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Line(s) of  
Insurance:

**Agricultural Output**  
**Artisans**  
**Businessowners**  
**Commercial Inland**  
**Marine**  
**Commercial Liability**

**Commercial Output**  
**Commercial Output XL**  
**Commercial Properties**  
**Contractors &**  
**Developers Output**  
**Crime**

**Farm Properties**  
**Farmowners**  
**Glass**  
**Inland Marine Guide**  
**Personal & Premises**  
**Liability**

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**\*\*This bulletin and its attachments have been made available at the AAIS open Web site: [AAISonline.com](http://AAISonline.com).  
This bulletin will not be distributed in a paper format.\*\***

## MICHIGAN TERRORISM EXCLUSION ENDORSEMENTS REVISED

Terrorism exclusion endorsements that do not contain a fire exception have been filed, with a proposed effective date of **September 1, 2003**, as replacements for the terrorism exclusion endorsements that are currently on file in Michigan. In addition, several of the terrorism rule and rating information manual supplement pages have been updated in order to reflect the change in endorsements.

### BACKGROUND

On May 29, 2003, the enactment of House Bill 4432 added Section 2834 to the Michigan Insurance Code for the purpose of exempting from commercial policies that provide property coverage, fire loss caused directly or indirectly by terrorism.

Refer to the following web site address to view a complete copy of House Bill 4432:

<http://www.michiganlegislature.org/documents/2003-2004/billenrolled/house/pdf/2003-HNB-4432.pdf>

### CHANGES

Tables A, B, and C that follow show the programs in which endorsements are being replaced and manual supplement pages are being changed.

**NOTE:** The only programs in which endorsement replacements are required are those in which some type of property coverage is provided.

The new endorsements differ from the current endorsements only to the extent that the Terrorism Exclusion present in each new endorsement does not contain a fire exception. A copy of each endorsement that has been submitted in Michigan is available electronically on our public web site, as an attachment to Bulletin 02-0550, at <http://www.aaisonline.com/terror/Bulletin/02-0550.htm>.

The revised Rule pages differ from the current Rule pages only to the extent that no mention of the standard fire policy is made, and the endorsement numbers shown for each program have been updated to reference exclusion endorsements that do not contain a Fire Exception.

The revised Rating Information page differs from the current Rating Information page only to the extent that the factors shown for Fire-Following Coverage, that previously was required by statute to be provided, have been deleted from the table.

***TABLE A (Certified Exclusion Endorsements)***

<b>Program</b>	<b>New Endorsement</b>	<b>Current Endorsement</b>
Agricultural Output	CL 0610 12 02	CL 0620 12 02
Artisans	AP 0710 12 02	AP 0720 12 02
Businessowners	BP 0760 12 02	BP 0770 12 02
Commercial Inland Marine (Filed Classes)	CL 0610 12 02	CL 0620 12 02
Commercial Output	CL 0610 12 02	CL 0620 12 02
Commercial Output XL	CL 0610 12 02	CL 0620 12 02
Commercial Properties	CL 0610 12 02	CL 0620 12 02
Contractors & Developers Output	CL 0610 12 02	CL 0620 12 02
Farm Properties	FL 0610 12 02	FL 0620 12 02
Farmowners	FO 0610 12 02	FO 0620 12 02

***TABLE B (Non-Certified Exclusion Endorsements)***

<b>Program</b>	<b>New Endorsements</b>	<b>Current Endorsements</b>
Agricultural Output	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Artisans	AP 0730 12 02 AP 0750 12 02	AP 0740 12 02 AP 0760 12 02
Businessowners	BP 0780 12 02 BP 0800 12 02	BP 0790 12 02 BP 0810 12 02
Commercial Inland Marine (Filed Classes)	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Commercial Output	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Commercial Output XL	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02

