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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
Personal & Premises
Liability

OKLAHOMA TERRORISM EXCLUSION ENDORSEMENTS REVISED

Terrorism exclusion endorsements that do not contain an ensuing fire loss exception have been filed, with a proposed effective date of **December 15, 2003**, as replacements for the terrorism exclusion endorsements that are currently on file in Oklahoma. 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

Effective November 1, 2003, the enactment of House Bill 1273 amends section 4803 F. of 36 O. S. 2001 by granting the Insurance Commissioner the authority to approve policy forms which contain terms and conditions that are less comprehensive in scope than those of the standard fire policy.

In response to this change, AAIS has resubmitted, for all filed Commercial Lines programs, terrorism exclusions that do not contain an exception for fire-following loss.

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 needed are those in which property coverage is provided.

Replacement endorsements have not yet been submitted for the Farm Properties and Farmowners programs. However, a separate filing will be submitted to address not only the standard fire policy exemption, but also the eligibility clarifications cited in the final guidelines issued by the Department of the Treasury on July 7, 2003, with respect to the Terrorism Risk Insurance Act of 2002 (TRIA).

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 certified terrorism exclusion endorsement listed in Table A is available on our public web site, at <http://www.aaionline.com/terrorism/newrules.html>, as an attachment to this Bulletin. A copy of each non-certified terrorism exclusion endorsement listed in Table B is also available on our public web site, at <http://www.aaionline.com/terrorism/newrules.html>, as an attachment to Bulletin 02-0550.

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, other than Farmowners and Farm Properties, 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)

Program	New Endorsement	Current Endorsement
Agricultural Output	CL 0610 05 03	CL 0620 05 03
Artisans	AP 0710 05 03	AP 0720 05 03
Businessowners	BP 0760 05 03	BP 0770 05 03
Commercial Output	CL 0610 05 03	CL 0620 05 03
Commercial Output XL	CL 0610 05 03	CL 0620 05 03
Commercial Properties	CL 0610 05 03	CL 0620 05 03
Contractors & Developers Output	CL 0610 05 03	CL 0620 05 03

TABLE B (Non-Certified Exclusion Endorsements)

Program	New Endorsements	Current Endorsements
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 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
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

TABLE C (Rule and Rating Information Page Supplement)

Program	New Supplement Page	Current Supplement Page
Agricultural Output, Artisans, Businessowners, Commercial Inland Marine (Filed Classes), Commercial Liability, Commercial Output, Commercial Output XL, Commercial Properties, Contractors & Developers Output, Crime, Farm Properties, Glass, and Personal & Premises Liability (Farm Only)	Rules -- 2 (Rev 1.2)	Rules -- 2 (Rev 1.1)
	Rules -- 3 (Rev 1.2)	Rules -- 3 (Rev 1.0)
	Rules -- 6 (Rev 1.2)	Rules -- 6 (Rev 1.0)
	Rules -- 7 (Rev 1.2)	Rules -- 7 (Rev 1.0)
	Rating Information - 1 (Rev 1.2)	Rating Information - 1 (Rev 1.0)

FILING NUMBERS

State filing numbers have not yet been assigned, but will be posted to the AAIS open website at <http://www.aaisonline.com/terrorism/OK.html>, once they have been received. The AAIS filing numbers that apply to the new certified and non-certified terrorism submissions are shown in the following tables:

Certified Materials

Endorsements	AAIS Filing No.
Agricultural Output, Commercial Output, Commercial Output XL, Commercial Properties, and Contractors & Developers Output	AAIS-2003-16COMFC
Artisans	AAIS-2003-16APFC
Businessowners	AAIS-2003-16BPFC

* Replacement endorsements have not yet been submitted for the Farm Properties and Farmowners programs. However, a separate filing will be submitted in the near future to address not only the standard fire policy exemption, but also the eligibility clarifications cited in the final guidelines issued by the Department of the Treasury on July 7, 2003, with respect to the Terrorism Risk Insurance Act of 2002 (TRIA).

Rules and Rating Information	AAIS Filing No.
Agricultural Output, Commercial Inland Marine (Filed Classes), Commercial Output, Commercial Output XL, Commercial Properties, Contractors & Developers Output, Crime, and Glass	AAIS-2003-16COMRC
Artisans	AAIS-2003-16APRC
Businessowners	AAIS-2003-16BPRC
Commercial Liability	AAIS-2003-16CLRC

Non-Certified Materials

Endorsements	AAIS Filing No.
Agricultural Output, Commercial Output, Commercial Output XL, Commercial Properties, and Contractors & Developers Output	AAIS-2003-16COMFN
Artisans	AAIS-2003-16APFN
Businessowners	AAIS-2003-16BPFN

* Replacement endorsements have not yet been submitted for the Farm Properties and Farmowners programs. However, a separate filing will be submitted in the near future to address not only the standard fire policy exemption, but also the eligibility clarifications cited in the final guidelines issued by the Department of the Treasury on July 7, 2003, with respect to the Terrorism Risk Insurance Act of 2002 (TRIA).

Rules	AAIS Filing No.
Agricultural Output, Commercial Inland Marine (Filed Classes), Commercial Output, Commercial Output XL, Commercial Properties, Contractors & Developers Output, Crime, and Glass	AAIS-2003-16COMRN
Artisans	AAIS-2003-16APRN
Businessowners	AAIS-2003-16BPRN
Commercial Liability	AAIS-2003-16CLRN

* Replacement Terrorism Supplement pages have not yet been submitted for the Farmowners, Farm Properties, and Personal and Premises Liability programs. However, a separate filing will be submitted in the near future to address not only the standard fire policy exemption, but also the eligibility clarifications cited in the final guidelines issued by the Department of the Treasury on July 7, 2003, with respect to the Terrorism Risk Insurance Act of 2002 (TRIA).

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 for policies effective on or after **December 15, 2003**, and the non-certified materials have been submitted on a prior approval basis, for policies effective on or after **December 15, 2003**. As a result, companies may begin using the certified materials on **December 15, 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 and Manual Supplement Pages (Certified)

Companies that have granted AAIS filing authority for forms and endorsements, rules, and rating information can adopt the revised certified terrorism endorsements and manual supplement pages without notifying the insurance department if they intend to use the materials filed by AAIS without change.

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

Endorsements and Manual Supplement Pages (Non-Certified)

The company action needed to adopt the AAIS Non-Certified terrorism materials will be provided in the Bulletin that announces approval of the non-certified filings.

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 Karen Grela 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 1.2 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/newrules.html>.

ATTACHMENTS

- AP 0710 05 03 Certified Act of Terrorism Exclusion
- BP 0760 05 03 Certified Act of Terrorism Exclusion
- CL 0610 05 03 Certified Act of Terrorism Exclusion
- Oklahoma Terrorism Loss Rules and Rating Information Page Supplement (Rev 1.2)

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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.

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For more information and to sign up, go to www.AAISonline.com or contact Pat Peters at Patp@AAISonline.com.