

SERFF Tracking Number: AMAX-125521183 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$50
Company Tracking Number: AAIS-2008-4DPR
TOI: 01.0 Property Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)
Product Name: Multi-Line Terrorism Filings
Project Name/Number: DP 01 08 Terrorism Supplement AAIS-2008-4DPR/AAIS-2008-4DPR

Filing at a Glance

Company: American Association of Insurance Services

Product Name: Multi-Line Terrorism Filings SERFF Tr Num: AMAX-125521183 State: Arkansas
TOI: 01.0 Property SERFF Status: Closed State Tr Num: EFT \$50
Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines) Co Tr Num: AAIS-2008-4DPR State Status: Fees verified and received
Filing Type: Rule Co Status: Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
Author: SPI AAIS Disposition Date: 03/05/2008
Date Submitted: 03/04/2008 Disposition Status: Filed
Effective Date Requested (New): 03/04/2008 Effective Date (New): 03/04/2008
Effective Date Requested (Renewal): Effective Date (Renewal):
State Filing Description:

General Information

Project Name: DP 01 08 Terrorism Supplement AAIS-2008-4DPR Status of Filing in Domicile: Pending
Project Number: AAIS-2008-4DPR Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 03/05/2008 Deemer Date:
State Status Changed: 03/05/2008
Corresponding Filing Tracking Number:
Filing Description:

Re: AAIS-2008-4DPR
Dwelling Properties Program
Revised Terrorism Rules and Rating Information Supplement (Rev 01 08)

Dear Sir or Madam:

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Association of Insurance Services	\$50.00	03/04/2008	18306289

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	03/05/2008	03/05/2008

SERFF Tracking Number: *AMAX-125521183* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *AAIS-2008-4DPR*
TOI: *01.0 Property* *Sub-TOI:* *01.0002 Personal Property (Fire and Allied Lines)*

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Disposition

Disposition Date: 03/05/2008
Effective Date (New): 03/04/2008
Effective Date (Renewal):
Status: Filed
Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: *AMAX-125521183* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *AAIS-2008-4DPR*
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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Terrorism Rules Supplement	Rules 1 - Rules 3	Replacement	Rules 1 - Rules 3.PDF

AMERICAN ASSOCIATION OF INSURANCE SERVICES SUPPLEMENT TO DWELLING PROPERTIES AND PERSONAL AND PREMISES LIABILITY MANUALS

CERTIFIED TERRORISM LOSSES

INTRODUCTION

The rules set forth in this supplement apply only to those policies written to cover the property and/or liability exposures of a one to four family dwelling that is regularly rented or held for rental to others.

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.

The United States Treasury has concluded that with respect to TRIP, insurance written to cover the exposures of a one to four family dwelling regularly rented or held for rental to others is commercial insurance and is thus covered under TRIP, to the extent that the premiums for such insurance is reported under Annual Statement Line 1 - Fire; Line 2.1 - Allied Lines; and Line 17 - Other Liability.

A company seeking to qualify for federal reinsurance under TRIP can endorse a policy covering the property and/or liability exposure of premises that are regularly rented or held for rental to others to include provisions pertaining to coverage for certified terrorism loss.

Attach endorsement FL 0670.

AMERICAN ASSOCIATION OF INSURANCE SERVICES SUPPLEMENT TO DWELLING PROPERTIES AND PERSONAL AND PREMISES LIABILITY MANUALS

CERTIFIED TERRORISM LOSSES

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;
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.

AMERICAN ASSOCIATION OF INSURANCE SERVICES SUPPLEMENT TO DWELLING PROPERTIES AND PERSONAL AND PREMISES LIABILITY MANUALS

CERTIFIED TERRORISM LOSSES

PREMIUM AND COVERAGE DISCLOSURE REQUIREMENTS FOR CERTIFIED TERRORISM LOSS

Companies providing commercial property and casualty insurance for the lines of insurance subject to TRIP 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 FL 1045 includes the terms needed to fulfill the mandatory offer requirement. The FL 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 FL 1045 also discloses the \$100 billion cap on annual aggregate losses.

In addition, in order to qualify for federal reinsurance for certified terrorism loss under TRIP, 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.