**TABLE B (Non-Certified Exclusion Endorsements) CONTINUED**

<b>Program</b>	<b>New Endorsements</b>	<b>Current Endorsements</b>
Commercial Properties	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Contractors & Developers Output	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Farm Properties	FL 0630 12 02 FL 0650 12 02	FL 0640 12 02 FL 0660 12 02
Farmowners	FO 0630 12 02 FO 0650 12 02	FO 0640 12 02 FO 0660 12 02

**TABLE C (Rule and Rating Information Page Supplement)**

<b>Program</b>	<b>New Supplement Page</b>	<b>Current Supplement Page</b>
Agricultural Output, Artisans, Businessowners, Commercial Inland Marine (Filed Classes), Commercial Liability, Commercial Output, Commercial Output XL, Commercial Properties, Contractors & Developers Output, Crime, Farm Properties, Farmowners, Glass, and Personal & Premises Liability (Farm Only)	Rules -- 2 (Rev 1.1) Rules -- 3 (Rev 1.1) Rules -- 6 (Rev 1.1) Rules -- 7 (Rev 1.1) Rating Information - 1 (Rev 1.1)	Rules -- 2 (Rev 1.0) Rules -- 3 (Rev 1.0) Rules -- 6 (Rev 1.0) Rules -- 7 (Rev 1.0) Rating Information - 1 (Rev 1.0)

## **INLAND MARINE GUIDE**

Michigan does not require rate, rule, or form filings for non-filed Inland Marine Guide classes. However, companies should switch from exclusion endorsements CL 0620 12 02, CL 0640 12 02, and CL 0660 12 02 to exclusion endorsements CL 0610 12 02, CL 0630 12 02, and CL 0650 12 02 as soon as possible. In addition, companies should begin using the "IMG Terrorism Rules Supplement NSFP- IM Exempt", located on the AAIS public web site at <http://www.aaisonline.com/terror/IMGinfo.htm>, in place of the current "IMG Terrorism Rules Supplement SFP", when the change in endorsements is made. As was previously the case, the rating information applicable to the Commercial Inland Marine Filed Classes should also be used with the Guide classes.

## **FILING NUMBERS**

The AAIS filing numbers that apply to the certified and non-certified submissions in Michigan in the following tables:

**Certified Materials**

<b>Program</b>	<b>AAIS Forms Filing Number</b>	<b>AAIS Rule &amp; Rating Information Filing Number</b>
Agricultural Output	N/A -- Filing Not Required	AAIS-2003-16AGRC
Artisans	N/A -- Filing Not Required	AAIS-2003-16APRC
Businessowners	N/A -- Filing Not Required	AAIS-2003-16BPRC
Commercial Inland Marine (Filed Classes)	N/A -- Filing Not Required	AAIS-2003-16CIMRC
Commercial Liability	N/A -- Filing Not Required	AAIS-2003-16CLRC
Commercial Output	N/A -- Filing Not Required	AAIS-2003-16COPRC
Commercial Output XL	N/A -- Filing Not Required	AAIS-2003-16CXLRC
Commercial Properties	N/A -- Filing Not Required	AAIS-2003-16CPRC
Contractors & Developers Output	N/A -- Filing Not Required	AAIS-2003-16DOPRC
Crime	N/A -- Filing Not Required	AAIS-2003-16CRRC
Farm Properties	N/A -- Filing Not Required	AAIS-2003-16FPRC
Farmowners	N/A -- Filing Not Required	AAIS-2003-16FORC
Glass	N/A -- Filing Not Required	AAIS-2003-16GSRC
Personal & Premises Liability (Farm Only)	N/A -- Filing Not Required	AAIS-2003-16PPLRC

