with terms that cause the conditional terrorism exclusion to apply, re-determine the premium by prorating: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement and ii. any rating information that may apply to coverage for non-certified terrorism loss (if coverage for non-certified terrorism loss is provided) based upon the proportion of time that the policy was in effect prior to the Program's termination or extension date and refund the excess premium. If the Program is extended without terms that cause the conditional terrorism exclusion to apply, re-determine the premium using: i. the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement and ii. any rating information that may apply to coverage for non-certified terrorism loss (if coverage for non-certified terrorism loss is provided). If applicable, charge an additional premium or refund the excess premium. An additional or return premium can be waived when the company has a waiver of premium rule on file with the insurance department and the amount of the additional or return premium meets the threshold specified in the rule.	b) Determine the premium for terrorism coverage using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement for the entire policy term. If the Program terminates or is extended with terms that cause the conditional terrorism exclusion to apply, re-determine the premium by prorating the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement based upon the proportion of time that the policy was in effect prior to the Program's termination or extension date and refund the excess premium. If the Program is extended without terms that cause the conditional terrorism exclusion to apply, re-determine the premium using the rating information shown for Coverage for Certified Terrorism Loss Accepted provided in the Terrorism Loss -- Rating Information pages of this Supplement. If applicable, charge an additional premium or refund the excess premium. An additional or return premium can be waived when the company has a waiver of premium rule on file with the insurance department and the amount of the additional or return premium meets the threshold specified in the rule. Reference to rating information for non-certified acts of terrorism has been omitted from the proposed Supplement.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
3.7 Premium and Coverage Disclosure Requirements When coverage is provided for certified terrorism loss, the premium charged for the portion of coverage the company retains and the federal share of compensation for insured losses must be disclosed as a separate line item of the policy. An endorsement can be used for this purpose, or disclosure can be made on the declarations page of the policy or elsewhere within the policy itself. Endorsements CL 0605 and CL 1605 are disclosure notices than can be used by the company. Endorsement CL 0605 can be used when TRIP is not scheduled to terminate while the policy is in force. Endorsement CL 1605 can be used when TRIP is scheduled to terminate while the policy is in force. When a Conditional Terrorism Exclusion endorsement is not attached to the policy, make entries in both items A. and B. of the endorsement's schedule. A schedule must be completed in each endorsement, including: - the termination date of the coverage for certified terrorism loss; - the premium allocated to that coverage; and - if TRIP is extended beyond its currently scheduled expiration date, the company must make an entry into the endorsement's schedule to reflect the share of terrorism loss paid by the United States for each successive year.	**3.5 Premium and Coverage Disclosure Requirements For Certified Terrorism Loss** When coverage is provided for certified terrorism loss, the premium charged for the portion of coverage the company retains and the federal share of compensation for insured losses must be disclosed as a separate line item of the policy. Endorsements CL 0605 and CL 1605 can be used for this purpose or disclosure can be made on the declarations page of the policy or elsewhere within the policy itself. Endorsement CL 0605 can be used when TRIP is not scheduled to terminate while the policy is in force. Endorsement CL 1605 can be used when TRIP is scheduled to terminate while the policy is in force. Endorsement CL 0605 also discloses the $100 billion cap on loss caused by certified acts of terrorism in a single Program Year and indicates that, if certified terrorism losses exceed $100 billion dollars in a Program Year, losses up to $100 billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury. If endorsement CL 0605 or CL 1605 is used to satisfy the separate line item disclosure requirement, make an entry on the endorsement schedule to indicate the premium charged for loss caused by certified acts of terrorism. When endorsement CL 1605 is used, also make endorsement schedule entries to indicate the termination date of the coverage for certified terrorism loss and the share of terrorism loss paid by the United States during each Program Year. When a Conditional Terrorism Exclusion endorsement is not attached to the policy, make entries in both items A. and B. of the endorsement CL 1605's schedule. The proposed Supplement indicates that endorsement CL 0605 also discloses the $100 billion cap on loss caused by certified acts of terrorism in a single program year. There are no other material changes to this rule.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
RULE 4 -- POLICIES THAT TAKE EFFECT ON OR AFTER THE EXPIRATION DATE OF TRIP OR THE DATE TRIP IS EXTENDED WITH CHANGES; COVERAGE FOR TERRORISM LOSS EXCLUDED This rule applies to the AAIS lines of insurance programs listed under rule 1.2 of this Supplement. This rule provides options for policies that take effect on or after the date that: 1. the Program ceases to be in effect; or 2. an extension of the Program takes effect, but only if the Program is extended without a requirement that coverage for certified terrorism loss be made available and with changes that redefine terrorism, increase the company's financial exposure under the Program, or impose requirements on insurance coverage for terrorism that differ from the terms that otherwise govern coverage. At the option of the company, a policy can be endorsed to exclude coverage for terrorism loss. The exclusion can be limited to nuclear, biological, or chemical events, or it can apply to those events as well as to others meeting certain specified thresholds, as explained under Rule 1.4.2 of this Supplement.	**RULE 4 -- POLICIES THAT TAKE EFFECT ON OR AFTER THE EXPIRATION DATE OF TRIP OR THE DATE TRIP IS EXTENDED WITH CHANGES; COVERAGE FOR TERRORISM LOSS EXCLUDED** This rule applies to the AAIS lines of insurance listed in Rule 1.2 of this Supplement, except with respect to the Artisans, Businessowners, and Commercial Properties programs. Separate manual supplements address endorsements filed for the Artisans, Businessowners, and Commercial Properties programs. This rule provides options for policies that take effect on or after the date that: 1. the Program ceases to be in effect; or 2. an extension of the Program takes effect, but only if the Program is extended without a requirement that coverage for certified terrorism loss be made available and with changes that redefine terrorism, increase the company's financial exposure under the Program, or impose requirements on insurance coverage for terrorism that differ from the terms that otherwise govern coverage. At the option of the company, a policy can be endorsed to exclude coverage for terrorism loss. The exclusion can be limited to nuclear, biological, or chemical events, or it can apply to those events as well as to others meeting certain specified thresholds, as explained under Rule 1.4.2 of this Supplement. The proposed Supplement acknowledges the separate Terrorism Supplements now on file for the Artisans, Businessowners, and Commercial Properties programs. There are no other material changes to the lead-in section of this rule.