Endorsement FL 0670 can be used for this purpose or disclosure can be made on the declarations page of the policy or elsewhere within the policy itself.

If endorsement FL 0670 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.

Unless a company has taken specific filing action to introduce a premium consideration for losses arising from certified acts of terrorism, the premium charge applicable to the company's portion of coverage for such losses is zero.

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Supporting Document Schedules

Satisfied -Name: !CW DP & PPL MAN SUPP Filing Memo
Review Status: Filed 03/05/2008

Comments:

Attachment:

!CW DP & PPL MAN SUPP Filing Memo.PDF

Satisfied -Name: !CW DP & PPL Terrorism Manual SBS
Review Status: Filed 03/05/2008

Comments:

Attachment:

!CW DP & PPL Terrorism Manual SBS.PDF

Satisfied -Name: AR DP TRIPRA Expedited Filing Form
Review Status: Filed 03/05/2008

Comments:

Attachment:

AR DP TRIPRA Expedited Filing Form.PDF

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
FILING MEMORANDUM - SUPPLEMENT TO DWELLING PROPERTIES AND
PERSONAL AND PREMISES LIABILITY MANUALS**

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.

This filing consists of a revised terrorism-related manual supplement to correspond with recent changes to TRIP as established by TRIPRA. The terrorism supplement will be used with the AAIS Dwelling Properties and Personal and Premises Liability (Premises only) programs. There is no premium impact with this change.

A side-by-side (current to proposed) is attached for the revised supplement.

The forms and endorsements supporting this rule have been submitted under a separate filing.

AAIS PROPOSED	AAIS CURRENT	COMMENTS
<p>INTRODUCTION</p> <p>The rules set forth in this supplement apply only to those policies written to cover the property and/or liability exposures of a one to four family dwelling that is regularly rented or held for rental to others.</p> <p>TERRORISM RISK INSURANCE PROGRAM</p> <p>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).</p> <p>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.</p>	<p>CERTIFIED TERRORISM LOSSES</p> <p>These rules apply only to policies written to cover the property and/or liability exposures of premises that are regularly rented or held for rental to others.</p> <p>Certified Terrorism Losses -- In accordance with the Act, companies writing commercial property and casualty insurance must make available to policyholders coverage for certified terrorism losses.</p>	<p>Editorial revisions.</p> <p>This section has been added to provide historical background of the terrorism program.</p>

AAIS PROPOSED	AAIS CURRENT	COMMENTS
<p>The United States Treasury has concluded that with respect to TRIP, insurance written to cover the exposures of a one to four family dwelling regularly rented or held for rental to others is commercial insurance and is thus covered under TRIP, to the extent that the premiums for such insurance is reported under Annual Statement Line 1 - Fire; Line 2.1 - Allied Lines; and Line 17 - Other Liability.</p> <p>A company seeking to qualify for federal reinsurance under TRIP can endorse a policy covering the property and/or liability exposure of premises that are regularly rented or held for rental to others to include provisions pertaining to coverage for certified terrorism loss.</p> <p>Attach endorsement FL 0670.</p> <p>IMPORTANT TERMS AND LOSS CRITERIA</p> <p>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:</p> <ol style="list-style-type: none"> 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; 	<p>The added provisions apply only in the event that the Secretary of the Treasury determines that the exposures covered by the policy are subject to the Act or any amendments thereto.</p> <p>A company seeking to qualify for federal reinsurance under the Terrorism Risk Insurance Act of 2002 (the Act) can endorse a policy covering the property and/or liability exposures of premises that are regularly rented or held for rental to others to include provisions pertaining to coverage for certified terrorism losses.</p> <p>Attach endorsement FL 0670.</p> <p>A certified terrorism loss is any loss that is covered by an applicable coverage part and that results from an act of terrorism if:</p> <ol style="list-style-type: none"> 2. the act of terrorism is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States: <ol style="list-style-type: none"> a. to be an act of terrorism; b. to be a violent act or an act that is dangerous to human life, property, or infrastructure; 	<p>At the time the current Supplement was written, the Treasury Department had not decided if one to four family rental dwellings were covered under TRIP.</p> <p>No change.</p> <p>No change.</p>

