

SERFF Tracking Number: ERCB-125635760 State: Arkansas
Filing Company: Westport Insurance Corporation State Tracking Number: EFT \$50
Company Tracking Number: AR-08-03598
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0020 Commercial Umbrella & Excess
Product Name: Umbrella Terrorism Form Filing
Project Name/Number: Umbrella Terrorism Form Filing/AR-08-03598

Filing at a Glance

Company: Westport Insurance Corporation

Product Name: Umbrella Terrorism Form Filing SERFF Tr Num: ERCB-125635760 State: Arkansas

TOI: 17.0 Other Liability - Claims SERFF Status: Closed State Tr Num: EFT \$50

Made/Occurrence

Sub-TOI: 17.0020 Commercial Umbrella & Excess Co Tr Num: AR-08-03598 State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding

Author: Rod Clark Disposition Date: 05/13/2008

Date Submitted: 05/08/2008 Disposition Status: Approved

Effective Date Requested (New): 06/30/2008

Effective Date Requested (Renewal): 06/30/2008 Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Umbrella Terrorism Form Filing

Project Number: AR-08-03598

Reference Organization:

Reference Title:

Filing Status Changed: 05/13/2008

State Status Changed: 05/13/2008

Corresponding Filing Tracking Number:

Filing Description:

Westport Insurance Corporation is filing three forms pertaining to Certified Acts of Terrorism for Commercial Umbrella Liability and Excess Liability.

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

DN-TERROR-REJECT 0108, Disclosure Notice - Terrorism Risk Insurance Act - Rejection of Our Offer of Coverage, is an optional form that notifies the insured that the policy excludes coverage for Certified Acts of Terrorism, pursuant to the insured's rejection of coverage. This form will only be attached to policies where the insured has rejected coverage

SERFF Tracking Number: ERCB-125635760 State: Arkansas
Filing Company: Westport Insurance Corporation State Tracking Number: EFT \$50
Company Tracking Number: AR-08-03598
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0020 Commercial Umbrella & Excess
Product Name: Umbrella Terrorism Form Filing
Project Name/Number: Umbrella Terrorism Form Filing/AR-08-03598

for Certified Act of Terrorism.

SP 4 162 0208, Exclusion of Other Than Certified Acts of Terrorism, is a mandatory form for all policies. This form excludes coverage for Other than Certified Acts; however, the exclusion does grant coverage for those acts that would otherwise meet all the criteria to be a certified act of terrorism, other than the fact that aggregate insured losses are below \$5,000,000. This coverage exception to the exclusion is consistent with the NAIC model bulletin.

SP 3 168 0108, Cap on Losses from Certified Acts of Terrorism – No Dropdown, is a mandatory form if the insured accepts our offer of coverage. This form is identical to ISO form CU 21 30, other than language clarifying our intent to not dropdown if the underlying coverage does not also provide Certified Acts of Terrorism. This endorsement will replace SP 2 731 0503, Limited Terrorism Exclusion (Other Than Certified Acts of Terrorism); Cap on Losses from Certified Acts of Terrorism - No Dropdown.

In addition, we would like to withdraw the following form(s):

SP 2 460 1202, Notice - Coverage Under the Terrorism Risk Insurance Act of 2002

SP 2 461 1202, Notice of Available Coverage Under the Terrorism Risk Insurance Act of 2002

We respectfully request an effective date of June 30, 2008.

If you have any questions or concerns, you may contact me at 1-800-255-6931, x5765, or by email at rodney_clark@swissre.com. Thank you for your consideration of this filing.

Company and Contact

Filing Contact Information

Rod Clark, Forms Analyst rodney_clark@swissre.com
5200 Metcalf (800) 255-6931 [Phone]
Overland Park, KS 66201 (913) 676-6226[FAX]

Filing Company Information

Westport Insurance Corporation CoCode: 39845 State of Domicile: Missouri
5200 Metcalf Group Code: 181 Company Type:

SERFF Tracking Number: ERCB-125635760 State: Arkansas
Filing Company: Westport Insurance Corporation State Tracking Number: EFT \$50
Company Tracking Number: AR-08-03598
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0020 Commercial Umbrella & Excess
Product Name: Umbrella Terrorism Form Filing
Project Name/Number: Umbrella Terrorism Form Filing/AR-08-03598

Overland Park, KS 66201
(800) 255-6931 ext. [Phone]

Group Name: Swiss Re
FEIN Number: 48-0921045

State ID Number:

SERFF Tracking Number: ERCB-125635760 State: Arkansas
Filing Company: Westport Insurance Corporation State Tracking Number: EFT \$50
Company Tracking Number: AR-08-03598
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0020 Commercial Umbrella & Excess
Product Name: Umbrella Terrorism Form Filing
Project Name/Number: Umbrella Terrorism Form Filing/AR-08-03598

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Westport Insurance Corporation	\$50.00	05/08/2008	20171018

SERFF Tracking Number: ERCB-125635760 State: Arkansas
Filing Company: Westport Insurance Corporation State Tracking Number: EFT \$50
Company Tracking Number: AR-08-03598
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0020 Commercial Umbrella & Excess
Product Name: Umbrella Terrorism Form Filing
Project Name/Number: Umbrella Terrorism Form Filing/AR-08-03598

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	05/13/2008	05/13/2008

SERFF Tracking Number: ERCB-125635760 State: Arkansas
Filing Company: Westport Insurance Corporation State Tracking Number: EFT \$50
Company Tracking Number: AR-08-03598
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0020 Commercial Umbrella & Excess
Product Name: Umbrella Terrorism Form Filing
Project Name/Number: Umbrella Terrorism Form Filing/AR-08-03598

Disposition

Disposition Date: 05/13/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: *ERCB-125635760* State: *Arkansas*
 Filing Company: *Westport Insurance Corporation* State Tracking Number: *EFT \$50*
 Company Tracking Number: *AR-08-03598*
 TOI: *17.0 Other Liability - Claims Made/Occurrence* Sub-TOI: *17.0020 Commercial Umbrella & Excess*
 Product Name: *Umbrella Terrorism Form Filing*
 Project Name/Number: *Umbrella Terrorism Form Filing/AR-08-03598*

Item Type	Item Name	Item Status	Public Access
Form	Disclosure Notice - Terrorism Risk Insurance Act - Rejection of Our Offer of Coverage	Approved	Yes
Form	Exclusion of Other Than Certified Acts of Terrorism	Approved	Yes
Form	Cap On Losses from Certified Acts of Terrorism - No Dropdown	Approved	Yes
Form	Notice - Coverage Under the Terrorism Risk Insurance Act of 2002	Approved	Yes
Form	Notice of Available Coverage Under the Terrorism Risk Insurance Act of 2002	Approved	Yes

SERFF Tracking Number: ERCB-125635760 State: Arkansas
 Filing Company: Westport Insurance Corporation State Tracking Number: EFT \$50
 Company Tracking Number: AR-08-03598
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0020 Commercial Umbrella & Excess
 Product Name: Umbrella Terrorism Form Filing
 Project Name/Number: Umbrella Terrorism Form Filing/AR-08-03598

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Disclosure Notice - Terrorism Risk Insurance Act - Rejection of Our Offer of Coverage	DN- TERROR- REJECT	0108	Disclosure/ New Notice			DN- TERROR- REJECT 0108.pdf
Approved	Exclusion of Other Than Certified Acts of Terrorism	SP 4 162	0208	Endorsement/Amendment/Conditions	New		SP 4 162 0208.pdf
Approved	Cap On Losses from Certified Acts of Terrorism - No Dropdown	SP 3 168	0108	Endorsement/Amendment/Conditions	Replaced Form #: SP 2 731 0503 Previous Filing #: UM-AR-03022-WP		SP 3 168 0108.pdf SP 2 731 0503.pdf SP 2 731 0503 Marked Up.pdf
Approved	Notice - Coverage Under the Terrorism Risk Insurance Act of 2002	SP 2 460	1202	Disclosure/ Withdrawn Notice	Replaced Form #: NA Previous Filing #: UM-AR-02661-WPF		SP 2 460 1202.pdf
Approved	Notice of Available Coverage Under the Terrorism Risk Insurance Act of 2002	SP 2 461	1202	Disclosure/ Withdrawn Notice	Replaced Form #: NA Previous Filing #: UM-AR-02661-WPF		SP 2 461 1202.pdf

INSERT COMPANY NAME HERE

**DISCLOSURE NOTICE
TERRORISM RISK INSURANCE ACT
REJECTION OF OUR OFFER OF COVERAGE**

You have rejected our offer of coverage for certified acts of terrorism, as defined in and certified under the Terrorism Risk Insurance Act. Therefore, this policy does not provide such coverage. This policy contains one or more exclusions that apply to certified acts of terrorism.

If you were not made aware of our offer of coverage for certified acts of terrorism, or believe that this notice was included in this policy in error, please notify your agent or broker immediately.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF OTHER THAN CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
EXCESS LIABILITY POLICY

A. The following exclusion is added:

This insurance does not apply to:

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism."

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part or underlying insurance to which this endorsement is applicable, and includes but is not limited to "bodily injury," "property damage," "personal and advertising injury," "injury" or "environmental damage" as may be defined in any applicable Coverage Part or underlying insurance.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act.
3. "Other act of terrorism" means an actual or threatened violent act, or an actual or threatened act that is dangerous to human life, property or infrastructure; that is committed by an individual or individuals and that 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 the act is not a "certified act of terrorism." However, "other act of terrorism" does not include an act which would meet all the criteria necessary to be a "certified act of terrorism" pursuant to the federal Terrorism Risk Insurance Act except such act resulted in aggregate insured losses of \$5 million or less. Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

C. In the event of an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to "any injury or damage" that is otherwise excluded under this Coverage Part.

D. In the event that the "underlying insurance" does not provide coverage for "other act of terrorism," to which this exclusion does not apply, the insurance provided by this policy shall not replace the "underlying insurance," but shall apply in the same manner as though such "underlying insurance" was available and collectible.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

INSERT COMPANY NAME HERE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM – NO DROPDOWN

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
EXCESS LIABILITY POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

In the event that the "underlying insurance" does not provide coverage for "certified act(s) of terrorism," the insurance provided by this policy shall not replace the "underlying insurance," but shall apply in the same manner as though such "underlying insurance" was available and collectible.

In the event that the "underlying insurance" does provide coverage for "certified act(s) of terrorism" and coverage provided by any "underlying insurance" is subject to a prorata allocation pursuant to the federal Terrorism Risk Insurance Act or procedures established by the Secretary of Treasury, but we have not met our insurer deductible under the federal Terrorism Risk Insurance Act, our coverage shall not replace any portion of "underlying insurance" but shall apply as though such "underlying insurance" was available and collectible in full.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

Westport Insurance Corporation

This Endorsement Changes the Policy - Please Read it Carefully

LIMITED TERRORISM EXCLUSION (OTHER THAN CERTIFIED ACTS OF TERRORISM); CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM – NO DROPDOWN

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
EXCESS LIABILITY POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs **1.** and **2.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

In the event that the "underlying insurance" does not provide coverage for "Other Act(s) of Terrorism" or "Certified Act(s) of Terrorism," the insurance provided by this policy shall not replace the "underlying insurance", but shall apply in the same manner as though such "underlying insurance" was available and collectible.

- B.** The following definitions are added:
- 1.** For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part or underlying insurance to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or underlying insurance.
 - 2.** "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":
 - a.** The act resulted in aggregate losses in excess of \$5 million; and
 - b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
 - 3.** "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that 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 the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. However, "other act of terrorism" does not include an act which meets the criteria set forth in Paragraph **b.** of the definition of "certified act of terrorism" when such act resulted in aggregate losses of \$5 million or less. Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- C.** In the event of an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.
- D.** With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

Text Comparison

Documents Compared

SP 2 731 0503.pdf - Adobe Acrobat Professional

SP 3 168 0108.pdf

Summary

316 word(s) added

786 word(s) deleted

158 word(s) matched

7 block(s) matched

To see where the changes are, scroll down.

Westport Insurance Corporation

~~This Endorsement Changes the Policy - Please Read it Carefully~~

~~LIMITED TERRORISM EXCLUSION (OTHER THAN CERTIFIED ACTS OF TERRORISM); CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM - NO DROPDOWN~~

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
EXCESS LIABILITY POLICY

A. The following exclusion is added:

~~This insurance does not apply to:~~

~~TERRORISM~~

~~"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:~~

- ~~1. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or~~
- ~~2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

 - ~~a. Physical injury that involves a substantial risk of death; or~~
 - ~~b. Protracted and obvious physical disfigurement; or~~
 - ~~c. Protracted loss of or impairment of the function of a bodily member or organ; or~~~~
- ~~3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or~~
- ~~4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or~~
- ~~5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.~~

~~With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.~~

~~In the event that the "underlying insurance" does not provide coverage for "Other Act(s) of Terrorism" or "Certified Act(s) of Terrorism," the insurance provided by this policy shall not replace the "underlying insurance", but shall apply in the same manner as though such "underlying insurance" was available and collectible.~~

INSERT COMPANY NAME HERETHIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM – NO DROPDOWN

This endorsement modifies insurance provided under the following

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
EXCESS LIABILITY POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

In the event that the "underlying insurance" does not provide coverage for "certified act(s) of terrorism," the insurance provided by this policy shall not replace the "underlying insurance," but shall apply in the same manner as though such "underlying insurance" was available and collectible.