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)

Attach the endorsement shown below for the applicable program and type of exclusion when coverage for terrorism loss is to be excluded.

Program	NBC-only Terrorism Loss Excluded	NBC and other Terrorism Loss Excluded
Agricultural Output	CL 2650	CL 2630
Artisans	AP 2750	AP 2730
Businessowners	BP 2800	BP 2780
Commercial Inland Marine (Filed Classes)	CL 2650	CL 2630
Commercial Liability	GL 2280	GL 2270
Commercial Output	CL 2650	CL 2630
Commercial Output - XL	CL 2650	CL 2630
Commercial Properties	CL 2650	CL 2630
Contractors & Developers Output	CL 2650	CL 2630
Farm Properties	FL 2650	FL 2630
Glass	CL 2650	CL 2630
Personal & Premises Liability (Farm Only)	GL 2340	GL 2330

When coverage for terrorism loss is not excluded, determine the premium for terrorism coverage using the rating information for terrorism coverage, if any, filed by the company with the insurance department.

The table above identifies AAIS programs on file in most jurisdictions.

Attach the endorsement shown below for the applicable program and type of exclusion when coverage for terrorism loss is to be excluded.

Program	NBC-only Terrorism Loss Excluded	NBC and other Terrorism Loss Excluded
Agricultural Output	CL 2650	CL 2630
Commercial Inland Marine (Filed Classes)	CL 2650	CL 2630
Commercial Liability	GL 2280	GL 2270
Commercial Output	CL 2650	CL 2630
Commercial Output - XL	CL 2650	CL 2630
Contractors & Developers Output	CL 2650	CL 2630
Farm Inland Marine (Except Livestock)	CL 2650	CL 2630
Farm Properties	FL 2650	FL 2630
Glass	CL 2650	CL 2630
Personal & Premises Liability (Farm Only)	GL 2340	GL 2330

When coverage for terrorism loss is not excluded, determine the premium for terrorism coverage using the rating information for terrorism coverage, if any, filed by the company with the insurance department.

Reference to the Artisans, Businessowners, and Commercial Properties programs has been deleted in the table above and reference to the Farm Inland Marine Program has been added. (The table above identifies AAIS programs on file in most jurisdictions.)

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CURRENT TERRORISM LOSSES SUPPLEMENT REV 06 06 (Comments are highlighted throughout this document.)	PROPOSED TERRORISM LOSSES SUPPLEMENT REV 01 08 (Comments are highlighted throughout this document.)
RULE 5 -- INTERSTATE ACCOUNTS Any manual rules specifying that policies covering property located in more than one state may be written subject to the rules, forms, and endorsements for the state with either the largest values or where the insured's headquarters are located do not apply with respect to terrorism loss. When a policy covers property located in more than one state or jurisdiction, exclusions and/or coverage for terrorism loss for each location must be written in accordance with the forms, rules, and rating information applicable in that state or jurisdiction. When a policy covers property located in more than one state or jurisdiction and more than one endorsement must be attached, indicate on the declarations the location(s) to which each endorsement applies.	**RULE 5 -- INTERSTATE ACCOUNTS** Any manual rules specifying that policies covering property located in more than one state may be written subject to the rules, forms, and endorsements for the state with either the largest values or where the insured's headquarters are located do not apply with respect to terrorism loss. When a policy covers property located in more than one state or jurisdiction, exclusions and/or coverage for terrorism loss for each location must be written in accordance with the forms, rules, and rating information applicable in that state or jurisdiction. When a policy covers property located in more than one state or jurisdiction and more than one endorsement must be attached, make an entry on the policy declarations page to indicate the location(s) to which each endorsement applies. No material changes were made to the Interstate Accounts rule.

