

Application of AAIS Terrorism Endorsements

(The following comments apply with respect to states where the 12 02 edition endorsements apply)

Endorsements Addressing Certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
CL 0600 - Certified Terrorism Loss	AgOP, Com. Inland Marine, COP, CP, DOP, Crime, Glass	Covered subject to federal terrorism act maximum annual liability.	Covered subject to federal terrorism act maximum annual liability.	Not addressed. May be covered in absence of a non-certified loss exclusion.	Not addressed. May be covered in absence of a non-certified loss exclusion.
CL 0610 - Certified Act of Terrorism Exclusion	"	Excluded	No exception for fire following loss.	"	"
CL 0620 - Certified Act of Terrorism Exclusion (limited exception) (Appropriate for Standard Fire Policy states.)	AgOP, Com. Inland Marine ¹ , COP, CP, DOP	Excluded, except for fire following loss.	Covered by exception, up to policy limits, but does not include loss of earnings, extra expense, or fire legal liability.	"	"

Endorsements Addressing Non-Certified Terrorism Losses²

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
CL 0630 - Non-Certified Act of Terrorism Exclusion & War & Military Action Exclusion	AgOP, Com. Inland Marine, COP, CP, DOP, Crime, Glass	Not addressed. Additional endorsement addressing certified losses should be in place.	Not addressed. Additional endorsement addressing certified losses should be in place.	Excludes coverage for nuclear, biological, or chemical (NBC) losses, and all other losses that in total (incl. business interruption) exceed \$25 million in damage.	Not covered.
CL 0640 - Non-Certified Act of Terrorism Exclusion (limited exception) & War & Military Action Exclusion (Standard Fire Policy states.)	AgOP, Com. Inland Marine ¹ , COP, CP, DOP	"	"	Same as above, except for fire following loss.	Covered by exception, but does not include loss of earnings, extra expense, or fire legal liability.

1. Com. Inland Marine states subject to the Standard Fire Policy are: LA, ME, MI, MO, NH, OR, RI, and WI. "Limited Exception" exclusion endorsements filed for Com. IM in these states.

2. Non-certified acts of terrorism can include those that cause \$5 million or less in losses and those committed by *domestic* terrorists. (AAIS forms do not exclude losses that do not meet the \$5 million minimum.)

Endorsements Addressing Non-Certified Terrorism Losses - continued

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
CL 0650 - Biological and Chemical Non-Certified Act of Terrorism Exclusion & War & Military Action Exclusion³	AgOP, Com. Inland Marine, COP, CP, DOP, Crime, Glass	Not addressed. Additional endorsement addressing certified losses should be in place.	Not addressed. Additional endorsement addressing certified losses should be in place.	Excludes coverage for nuclear, biological, or chemical (NBC) events only. Other non-certified terrorism losses may be covered.	Fire loss following a biological or chemical event is not covered.
CL 0660 - Biological and Chemical Non-Certified Act of Terrorism Exclusion (<u>limited exception</u>) & War & Military Action Exclusion (Appropriate for Standard Fire Policy states.)	AgOP, Com. Inland Marine ¹ , COP, CP, DOP	"	"	Same as above, except for fire following loss.	Covered by exception, even if caused by an NBC event, but not including loss of earnings, extra expense, or fire legal liability.

3. Regarding property coverage, even though the nuclear exclusion is not restated in Biological and Chemical Non-certified Terrorism Acts and War and Military Action exclusions, based on the built-in Nuclear Hazard exclusion in the underlying policy to which this endorsement is being attached, the nuclear exposure is still excluded.