**Non-Certified Materials**

<b>Program</b>	<b>AAIS Forms Filing Number</b>	<b>AAIS Rule Filing Number</b>
Agricultural Output	N/A -- Filing Not Required	AAIS-2003-16AGRN
Artisans	N/A -- Filing Not Required	AAIS-2003-16APRN
Businessowners	N/A -- Filing Not Required	AAIS-2003-16BPRN
Commercial Inland Marine (Filed Classes)	N/A -- Filing Not Required	AAIS-2003-16CIMRN
Commercial Liability	N/A -- Filing Not Required	AAIS-2003-16CLRN
Commercial Output	N/A -- Filing Not Required	AAIS-2003-16COPRN
Commercial Output XL	N/A -- Filing Not Required	AAIS-2003-16CXLRN
Commercial Properties	N/A -- Filing Not Required	AAIS-2003-16CPRN
Contractors & Developers Output	N/A -- Filing Not Required	AAIS-2003-16DOPRN
Crime	N/A -- Filing Not Required	AAIS-2003-16CRRN
Farm Properties	N/A -- Filing Not Required	AAIS-2003-16FPRN
Farmowners	N/A -- Filing Not Required	AAIS-2003-16FORN
Glass	N/A -- Filing Not Required	AAIS-2003-16GSRN
Personal & Premises Liability (Farm Only)	N/A -- Filing Not Required	AAIS-2003-16PPLRN

## **EFFECTIVE DATE**

In accordance with Section 106(a)(2)(B) of the Terrorism Risk Insurance Act of 2002, the certified materials described in this bulletin have been submitted on a file-and-use basis, and the non-certified materials have been submitted on a prior approval basis, for policies effective on or after **September 1, 2003**. As a result, companies may begin using the certified materials on **September 1, 2003**, but should refrain from using the non-certified materials until further notified by AAIS that formal approval of these materials has been received.

## **COMPANY ACTION**

### Endorsements

Companies are not required to file forms in this state. However, companies are instructed to maintain a listing of forms that are in use on 6/1 of each year.

### Rules and Rating Information

Companies that have granted AAIS filing authority for rules and/or rating information can adopt the revised manual supplement without notifying the insurance department if they intend to use it without change.

However, companies that choose to depart from the AAIS filed pages must notify the insurance department in writing as soon as possible.

## **SUPPLIES**

### *Endorsements*

The forms and endorsements filed for use in this state are available from CCH Insurance Services Inc. (CCH), the print vendor for AAIS forms and endorsements. Call CCH at (800) 382-2424 to order forms and endorsements in paper printed format. Call CCH at 800-782-9481 to order the text of AAIS forms in a variety of electronic formats.

AAIS also offers the text of forms and endorsements in limited electronic formats. Call Veronica Clarke at 800/564-AAIS for more information.

### *Manual Supplements*

The terrorism manual supplements in the AAIS manuals posted to the subscriber Web site, *AAISdirect.com*, will be updated in the near future to reflect the attached Revision 1.1 information.

### *Forms and Endorsements Listings*

The forms and endorsements listings posted to the subscriber Web site, *AAISdirect.com* will be updated in the near future to reflect the change to terrorism endorsements that do not contain a fire exception.

## **WEB SITE POSTINGS**

This bulletin, and its **ATTACHMENTS**, are posted to the AAIS open Web site at <http://www.aaisonline.com/terrorism.htm>.

**ATTACHMENT**

-- Michigan Terrorism Loss Rules and Rating Information Page Supplement (Rev 1.1)

**Direct Questions to:**

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***AAISDIRECT AND AAIS PRODUCT ADVISORY***

All AAIS bulletins, forms, manuals, and other resource information for all lines of insurance are now available online. For a two-week trial of our Internet service, *AAISdirect*, or a cost quote, contact Rick Anderer. E-mail Richarda@AAISonline.com or call 800/564-AAIS.

The AAIS e-mail publication, *AAIS Product Advisory*, provides bulletin summaries and other timely information related to products to anyone at your company at no charge. Unlike *AAISdirect*, you can subscribe to *AAIS Product Advisory* whether your company is affiliated or not.

While valuable as a stand-alone service, the *AAIS Product Advisory* is an ideal complement to *AAISdirect*. The communication gives you an overview of new information posted weekly on *AAISdirect* and is directly linked to the site so that you can quickly access complete copies of bulletins.

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