

SERFF Tracking Number: AMLX-125551847 State: Arkansas  
Filing Company: American Alternative Insurance Corporation State Tracking Number: EFT \$50  
Company Tracking Number: CF AR0244201F01  
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
Product Name: Commercial Property  
Project Name/Number: TRIPRA Disclosure Notices/CF AR0244201F01

## Filing at a Glance

Company: American Alternative Insurance Corporation

Product Name: Commercial Property SERFF Tr Num: AMLX-125551847 State: Arkansas  
TOI: 01.0 Property SERFF Status: Closed State Tr Num: EFT \$50  
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines) Co Tr Num: CF AR0244201F01 State Status: Fees verified and received  
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding  
Author: SPI Disposition Date: 03/21/2008  
AmericanAlternativeInsurance  
Date Submitted: 03/17/2008 Disposition Status: Approved  
Effective Date Requested (New): 12/26/2007 Effective Date (New): 12/26/2007  
Effective Date Requested (Renewal): Effective Date (Renewal):  
State Filing Description:

## General Information

Project Name: TRIPRA Disclosure Notices  
Project Number: CF AR0244201F01  
Reference Organization:  
Reference Title:  
Filing Status Changed: 03/21/2008  
State Status Changed: 03/21/2008  
Corresponding Filing Tracking Number:  
Filing Description:

Status of Filing in Domicile: Pending  
Domicile Status Comments:  
Reference Number:  
Advisory Org. Circular:  
Deemer Date:

American Alternative Insurance Corporation (AAIC) hereby submits for your information the following new /revised policyholder disclosure notices in response to the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2007. This filing applies to our Commercial Property products currently on file with your department. These disclosure notices will be used in conjunction with AAIC bureau and non-bureau based programs.

SERFF Tracking Number: AMLX-125551847 State: Arkansas  
 Filing Company: American Alternative Insurance Corporation State Tracking Number: EFT \$50  
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 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
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TerrNotice05 (01/08) Policyholder Disclosure Notice of Terrorism Insurance Coverage  
 TerrNotice07 01/08 Standard Fire Policy (SFP) State Policyholder Disclosure Notice of Terrorism Insurance Coverage  
 TerrNotice08 (01/08) Policyholder Disclosure Notice of Terrorism Insurance Coverage  
 TerrNotice09 (01/08) Policyholder Disclosure Notice of Terrorism Insurance Coverage

The Expedited Terrorism Document is attached.

The proposed effective date, in conjunction with the Act, is December 26, 2007.

## Company and Contact

### Filing Contact Information

Judy Cahill, State Filing Analyst jcahill@munichreamerica.com  
 555 College Road East (609) 951-8473 [Phone]  
 Princeton, NJ 08543-5241 (609) 275-2147[FAX]

### Filing Company Information

American Alternative Insurance Corporation	CoCode: 19720	State of Domicile: Delaware
555 College Road East	Group Code: 361	Company Type:
Princeton, NJ 08543-5241	Group Name: Munich Re Group	State ID Number:
(800) 305-4954 ext. [Phone]	FEIN Number: 52-2048110	

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: Payment Amount: \$50  
 E-check number: 1700000250  
 E-check date: 03/17/2008  
 Per Company: No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Alternative Insurance Corporation	\$50.00	03/17/2008	18719297

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Product Name: Commercial Property  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	03/21/2008	03/21/2008

*SERFF Tracking Number:*      *AMLX-125551847*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Alternative Insurance Corporation*      *State Tracking Number:*      *EFT \$50*  
*Company Tracking Number:*      *CF AR0244201F01*  
*TOI:*                      *01.0 Property*                      *Sub-TOI:*                      *01.0001 Commercial Property (Fire and Allied Lines)*  
  
*Product Name:*                      *Commercial Property*  
*Project Name/Number:*              *TRIPRA Disclosure Notices/CF AR0244201F01*

## **Disposition**

Disposition Date: 03/21/2008

Effective Date (New): 12/26/2007

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMLX-125551847 State: Arkansas  
 Filing Company: American Alternative Insurance Corporation State Tracking Number: EFT \$50  
 Company Tracking Number: CF AR0244201F01  
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
 Product Name: Commercial Property  
 Project Name/Number: TRIPRA Disclosure Notices/CF AR0244201F01

Item Type	Item Name	Item Status	Public Access
Supporting Document	AR - EXPD FILING TRANS FOR TER RISK	Approved	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Form	Policyholder Disclosure Notice of Terrorism Insurance Coverage	Approved	Yes
Form	Standard Fire Policy (SFP) State Policyholder Disclosure Notice of Terrorism Insurance Coverage	Approved	Yes
Form	Policyholder Disclosure Notice of Terrorism Insurance Coverage	Approved	Yes
Form	Policyholder Disclosure Notice of Terrorism Insurance Coverage	Approved	Yes

SERFF Tracking Number: AMLX-125551847 State: Arkansas  
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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Policyholder Disclosure Notice 05 of Terrorism Insurance Coverage	TerrNotice 05	(01/08)	Disclosure/ Replaced Notice	Replaced Form #:0.00 TerrNotice05 Previous Filing #: ML AR0131701F01		TerrNotice05 .PDF
Approved	Standard Fire Policy (SFP) State Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice 07	01/08	Disclosure/ New Notice		0.00	TerrNotice07 .PDF
Approved	Policyholder Disclosure Notice 08 of Terrorism Insurance Coverage	TerrNotice 08	(01/08)	Disclosure/ Replaced Notice	Replaced Form #:0.00 TerrNotice08 Previous Filing #: ML AR0131701F01		TerrNotice08 .PDF
Approved	Policyholder Disclosure Notice 09 of Terrorism Insurance Coverage	TerrNotice 09	(01/08)	Disclosure/ Replaced Notice	Replaced Form #:0.00 TerrNotice09 Previous Filing #: ML AR0131701F01		TerrNotice09 .PDF

Named Insured :

Policy No. or Type of Policy:

Effective Date:

Insurance Company: ( ) American Alternative Insurance Corporation

( ) Great Lakes Reinsurance (UK) PLC

( ) The Princeton Excess and Surplus Lines Insurance Company

**POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you now have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury--in concurrence with the Secretary of State, and the Attorney General of the United States--to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION, IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

**SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE**

\_\_\_\_\_ I hereby elect to purchase Terrorism coverage as defined in the Terrorism Risk Insurance Act, as amended, for a prospective premium of \$\_\_\_\_\_.

\_\_\_\_\_ I hereby elect to have the exclusion for terrorism coverage attached to my policy. I understand that an exclusion will be attached to my policy and I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Policyholder/Applicant's Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## TERRORISM RISK INSURANCE ACT

The following is a partial summary of the Terrorism Risk Insurance Act, as amended, (hereinafter referred to as the Act). Only the provisions of the Act determine the scope of the insurance protection available for the losses covered under the Act. The Act has been extended through December 31, 2014.

The Act provides coverage for property and casualty insurance for "insured losses" as a result of an "act of terrorism." As stated in the Act:

- A. "Insured loss" means any loss resulting from an "act of terrorism" (including an act of war, in the case of worker's compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if such loss:
1. occurs within the United States; or
  2. occurs 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 US 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.
- B. "Act of terrorism" means any act that is certified by the Secretary of State, 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:
    - a. human life;
    - b. property; or
    - c. infrastructure;
  3. to have resulted in damage within the United States, or outside of the United States in the case of:
    - a. an air carrier or vessel described in paragraph (5)(B) of Section 102 of the Act; or
    - b. the premises of a United States mission; and
  4. to have been committed by an individual or individuals, as part of an effort to coerce the civilian populations of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. Section 102 (1)(B) of the Act states "no act shall be certified by the Secretary as an act of terrorism if:
1. the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
  2. property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000."
- D. The Act also contains a "program trigger" in Section 103(e)(1)(B), pursuant to which the federal government does not pay compensation for losses resulting from a certified act occurring after December 31, 2007, unless aggregate industry insured losses from such a certified act exceed a certain amount, or "trigger." For insured losses occurring in 2008 and for all additional program years, the program trigger is \$100,000,000 of aggregate industry insured losses.

- E. The Act does not apply to: crop or livestock insurance; private mortgage insurance or title insurance; financial guaranty insurance issued by monoline financial guaranty insurance corporations; insurance for medical malpractice; health or life insurance; flood insurance provided under the National Flood Insurance Act of 1968; commercial automobile insurance; burglary and theft insurance; surety insurance; professional liability insurance (except Directors and Officers Liability); or farm owners multiple peril insurance.
- F. Under the Act for program years through December 31, 2014, the federal government will reimburse the insurance company for 85% of its insured losses in excess of a deductible, until aggregate "insured losses" in any Program Year exceed \$100 billion. Each insurer's deductible will be 20% of its direct earned premium for property and casualty insurance (as reported on Page 14 of the company's Annual Statement), over the immediately preceding calendar year.

For the purposes of determining such deductibles, direct earned premium means only the premiums earned on the commercial lines property and casualty insurance covered by the Act for U.S. risks or vessels, aircraft and foreign missions outside the U.S. covered by the Act.

Neither the insurance company (having met its statutorily mandated share as described above) nor the federal government will be liable for payment of any portion of "insured losses" under the Act that exceeds \$100 billion in the aggregate during any Program Year.

**Named Insured :**

**Policy No. or Type of Policy:**

**Effective Date:**

**Insurance Company:** ( ) American Alternative Insurance Corporation  
( ) Great Lakes Reinsurance (UK) PLC  
( ) The Princeton Excess and Surplus Lines  
Insurance Company

**STANDARD FIRE POLICY (SFP) STATE  
POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you now have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury--in concurrence with the Secretary of State, and the Attorney General of the United States--to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION, IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

In addition, you should also know that some or all of the locations covered under your policy may be located in a Standard Fire Policy (SFP) state. With certain exceptions as described in the Note below, SFP states require that fire insurance coverage meet or exceed the provisions of the Standard Fire Policy and do not permit the exclusion of terrorism, even if coverage under the Act is rejected. Those legal requirements cannot be waived and are not preempted by the Act; therefore a business cannot voluntarily waive

this statutorily mandated coverage. Even if you reject the coverage under the Act as offered below, if a Terrorist Activity occurs in an SFP state and results in fire, we will pay for the loss or damage in such SFP state caused by that fire. This exception does not apply to time element coverages, including but not limited to business interruption or extra expense.

Note: There are some states which have adopted the Standard Fire Policy, but which also permit the exclusion of terrorism, including fire following, in such a policy under certain defined circumstances. In these states, apart from coverage under the Act, as amended, (if such coverage is elected hereunder), we will not provide terrorism coverage beyond the minimum requirements of the SFP laws and regulations. As of the date of this policy, SFP states that permit an absolute or limited terrorism exclusion include: Arizona, Connecticut, Idaho, Louisiana, Michigan, Minnesota, Nebraska, New Hampshire, North Dakota, Oklahoma, Pennsylvania, Rhode Island and Virginia. If your policy covers locations in one or more of these states, you will not have coverage for terrorism under the SFP laws for those locations.

**SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE**

\_\_\_\_\_ I hereby elect to purchase Terrorism coverage as defined in the Terrorism Risk Insurance Act, as amended, for a prospective premium of \$\_\_\_\_\_.

\_\_\_\_\_ I understand that I will have no coverage for losses arising from certified acts of terrorism as defined in the exclusion and in the Terrorism Risk Insurance Act, as amended, except as described above for locations in SFP states.

\_\_\_\_\_  
Policyholder/Applicant's Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## TERRORISM RISK INSURANCE ACT

The following is a partial summary of the Terrorism Risk Insurance Act, as amended, (hereinafter referred to as the Act). Only the provisions of the Act determine the scope of the insurance protection available for the losses covered under the Act. The Act has been extended through December 31, 2014.

The Act provides coverage for property and casualty insurance for "insured losses" as a result of an "act of terrorism." As stated in the Act:

- A. "Insured loss" means any loss resulting from an "act of terrorism" (including an act of war, in the case of worker's compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if such loss:
1. occurs within the United States; or
  2. occurs 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 US 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.
- B. "Act of terrorism" means any act that is certified by the Secretary of State, 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:
    - a. human life;
    - b. property; or
    - c. infrastructure;
  3. to have resulted in damage within the United States, or outside of the United States in the case of:
    - a. an air carrier or vessel described in paragraph (5)(B) of Section 102 of the Act; or
    - b. the premises of a United States mission; and
  4. to have been committed by an individual or individuals, as part of an effort to coerce the civilian populations of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. Section 102 (1)(B) of the Act states "no act shall be certified by the Secretary as an act of terrorism if:
1. the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
  2. property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000."
- D. The Act also contains a "program trigger" in Section 103(e)(1)(B), pursuant to which the federal government does not pay compensation for losses resulting from a certified act occurring after December 31, 2007, unless aggregate industry insured losses from such a certified act exceed a certain amount, or "trigger." For insured losses occurring in 2008 and for all additional program years, the program trigger is \$100,000,000 of aggregate industry insured losses.

- E. The Act does not apply to: crop or livestock insurance; private mortgage insurance or title insurance; financial guaranty insurance issued by monoline financial guaranty insurance corporations; insurance for medical malpractice; health or life insurance; flood insurance provided under the National Flood Insurance Act of 1968; commercial automobile insurance; burglary and theft insurance; surety insurance; professional liability insurance (except Directors and Officers Liability); or farm owners multiple peril insurance.
  
- F. Under the Act for program years through December 31, 2014, the federal government will reimburse the insurance company for 85% of its insured losses in excess of a deductible, until aggregate "insured losses" in any Program Year exceed \$100 billion. Each insurer's deductible will be 20% of its direct earned premium for property and casualty insurance (as reported on Page 14 of the company's Annual Statement), over the immediately preceding calendar year.

For the purposes of determining such deductibles, direct earned premium means only the premiums earned on the commercial lines property and casualty insurance covered by the Act for U.S. risks or vessels, aircraft and foreign missions outside the U.S. covered by the Act.

Neither the insurance company (having met its statutorily mandated share as described above) nor the federal government will be liable for payment of any portion of "insured losses" under the Act that exceeds \$100 billion in the aggregate during any Program Year.

**Named Insured :**  
**Policy No. or Type of Policy:** **Effective Date:**  
**Insurance Company:** American Alternative Insurance Corporation

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you now have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury--in concurrence with the Secretary of State, and the Attorney General of the United States--to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION, IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

We have issued your renewal policy and made the appropriate charge to include insurance coverage for losses arising out of terrorism as defined in the Act, as amended.

Please advise whether you wish to continue or reject this terrorism coverage by checking the applicable item below:

**SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE**

\_\_\_\_\_ I hereby elect to continue terrorism coverage as defined in the Terrorism Risk Insurance Act, as amended, for a premium of \$\_\_\_\_\_.

\_\_\_\_\_ I hereby elect to have the exclusion for terrorism coverage attached to my policy and my premium will be adjusted accordingly. I understand that an exclusion will be attached to my policy and I will have no coverage for losses arising from certified acts of terrorism as defined in the exclusion and in the Terrorism Risk Insurance Act, as amended.

**If we do not hear from you within 30 days of the mailing date of this notice we will assume you wish to continue the terrorism coverage as defined in the Terrorism Risk Insurance Act, as amended.**

\_\_\_\_\_  
Policyholder/Applicant's Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date

## TERRORISM RISK INSURANCE ACT

The following is a partial summary of the Terrorism Risk Insurance Act, as amended, (hereinafter referred to as the Act). Only the provisions of the Act determine the scope of the insurance protection available for the losses covered under the Act. The Act has been extended through December 31, 2014.

The Act provides coverage for property and casualty insurance for "insured losses" as a result of an "act of terrorism." As stated in the Act:

- A. "Insured loss" means any loss resulting from an "act of terrorism" (including an act of war, in the case of worker's compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if such loss:
  - 1. occurs within the United States; or
  - 2. occurs 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 US 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.
  
- B. "Act of terrorism" means any act that is certified by the Secretary of State, 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:
    - a. human life;
    - b. property; or
    - c. infrastructure;
  - 3. to have resulted in damage within the United States, or outside of the United States in the case of:
    - a. an air carrier or vessel described in paragraph (5)(B) of Section 102 of the Act; or
    - b. the premises of a United States mission; and
  - 4. to have been committed by an individual or individuals, as part of an effort to coerce the civilian populations of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
  
- C. Section 102 (1)(B) of the Act states "no act shall be certified by the Secretary as an act of terrorism if:
  - 1. the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
  - 2. property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000."
  
- D. The Act also contains a "program trigger" in Section 103(e)(1)(B), pursuant to which the federal government does not pay compensation for losses resulting from a certified act occurring after December 31, 2007, unless aggregate industry insured losses from such a certified act exceed a certain amount, or "trigger." For insured losses occurring in 2008 and for all additional program years, the program trigger is \$100,000,000 of aggregate industry insured losses.

- E. The Act does not apply to: crop or livestock insurance; private mortgage insurance or title insurance; financial guaranty insurance issued by monoline financial guaranty insurance corporations; insurance for medical malpractice; health or life insurance; flood insurance provided under the National Flood Insurance Act of 1968; commercial automobile insurance; burglary and theft insurance; surety insurance; professional liability insurance (except Directors and Officers Liability); or farm owners multiple peril insurance.
- F. Under the Act for program years through December 31, 2014, the federal government will reimburse the insurance company for 85% of its insured losses in excess of a deductible, until aggregate "insured losses" in any Program Year exceed \$100 billion. Each insurer's deductible will be 20% of its direct earned premium for property and casualty insurance (as reported on Page 14 of the company's Annual Statement), over the immediately preceding calendar year.

For the purposes of determining such deductibles, direct earned premium means only the premiums earned on the commercial lines property and casualty insurance covered by the Act for U.S. risks or vessels, aircraft and foreign missions outside the U.S. covered by the Act.

Neither the insurance company (having met its statutorily mandated share as described above) nor the federal government will be liable for payment of any portion of "insured losses" under the Act that exceeds \$100 billion in the aggregate during any Program Year.



## HOW DOES THE ACT AFFECT YOUR INSURANCE COVERAGE?

You have a policy of insurance issued by us which has no terrorism exclusion attached to it.

- § This policy will remain in effect as written for the remainder of the policy period shown in the Declarations of the policy.
- § The decision not to include a terrorism exclusion to your policy when it was issued or last renewed was based on a number of reasons, and the continuation or importance of these reasons may or may not have been altered by the passage of the Act.
- § In the time between now and the next renewal we will examine and refine our treatment of terrorism under your policy. This means that you may or may not have the same terms offered to you upon renewal and that the premium charged may or may not reflect alteration based upon the terrorism exposure.

## WHAT IS THE TERRORISM RISK INSURANCE ACT ?

The following is a partial summary of the Terrorism Risk Insurance Act, as amended, (hereinafter referred to as the Act). Only the provisions of the Act determine the scope of the insurance protection available for the losses covered under the Act. The Act has been extended through December 31, 2014.

The Act provides coverage for property and casualty insurance for "insured losses" as a result of an "act of terrorism." As stated in the Act:

- A. "Insured loss" means any loss resulting from an "act of terrorism" (including an act of war, in the case of worker's compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if such loss:
  - 1. occurs within the United States; or
  - 2. occurs 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 US 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.
- B. "Act of terrorism" means any act that is certified by the Secretary of State, 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:
    - a. human life;
    - b. property; or
    - c. infrastructure;
  - 3. to have resulted in damage within the United States, or outside of the United States in the case of:
    - a. an air carrier or vessel described in paragraph (5)(B) of Section 102 of the Act; or
    - b. the premises of a United States mission; and
  - 4. to have been committed by an individual or individuals, as part of an effort to coerce the civilian populations of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. Section 102 (1)(B) of the Act states “no act shall be certified by the Secretary as an act of terrorism if:
1. the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
  2. property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.”
- D. The Act also contains a “program trigger” in Section 103(e)(1)(B), pursuant to which the federal government does not pay compensation for losses resulting from a certified act occurring after December 31, 2007, unless aggregate industry insured losses from such a certified act exceed a certain amount, or “trigger.” For insured losses occurring in 2008 and for all additional program years, the program trigger is \$100,000,000 of aggregate industry insured losses.
- E. The Act does not apply to: crop or livestock insurance; private mortgage insurance or title insurance; financial guaranty insurance issued by monoline financial guaranty insurance corporations; insurance for medical malpractice; health or life insurance; flood insurance provided under the National Flood Insurance Act of 1968; commercial automobile insurance; burglary and theft insurance; surety insurance; professional liability insurance (except Directors and Officers Liability); or farm owners multiple peril insurance.
- F. Under the Act for program years through December 31, 2014, the federal government will reimburse the insurance company for 85% of its insured losses in excess of a deductible, until aggregate “insured losses” in any Program Year exceed \$100 billion. Each insurer's deductible will be 20% of its direct earned premium for property and casualty insurance (as reported on Page 14 of the company's Annual Statement), over the immediately preceding calendar year.

For the purposes of determining such deductibles, direct earned premium means only the premiums earned on the commercial lines property and casualty insurance covered by the Act for U.S. risks or vessels, aircraft and foreign missions outside the U.S. covered by the Act.

Neither the insurance company (having met its statutorily mandated share as described above) nor the federal government will be liable for payment of any portion of “insured losses” under the Act that exceeds \$100 billion in the aggregate during any Program Year.

*SERFF Tracking Number:*      *AMLX-125551847*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Alternative Insurance Corporation*      *State Tracking Number:*      *EFT \$50*  
*Company Tracking Number:*      *CF AR0244201F01*  
*TOI:*                      *01.0 Property*                      *Sub-TOI:*                      *01.0001 Commercial Property (Fire and Allied Lines)*  
  
*Product Name:*                      *Commercial Property*  
*Project Name/Number:*              *TRIPRA Disclosure Notices/CF AR0244201F01*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: AMLX-125551847 State: Arkansas  
Filing Company: American Alternative Insurance Corporation State Tracking Number: EFT \$50  
Company Tracking Number: CF AR0244201F01  
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
Product Name: Commercial Property  
Project Name/Number: TRIPRA Disclosure Notices/CF AR0244201F01

## Supporting Document Schedules

**Satisfied -Name:** AR - EXPD FILING TRANS FOR TER RISK **Review Status:** Approved 03/21/2008

**Comments:**

**Attachment:**

AR - EXPD FILING TRANS FOR TER RISK.PDF

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 03/21/2008

**Comments:**

**Attachments:**

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF

AR - NAIC FORM FILING SCHEDULE.PDF

**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 Alternative Insurance Corporation	DE	0361-19720	52-2048110

**Contact Info for Filer**

Name and address of Filer(s)	Telephone #	FAX #	e-mail
Judy Cahill 555 College Road East Princeton NJ 08543-5241	609-951-8473 Ext. 8473	609-275-2147	jcahill@munichre america.com

**Filing information**

<b>Line of Insurance</b> (see attachment)	Commercial Fire
<b>Company Program Title</b> (Marketing title) (if applicable)	Commercial Property
<b>Filing Type ** see note below</b>	Disclosure Notices
<b>This application is used with:</b>	Commercial Property
<b>Effective Date Requested</b>	12/26/2007
<b>Filing date</b>	03/17/2008
<b>Company Tracking Number</b>	CF AR0244201F01
<b>Date filing approved in domiciliary state, if applicable</b>	Filed concurrently; pending approval

	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	Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice05 (01/08)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	TerrNotice05 11/02	ML AR0131701F01
02	Standard Fire Policy (SFP) State Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice07 01/08	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither		
03	Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice08 (01/08)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	TerrNotice08 11/02	ML AR0131701F01
04	Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice09 (01/08)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	TerrNotice09 11/02	ML AR0131701F01

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.



Signature

Judy Cahill  
Print Name:

State Filing Analyst  
Title:

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

<b>3. Group Name</b>	<b>Group NAIC #</b>
Munich Re Group	0361

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Alternative Insurance Corporation	DE	19720	52-2048110	

<b>5. Company Tracking Number</b>	CF AR0244201F01
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Judy Cahill 555 College Road East Princeton NJ 08543-5241	State Filing Analyst	800-305-4954 Ext. 8473	609-275-2147	jcahill@munichreamerica.com

<b>7.</b>	Signature of authorized filer	
<b>8.</b>	Please print name of authorized filer	Judy Cahill

**Filing Information** (see General Instructions for descriptions of these fields)

<b>9.</b>	Type of Insurance (TOI)	01.0 Property
<b>10.</b>	Sub-Type of Insurance (Sub-TOI)	01.0001 Commercial Property (Fire and Allied Lines)
<b>11.</b>	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
<b>12.</b>	Company Program Title (Marketing Title)	Commercial Property
<b>13.</b>	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14.</b>	Effective Date(s) Requested	New: 12/26/2007      Renewal: 12/26/2007
<b>15.</b>	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16.</b>	Reference Organization (if applicable)	NA
<b>17.</b>	Reference Organization # & Title	NA
<b>18.</b>	Company's Date of Filing	03/17/2008
<b>19.</b>	Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

## Property & Casualty Transmittal Document

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	CF AR0244201F01
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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American Alternative Insurance Corporation (AAIC) hereby submits for your information the following new /revised policyholder disclosure notices in response to the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2007. This filing applies to our Commercial Property products currently on file with your department. These disclosure notices will be used in conjunction with AAIC bureau and non-bureau based programs.

- TerrNotice05 (01/08) Policyholder Disclosure Notice of Terrorism Insurance Coverage
- TerrNotice07 01/08 Standard Fire Policy (SFP) State Policyholder Disclosure Notice of Terrorism Insurance Coverage
- TerrNotice08 (01/08) Policyholder Disclosure Notice of Terrorism Insurance Coverage
- TerrNotice09 (01/08) Policyholder Disclosure Notice of Terrorism Insurance Coverage

The Expedited Terrorism Document is attached.

The proposed effective date, in conjunction with the Act, is December 26, 2007.

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below]				
<table style="width: 100%; border: none;"> <tr> <td style="width: 15%;"><b>Check #:</b></td> <td>1700000250</td> </tr> <tr> <td><b>Amount:</b></td> <td>\$50</td> </tr> </table> <p style="text-align: center; margin-top: 20px;"><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>		<b>Check #:</b>	1700000250	<b>Amount:</b>	\$50
<b>Check #:</b>	1700000250				
<b>Amount:</b>	\$50				

\*\*\*Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

## FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)  
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	CF AR0244201F01
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<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)	NA
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice05 (01/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	TerrNotice05	ML AR0131701F01
02	Standard Fire Policy (SFP) State Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice07 01/08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice08 (01/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	TerrNotice08	ML AR0131701F01
04	Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice09 (01/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	TerrNotice09	ML AR0131701F01
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		