In the event that the "underlying insurance" does provide coverage for "certified act(s) of terrorism" and coverage provided by any "underlying insurance" is subject to a prorata allocation pursuant to the federal Terrorism Risk Insurance Act or procedures established by the Secretary of Treasury, but we have not met our insurer deductible under the federal Terrorism Risk Insurance Act, our coverage shall not replace any portion of "underlying insurance" but shall apply as though such "underlying insurance" was available and collectible in full.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

B: ~~The following definitions are added:~~

- ~~1: For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part or underlying insurance to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or underlying insurance.~~
- ~~2: "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":~~
 - ~~a: The act resulted in aggregate losses in excess of \$5 million, and~~
 - ~~b: The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.~~
- ~~3: "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that 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 the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. However, "other act of terrorism" does not include an act which meets the criteria set forth in Paragraph b. of the definition of "certified act of terrorism" when such act resulted in aggregate losses of \$5 million or less. Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.~~

C: ~~In the event of an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.~~

D: ~~With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.~~

NOTICE - COVERAGE UNDER THE TERRORISM RISK INSURANCE ACT OF 2002

NAMED INSURED:

LINES OF COVERAGE:

The tragic events of September 11, 2001 have impacted our country in many ways. The insurance industry responded immediately to these events, and has provided billions of dollars of payments. However, the possibility of future attacks has created what Congress describes as an “unprecedented financial risk” with a significant impact on the economy. As a result, Congress passed the Terrorism Risk Insurance Act of 2002 (The Act). This Notice informs you of your rights under the Act.

WHAT IS AN “ACT OF TERRORISM”?

- An “act of terrorism” is defined as:

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 pursuant to the Act:

- (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 the United States in the case of certain aircraft or vessels, or on the premises of a US mission; and
- (4) To have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest as part of an effort to coerce the civilian populations of the US or to influence the policy or affect the conduct of the US Government by coercion.

- No act will be certified as an “act of terrorism” if:

- (1) It does not meet the above criteria;
- (2) The act is committed as part of the course of war declared by Congress (other than with respect to Workers’ Compensation);
- (3) Property and casualty losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

As used in this Notice, the phrases “act of terrorism” and “acts of terrorism,” when set out in quotation marks, are to be construed as defined above.

WHAT IS AN "INSURED LOSS"?

An "**insured loss**" is any loss (other than amounts attributable to punitive damages) that is caused by an "**act of terrorism**" (including an act of war, in the case of workers' compensation) if such loss:

- (1) occurs within the United States,
- (2) occurs to an air carrier (as defined in 49 U.S.C. § 40102), to a U.S. flag vessel (or a vessel based principally in the U.S., on which U.S. income tax is paid and whose insurance coverage is subject to regulation in the U.S.), or
- (3) occurs at the premises of any U.S. mission.

As used in this Notice, the phrases "insured loss" or "insured losses," when set out in quotation marks, are to be construed as defined above.

THE FEDERAL GOVERNMENT'S SHARE OF PAYMENTS FOR "INSURED LOSS"

Under the Act, the Federal government will reimburse us for 90% of our payments due to "insured losses" (excluding any amounts attributable to punitive damages) in excess of a deductible until the total payments made by all insurers for "insured loss" reaches \$100 billion. Our deductible will be:

- A. 1% of our 2001 direct earned premium for "insured loss" that occurs during the period beginning 26 November 2002 and ending on 31 December 2002, and
- B. 7% of our 2002 direct earned premium for "insured loss" that occurs during 2003, and
- C. 10% of our 2003 direct earned premium for "insured loss" that occurs during 2004.

Other deductibles will apply to insured losses that occur during subsequent years in which the program is in effect. For purposes of determining such deductibles, "direct earned premium" means only the premiums earned on the commercial lines of 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.

If total "insured losses" of all property and casualty insurers reach \$100 billion during the period beginning on November 26, 2002 and ending on December 31, 2003, (or in any subsequent year in which the program is in effect) we will not be liable under our policies for our portion of such losses that exceed such amount. The amounts we pay to you under your policy may be reduced as a result. In addition, we may reserve our rights when we make payments to you, and we may require an undertaking from you to return any overpayment to us.

HOW DOES THE ACT AFFECT INSURANCE COVERAGE?

- **As required by the Act, this Notice constitutes notice to you of the existence of the Act, and the payments which will be made from the Federal Government if there is a certified “act of terrorism.”**
- **Should you choose to bind coverage, your policy of insurance would be issued without a terrorism exclusion attached and there would be no additional premium attributable to coverage for certified “acts of terrorism.”**
- **In the time between inception of coverage 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.**

NOTICE OF AVAILABLE COVERAGE UNDER THE TERRORISM RISK INSURANCE ACT OF 2002

**– IMPORTANT –
THIS NOTICE DISCUSSES A DECISION
YOU MUST MAKE ON COVERAGE FOR ACTS OF TERRORISM**

DATE OF ACT: **November 26, 2002**

NAMED INSURED:

LINES OF COVERAGE:

PREMIUM FOR COVERAGE FOR AN “ACT OF TERRORISM”:

The tragic events of September 11, 2001 have impacted our country in many ways. The insurance industry responded immediately to these events, and has provided billions of dollars of payments. However, the possibility of future attacks has created what Congress describes as an “unprecedented financial risk” with a significant impact on the economy. As a result, Congress passed the Terrorism Risk Insurance Act of 2002 (The Act). This Notice informs you of your rights and obligations under the Act.

WHAT IS AN “ACT OF TERRORISM”?

- An “act of terrorism” is defined as:

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 pursuant to the Act:

- (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 the United states in the case of certain aircraft or vessels, or on the premises of a US mission; and
- (4) To have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest as part of an effort to coerce the civilian populations of the US or to influence the policy or affect the conduct of the US Government by coercion.

- No act will be certified as an “act of terrorism” if:

- (1) It does not meet the above criteria;
- (2) The act is committed as part of the course of war declared by Congress (other than with respect to Workers’ Compensation);
- (3) Property and casualty losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

As used in this Notice, the phrases “act of terrorism” or “acts of terrorism,” when set out in quotation marks, are to be construed as defined above.

WHAT IS AN "INSURED LOSS"?

An **"insured loss"** is any loss (other than amounts attributable to punitive damages) that is caused by an **"act of terrorism"** (including an act of war, in the case of workers' compensation) if such loss:

- (1) occurs within the United States,
- (2) occurs to an air carrier (as defined in 49 U.S.C. § 40102), to a U.S. flag vessel (or a vessel based principally in the U.S., on which U.S. income tax is paid and whose insurance coverage is subject to regulation in the U.S.), or
- (3) occurs at the premises of any U.S. mission.

As used in this Notice, the phrases "insured loss" or "insured losses," when set out in quotation marks, are to be construed as defined above.

THE FEDERAL GOVERNMENT'S SHARE OF PAYMENTS FOR "INSURED LOSS"

Under the Act, the Federal government will reimburse us for 90% of our payments due to "insured losses" (excluding any amounts attributable to punitive damages) in excess of a deductible until the total payments made by all insurers for "insured loss" reaches \$100 billion. Our deductible will be:

- A. 1% of our 2001 direct earned premium for "insured loss" that occurs during the period beginning 26 November 2002 and ending on 31 December 2002, and
- B. 7% of our 2002 direct earned premium for "insured loss" that occurs during 2003, and
- C. 10% of our 2003 direct earned premium for "insured loss" that occurs during 2004.

Other deductibles will apply to insured losses that occur during subsequent years in which the program is in effect. For purposes of determining such deductibles, "direct earned premium" means only the premiums earned on the commercial lines of 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.

If total "insured losses" of all property and casualty insurers reach \$100 billion during the period beginning on November 26, 2002 and ending on December 31, 2003, (or in any subsequent year in which the program is in effect) we will not be liable under our policies for our portion of such losses that exceed such amount. The amounts we pay to you under your policy may be reduced as a result. In addition, we may reserve our rights when we make payments to you, and we may require an undertaking from you to return any overpayment to us.

WHAT MUST YOU DO?

As required by the Act, this Notice constitutes an offer of coverage for losses arising out of an "act of terrorism" and presents our premium charge for that coverage.

You must decide whether you wish to purchase the coverage for losses you might have arising out of or resulting from an "act of terrorism." The amount of premium you must pay for adding this coverage is shown above. If you decide to purchase terrorism coverage you must notify us of your decision at the time of binding the remainder of coverage.

SERFF Tracking Number: *ERCB-125635760* *State:* *Arkansas*
Filing Company: *Westport Insurance Corporation* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *AR-08-03598*
TOI: *17.0 Other Liability - Claims Made/Occurrence* *Sub-TOI:* *17.0020 Commercial Umbrella & Excess*
Product Name: *Umbrella Terrorism Form Filing*
Project Name/Number: *Umbrella Terrorism Form Filing/AR-08-03598*

Rate Information

Rate data does NOT apply to filing.