Endorsements Addressing Certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
AP 0700 - Certified Terrorism Loss	Artisans	Covered subject to federal terrorism act maximum annual liability.	Covered subject to federal terrorism act maximum annual liability.	Not addressed. May be covered in absence of a non-certified loss exclusion.	Not addressed. May be covered in absence of a non-certified loss exclusion.
AP 0710 - Certified Act of Terrorism Exclusion	Artisans	Excluded	No exception for fire following loss.	"	"
AP 0720 - Certified Act of Terrorism Exclusion (<u>limited exception</u>)	Artisans	Excluded, except for fire following loss.	Covered by exception, but does not include loss of earnings, extra expense, or fire legal liability.	"	"

Endorsements Addressing Non-certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
AP 0730 - Non-certified Acts of Terrorism Exclusion & War & Military Action Exclusion	Artisans	Not addressed. Additional endorsement addressing certified losses should be in place.	Not addressed. Additional endorsement addressing certified losses should be in place.	Excludes coverage for NBC losses, and all other losses as follows: Property: for losses that in total exceed \$25 million in damage (incl. business interruption). Liability: for losses that in total exceed \$25 million or where 50 or more persons sustain death or serious injury.	Not covered.
AP 0740 - Non-certified Acts of Terrorism Exclusion (<u>limited exception</u>) & War & Military Action Exclusion	Artisans	"	"	Same as above, except for fire following loss.	Covered by exception, but does not include loss of earnings, extra expense, or fire legal liability.

Endorsements Addressing Non-certified Terrorism Losses - continued

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
AP 0750 - War & Military Action Exclusion; Property Biological & Chemical Non-certified Act of Terrorism Exclusion; Liability Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion	Artisans	Not addressed. Additional endorsement addressing certified losses should be in place.	Not addressed. Additional endorsement addressing certified losses should be in place.	Excludes coverage for nuclear, biological, or chemical (NBC) events only. Other non-certified terrorism losses may be covered.	Fire loss following a biological or chemical event is not covered.
AP 0760 - War & Military Action Exclusion; Property Biological & Chemical Non-certified Act of Terrorism Exclusion (<u>limited exception</u>); Liability Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion	Artisans	"	"	Same as above, except for fire following loss.	Covered by exception, even if caused by an NBC event, but not including loss of earnings, extra expense, or fire legal liability.

Endorsements Addressing Certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
BP 0750 - Certified Terrorism Loss	Businessowners	Covered subject to federal terrorism act maximum annual liability.	Covered subject to federal terrorism act maximum annual liability.	Not addressed. May be covered in absence of a non-certified loss exclusion.	Not addressed. May be covered in absence of a non-certified loss exclusion.
BP 0760 - Certified Act of Terrorism Exclusion	Businessowners	Excluded	No exception for fire following loss.	"	"
BP 0770 - Certified Act of Terrorism Exclusion (<u>limited exception</u>)	Businessowners	Excluded, except for fire following loss.	Covered by exception, but does not include loss of earnings, extra expense, or fire legal liability.	"	"

Endorsements Addressing Non-certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
BP 0780 - Non-certified Act of Terrorism Exclusion & War & Military Action Exclusion	Businessowners	Not addressed. Additional endorsement addressing certified losses should be in place.	Not addressed. Additional endorsement addressing certified losses should be in place.	Excludes coverage for NBC losses, and all other losses as follows: Property: for losses that in total exceed \$25 million in damage (incl. business interruption). Liability: for losses that in total exceed \$25 million or where 50 or more persons sustain death or serious injury.	Not covered.
BP 0790 - Non-certified Act of Terrorism Exclusion (<u>limited exception</u>) & War & Military Action Exclusion	Businessowners	"	"	Same as above, except for fire following loss.	Covered by exception, but does not include loss of earnings, extra expense, or fire legal liability.
BP 0800 - War & Military Action Exclusion; Property Biological & Chemical Non-certified Act of Terrorism Exclusion; Liability Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion	Businessowners	"	"	Excludes coverage for nuclear, biological, or chemical (NBC) events only. Other non-certified losses may be covered.	Fire loss following a biological or chemical event is not covered.
BP 0810 - War & Military Action Exclusion; Property Biological & Chemical Non-certified Act of Terrorism Exclusion (<u>limited exception</u>); Liability Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion	Businessowners	"	"	Same as above, except for fire following loss.	Covered by exception, even if caused by an NBC event, but not including loss of earnings, extra expense, or fire legal liability.

Endorsements Addressing Certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
FL 0600 - Certified Terrorism Loss	Farm Properties	Covered subject to federal terrorism act maximum annual liability.	Covered subject to federal terrorism act maximum annual liability.	Not addressed. May be covered in absence of a non-certified loss exclusion.	Not addressed. May be covered in absence of a non-certified loss exclusion.
FL 0610 - Certified Act of Terrorism Exclusion	Farm Properties	Excluded	No exception for fire following loss.	"	"
FL 0620 - Certified Act of Terrorism Exclusion (<u>limited exception</u>)	Farm Properties	Excluded, except for fire following loss.	Covered by exception, but does not include loss of earnings, extra expense, or fire legal liability.	"	"

Endorsements Addressing Non-certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
FL 0630 - Non-certified Act of Terrorism Exclusion & War & Military Action Exclusion	Farm Properties	Not addressed. Additional endorsement addressing certified losses should be in place.	Not addressed. Additional endorsement addressing certified losses should be in place.	Excludes coverage for nuclear, biological, or chemical (NBC) losses, and all other losses that in total (incl. business interruption) exceed \$25 million in damage.	Not covered.
FL 0640 - Non-certified Act of Terrorism Exclusion (<u>limited exception</u>) & War & Military Action Exclusion	Farm Properties	"	"	Same as above, except for fire following loss.	Covered by exception, but does not include loss of earnings, extra expense, or fire legal liability.

Endorsements Addressing Non-certified Terrorism Losses - continued

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
FL 0650 - Biological & Chemical Non-certified Act of Terrorism Exclusion & War & Military Action Exclusion	Farm Properties	Not addressed. Additional endorsement addressing certified losses should be in place.	Not addressed. Additional endorsement addressing certified losses should be in place.	Excludes coverage for biological or chemical events only. Other non-certified terrorism losses may be covered.	Fire loss following a biological or chemical event is not covered.
FL 0660 - Biological & Chemical Non-certified Act of Terrorism Exclusion (<u>limited exception</u>) & War & Military Action Exclusion	Farm Properties	"	"	Same as above, except for fire following loss.	Covered by exception, even if caused by an NBC event, but not including loss of earnings, extra expense, or fire legal liability.

Endorsements Addressing Certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
FO 0600 - Certified Terrorism Loss	Farmowners	Covered subject to federal terrorism act maximum annual liability.	Covered subject to federal terrorism act maximum annual liability.	Not addressed. May be covered in absence of a non-certified loss exclusion.	Not addressed. May be covered in absence of a non-certified loss exclusion.
FO 0610 - Certified Act of Terrorism Exclusion	Farmowners	Excluded	No exception for fire following loss.	"	"
FO 0620 - Certified Act of Terrorism Exclusion (<u>limited exception</u>)	Farmowners	Excluded, except for fire following loss.	Covered by exception, but does not include loss of earnings, extra expense, or fire legal liability.	"	"

Endorsements Addressing Non-certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
FO 0630 - Non-certified Act of Terrorism Exclusion & War & Military Action Exclusion	Farmowners	Not addressed. Additional endorsement addressing certified losses should be in place.	Not addressed. Additional endorsement addressing certified losses should be in place.	Excludes coverage for NBC losses, and all other losses as follows: Property: for losses that in total exceed \$25 million in damage (incl. business interruption). Liability: for losses that in total exceed \$25 million or where 50 or more persons sustain death or serious injury.	Not covered.
FO 0640 - Non-certified Act of Terrorism Exclusion (<u>limited exception</u>) & War & Military Action Exclusion	Farmowners	"	"	Same as above, except for fire following loss.	Covered by exception, but does not include loss of earnings, extra expense, or fire legal liability.

Endorsements Addressing Non-certified Terrorism Losses - continued

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
FO 0650 - War & Military Action Exclusion; Property Biological & Chemical Non-certified Act of Terrorism Exclusion; Liability Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion	Farmowners	Not addressed. Additional endorsement addressing certified losses should be in place.	Not addressed. Additional endorsement addressing certified losses should be in place.	Excludes coverage for nuclear, biological, or chemical (NBC) events only. Other non-certified terrorism losses may be covered.	Fire loss following a biological or chemical event is not covered.
FO 0660 - War & Military Action Exclusion; Property Biological & Chemical Non-certified Act of Terrorism Exclusion (<u>limited exception</u>); Liability Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion	Farmowners	"	"	Same as above, except for fire following loss.	Covered by exception, even if caused by an NBC event, but not including loss of earnings, extra expense, or fire legal liability.

Endorsements Addressing Certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
GL 0250 - Certified Terrorism Loss	Commercial Liability	Covered subject to federal terrorism act maximum annual liability.	Not applicable to liability coverage.	Not addressed. May be covered in absence of a non-certified loss exclusion.	Not addressed because fire following non-certified losses is not applicable to liability coverage.
GL 0260 - Certified Act of Terrorism Exclusion	Commercial Liability	Excluded	Not applicable to liability endorsements.	"	Not applicable to liability endorsements.

Endorsements Addressing Non-certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
GL 0270 - Non-certified Act of Terrorism Exclusion & War & Military Action Exclusion	Commercial Liability	Not addressed. Additional endorsement addressing certified losses should be in place.	Not applicable to liability endorsements.	Excludes liability coverage for non-certified terrorism losses in which insured damages exceed \$25 million (incl. business interruption), or where 50 or more persons sustain death or serious injury. However, NBC losses are excluded from dollar one.	Not applicable to liability endorsements.
GL 0280 - Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion & War & Military Action Exclusion	Commercial Liability	"	"	Excludes coverage from dollar one <i>only</i> for nuclear, biological, or chemical (NBC) events. Other non-certified terrorism losses that do not involve NBC are covered.	"

Endorsements Addressing Certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
GL 0310 - Certified Terrorism Loss	Personal & Premises Liability (Farm Only)	Covered subject to federal terrorism act maximum annual liability.	Not applicable to liability coverage.	Not addressed. May be covered in absence of a non-certified loss exclusion.	Not addressed because fire following non-certified losses is not applicable to liability coverage.
GL 0320 - Certified Act of Terrorism Exclusion	Personal & Premises Liability (Farm Only)	Excluded	Not applicable to liability endorsements.	"	Not applicable to liability endorsements.

Endorsements Addressing Non-certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
GL 0330 - Non-certified Act of Terrorism Exclusion & War & Military Action Exclusion	Personal & Premises Liability (Farm Only)	Not addressed. Additional endorsement addressing certified losses should be in place.	Not applicable to liability endorsements.	Excludes liability coverage for non-certified terrorism losses in which insured damages exceed \$25 million (incl. business interruption), or where 50 or more persons sustain death or serious injury. However, NBC losses are excluded from dollar one.	Not applicable to liability endorsements.
GL 0340 - Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion & War & Military Act Exclusion	Personal & Premises Liability (Farm Only)	"	"	Excludes coverage from dollar one <i>only</i> for nuclear, biological, or chemical (NBC) events. Other non-certified terrorism losses that do not involve NBC are covered.	"

Endorsements Addressing Certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
UM 0330 - Certified Terrorism Loss	Farm Umbrella	Covered subject to federal terrorism act maximum annual liability.	Not applicable to liability coverage.	Not addressed. May be covered in absence of a non-certified loss exclusion.	Not addressed because fire following non-certified losses is not applicable to liability coverage.
UM 0340 - Certified Act of Terrorism Exclusion	Farm Umbrella	Excluded	Not applicable to liability endorsements.	"	Not applicable to liability endorsements.

Endorsements Addressing Non-certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
UM 0350 - Non-certified Act of Terrorism Exclusion & War & Military Action Exclusion	Farm Umbrella	Not addressed. Additional endorsement addressing certified losses should be in place.	Not applicable to liability endorsements.	Excludes liability coverage for non-certified terrorism losses in which insured damages exceed \$25 million (incl. business interruption), or where 50 or more persons sustain death or serious injury. However, NBC losses are excluded from dollar one.	Not applicable to liability endorsements.
UM 0360 - Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion & War & Military Act Exclusion	Farm Umbrella	"	"	Excludes coverage from dollar one <i>only</i> for nuclear, biological, or chemical (NBC) events. Other non-certified terrorism losses that do not involve NBC are covered.	"

Endorsements Addressing Certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
UM 0755 - Certified Terrorism Loss	Commercial Umbrella	Covered subject to federal terrorism act maximum annual liability.	Not applicable to liability coverage.	Not addressed. May be covered in absence of a non-certified loss exclusion.	Not addressed because fire following non-certified losses is not applicable to liability coverage.
UM 0765 - Certified Act of Terrorism Exclusion	Commercial Umbrella	Excluded	Not applicable to liability endorsements.	"	Not applicable to liability endorsements.

Endorsements Addressing Non-certified Terrorism Losses

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
UM 0775 - Non-certified Act of Terrorism Exclusion & War & Military Action Exclusion	Commercial Umbrella	Not addressed. Additional endorsement addressing certified losses should be in place.	Not applicable to liability endorsements.	Excludes liability coverage for non-certified terrorism losses in which insured damages exceed \$25 million (incl. business interruption), or where 50 or more persons sustain death or serious injury. However, NBC losses are excluded from dollar one.	Not applicable to liability endorsements.
UM 0785 - Nuclear, Biological, & Chemical Non-certified Act of Terrorism Exclusion & War & Military Act Exclusion	Commercial Umbrella	"	"	Excludes coverage from dollar one <i>only</i> for nuclear, biological, or chemical (NBC) events. Other non-certified terrorism losses that do not involve NBC are covered.	"

**APPLICATION OF AAIS TERRORISM ENDORSEMENTS
Dwelling Properties and Personal and Premises Liability**

The three editions of endorsement FL 0670 and a companion manual supplement have been filed to provide companies with a means to qualify for federal reinsurance under the Terrorism Risk Insurance Act of 2002 (TRIA), should the Department of the Treasury determine that policies covering the exposures of owners of one to four family dwellings regularly rented or held for rental to others constitute commercial insurance.

Endorsements Addressing Certified Terrorism Losses¹

Endorsement	Lines of Insurance	Certified Terrorism losses	Fire following certified losses	Non-certified terrorism losses	Fire following non-certified losses
FL 0670 03 03 - Certified Terrorism Loss	Dwelling Properties, Personal and Premises Liability	Covered subject to federal terrorism act maximum annual liability. ³	Covered subject to federal terrorism act maximum annual liability.	Not addressed.	Not addressed.
FL 0670 04 03 - Certified Terrorism Loss (GA and, when approved, NY)	"	Covered subject to federal terrorism act maximum annual liability, except that with respect to property coverages, loss caused by fire is not subject to the maximum annual liability. (The fire exception does not apply to loss of earnings, extra expense, or legal liability.) ³	Covered by exception, and not limited to the maximum annual liability, but does not include loss of earnings, extra expense, or fire legal liability.	"	"
FL 0670 05 03 - Certified Terrorism Loss (NY)²	"	Covered. ³		"	"

1. For details concerning the purpose and use of these endorsements, see AAIS Bulletin 03-0142, dated March 28, 2003, on the AAIS public Web site: AAISonline.com.
2. New York does not permit endorsements with restrictions to be filed on a 'file and use' basis. Therefore, at the same time that AAIS submitted the 05 03 edition of this endorsement on a 'file and use' basis, it also submitted the 04 03 edition on a 'prior approval' basis. Once approved, the 04 03 edition will replace the 05 03 edition in New York. Information about company action needed to adopt the 04 03 edition in New York will be provided in the bulletin that announces its approval.
3. Such loss is covered only to the extent that it is caused by a peril insured against.