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CURRENT CERTIFIED TERRORISM LOSSES - RATING INFORMATION REV 06 06	PROPOSED CERTIFIED TERRORISM LOSSES - RATING INFORMATION REV 01 08 *Comments: No rating factors have been changed. Reference to the Artisans, Businessowners, and Commercial Properties programs has been deleted; separate supplements are now on file for those programs. Reference to the Farm Inland Marine Program has been added; the separate Farm Inland Marine Terrorism Supplement previously filed is now being incorporated into the proposed supplement.*

AMERICAN ASSOCIATION OF INSURANCE SERVICES
SUPPLEMENT TO ARKANSAS MANUALS

CERTIFIED TERRORISM LOSSES -- RATING INFORMATION

All Programs Except Farm Properties and Personal & Premises Liability -- To determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company, multiply the total policy premium for all exposures in this state, after the application of IRPM credits or debits (if any), by the factor shown below for the applicable program.

Program	Factor -- Coverage For Certified Terrorism Loss Accepted
Agricultural Output	.0125
Artisans	.0200
Businessowners	.0125
Commercial Inland Marine (Filed Classes)	.0125
Commercial Liability	.0200
Commercial Output	.0125
Commercial Output - XL	.0125
Commercial Properties	.0125
Contractors & Developers Output	.0125
Glass	.0125

Farm Properties and Personal & Premises Liability Only -- To determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company, multiply the total policy premium for all eligible farm exposures in this state, after the application of IRPM credits or debits (if any), by the factor shown below for the applicable program.

Do not include the property or liability premium charged for exposures arising out of dwellings occupied by the insured. Ineligible farm exposures include livestock, poultry, and any other covered animals.

Farm Properties	.0125
Personal & Premises Liability (Farm Only)	.0200

AMERICAN ASSOCIATION OF INSURANCE SERVICES
MULTI-LINE SUPPLEMENT TO ARKANSAS MANUALS

CERTIFIED TERRORISM LOSSES -- RATING INFORMATION

All Programs Except Farm Properties and Personal & Premises Liability -- To determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company, multiply the total policy premium for all exposures in this state, after the application of IRPM credits or debits (if any), by the factor shown below for the applicable program.

Program	Factor -- Coverage For Certified Terrorism Loss Accepted
Agricultural Output	.0125
Commercial Inland Marine (Filed Classes)	.0125
Commercial Liability	.0200
Commercial Output	.0125
Commercial Output - XL	.0125
Contractors & Developers Output	.0125
Farm Inland Marine (not applicable to Livestock class)	.0125
Glass	.0125

Farm Properties and Personal & Premises Liability Only -- To determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company, multiply the total policy premium for all eligible farm exposures in this state, after the application of IRPM credits or debits (if any), by the factor shown below for the applicable program.

Do not include the property or liability premium charged for exposures arising out of dwellings occupied by the insured. Ineligible farm exposures include livestock, poultry, and any other covered animals.

Farm Properties	.0125
Personal & Premises Liability (Farm Only)	.0200

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Adopted

Ed. 12/19/07

EXPEDITED FILING TRANSMITTAL DOCUMENT
FOR TERRORISM RISK INSURANCE FORMS AND PRICING

This page applies to the following state(s) _____

Indicate Type of Filing
[X] Filing Related to *Certified Losses* [ ] Filing Related to *Non-Certified Losses* [ ] 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
Laura M. Lemke, ACP 1745 S. Naperville Road Wheaton, Illinois 60187-8132	630-681-8347	630-681-8356	Laural@aaisonline.com

Filing information

Line of Insurance (see attachment)	05.0 Commercial Multi-Peril - Liability & Non-Liability
Company Program Title (Marketing title) (if applicable)	Commercial Output Program XL
Filing Type ** see note below	Rules
This application is used with:	See Filing Memo
Effective Date Requested	2/26/08
Filing date	2/26/08
Company Tracking Number	AAIS-2008-4CXLR
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
01	Terrorism Rules Supplement	Index - i Rev 01 08 Rules - 1 to Rules - 15 Rev 01 08	[X] Replacement [ ] Withdrawn [ ] Neither	Index - i Rev 06 06 Rules - 1 to Rules - 20 Rev 06 06	AR-PC-06-020148
02	Terrorism Rating Supplement	Rating Information - 1 Rev 01 08	[X] Replacement [ ] Withdrawn [ ] Neither	Rating Information - 1 Rev 06 06	AR-PC-06-020148

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.

Laura M Lemke

Signature

Laura M. Lemke, ACP
Print Name:

Supervisor, State Filings
Title:

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