AAIS PROPOSED	AAIS CURRENT	COMMENTS
<p>3. to have resulted in damage:</p> <p>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;</p> <p>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</p> <p>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.</p> <p>Certified Terrorism Loss -- A certified terrorism loss is loss that results from a certified act of terrorism.</p>	<p>c. to have resulted in damage: 1) within the United States; or 2) outside of the United States in the case of an air carrier or vessel described in paragraph 1.b. above or at the premises of any United States mission; and</p> <p>1. such loss occurs:</p> <p>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</p> <p>d. 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.</p> <p>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.</p>	<p>No change.</p> <p>Removed reference to "foreign person" and "foreign interest" as these have been removed with passage of the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA).</p> <p>No change in intent.</p>

AAIS PROPOSED	AAIS CURRENT	COMMENTS
<p>PREMIUM AND COVERAGE DISCLOSURE REQUIREMENTS FOR CERTIFIED TERRORISM LOSS</p> <p>Companies providing commercial property and casualty insurance for the lines of insurance subject to TRIP 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.</p> <p>Policyholder Disclosure FL 1045 includes the terms needed to fulfill the mandatory offer requirement. The FL 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 FL 1045 also discloses the \$100 billion cap on annual aggregate losses.</p> <p>In addition, in order to qualify for federal reinsurance for certified terrorism loss under TRIP, 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.</p> <p>Endorsement FL 0670 can be used for this purpose or disclosure can be made on the declarations page of the policy or elsewhere within the policy itself.</p> <p>If endorsement FL 0670 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.</p>	<p>The Act requires that companies notify policyholders of the availability of coverage for certified terrorism losses and the premium charge applicable to such coverage.</p> <p>The premium charged for the portion of coverage the company retains and the Federal share of compensation for insured losses must be disclosed on a separate line item of the policy.</p> <p>The separate line item requirement can be satisfied by indicating the premium charge and Federal share of compensation on the Declarations page of the policy; elsewhere within the policy; or in any rider or endorsement that is made a part of the policy.</p> <p>Companies electing to satisfy the separate line item requirement by means of the endorsement must also make an entry to show the premium that applies to coverage for certified terrorism loss.</p>	<p>This sentence has been reworded into the first four paragraphs of PREMIUM AND COVERAGE DISCLOSURE REQUIREMENTS FOR CERTIFIED TERRORISM LOSS.</p> <p>Editorial revisions.</p> <p>Editorial revisions.</p> <p>No change in intent.</p>

AAIS PROPOSED	AAIS CURRENT	COMMENTS
<p>Unless a company has taken specific filing action to introduce a premium consideration for losses arising from certified acts of terrorism, the premium charge applicable to the company's portion of coverage for such losses is zero.</p>	<p>Unless a company has taken specific filing action to introduce a premium consideration for losses arising from certified acts of terrorism, the premium charge applicable to the company's portion of coverage for such losses is zero.</p>	<p>No change.</p>

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

This page applies to the following state(s) AR

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

Department Use only

Company Name(s)	Domicile	NAIC #	FEIN #
American Association of Insurance Services	DE		36-2021360

Contact Info for Filer

Name and address of Filer(s)	Telephone #	FAX #	e-mail
Pallavi Shah 1745 S. Naperville Road Wheaton, Illinois 60187-8132	630-681-8347	630-681-8356	pallavis@aasonline.com

Filing information

Line of Insurance (see attachment)	1.0002 Personal Property
Company Program Title (Marketing title) (if applicable)	Dwelling Properties Program
Filing Type ** see note below	Rules
This application is used with:	Dwelling Properties Program
Effective Date Requested	March 4, 2008
Filing date	March 4, 2008
Company Tracking Number	AAIS-2008-4DPR
Date filing approved in domiciliary state, if applicable	Pending

	<u>Component/Form Name /Description/Synopsis</u>	<u>Form # or Rate Page Include edition date</u>	<u>Replacement Or withdrawn?</u>	<u>If replacement, give form # or rate page(s) it replaces</u>	<u>Previous State Filing Number, if required by state</u>
01	Terrorism Rules Supplement	Rules - 1 to Rules - 3 Rev 01 08	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	Rules - 1 to Rules - 3 Rev 1.0	
02			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		

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.



Pallavi Shah

Senior Filings Specialist

Signature

Print Name:

Title: