

AAIS

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BULLETIN

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Line(s) of
Insurance:

Farm Properties
Farmowners
Personal & Premises Liability
Farm Umbrella

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ALASKA

CERTIFIED TERRORISM EXCLUSION ENDORSEMENTS AND RATING PROCEDURES REVISED

Reference Bulletins 03-0200 and 03-0459

A special **02 04** edition of the certified terrorism exclusion endorsement applicable to each farm-related program has been filed for use in Alaska, effective **January 1, 2004**, as a replacement for the corresponding **06 03** exclusion endorsement that is currently on file.

BACKGROUND

Certified terrorism exclusion endorsements and rating procedures have been refiled in each state in response to the Treasury Department's July 7, 2003 ruling that owner-occupied farm residences are personal lines exposures, and are therefore not subject to the Terrorism Risk Insurance Act of 2002 (TRIA). See Reference Bulletin 03-0459 for additional information regarding the breakdown of eligible and ineligible farm exposures.

Unlike the multistate **01 04** exclusion endorsements attached to Reference Bulletin 03-0459, the **02 04** exclusion endorsements reflect anti-concurrent causation provisions written specifically to correspond with Alaska Statute 21.36.212.

NOTE: The **01 04** multistate endorsements attached to Reference Bulletin 03-0459 that can be used to cover loss caused by certified acts of terrorism have not been revised.

ENDORSEMENTS

A table that identifies the new certified terrorism exclusion endorsement that applies to each Alaska farm-related program follows:

Program	Endorsement Used to Exclude Coverage For Certified Terrorism Loss
Farm Properties	FL 0610 02 04
Farmowners	FO 0610 02 04
Personal & Premises Liability (Farm Only)	GL 0320 02 04
Farm Umbrella	UM 0340 02 04

RATING INFORMATION

A reference to the types of farm exposures that are ineligible for coverage under TRIA has been added to Rating Information - 1 (Rev. 1.1).

EFFECTIVE DATE AND FILING NUMBERS

The materials described in this bulletin have been submitted on a File and Use basis, effective **January 1, 2004**, under the TRIA provisions that waive state prior approval requirements for filings made through the end of year 2003. Refer to the following AAIS filing numbers in all correspondence directed to the insurance department. (State filing numbers have not yet been assigned, but will be posted to the AAIS open website at <http://www.aaisonline.com/terrorism/AK3.html> once they have been received).

Program	AAIS Filing Number - Endorsements	AAIS Filing Number - Rating Information
Farm Properties	AAIS-2003-62FP	No Manual On File
Farmowners	AAIS-2003-62FO	No Manual On File
Personal & Premises Liability (Farm Only)	AAIS-2003-62PPLF	AAIS-2003-62PPLR
Farm Umbrella	AAIS-2003-57	Not Applicable

COMPANY ACTION

Endorsements

Farm Properties, Farmowners, and Personal & Premises Liability

Companies that have granted AAIS filing authority for forms and endorsements can adopt the new endorsement edition(s) without notifying the insurance department.

Companies that have not given AAIS filing authorization for forms and endorsements will need to designate an effective date, complete an AK Expedited Filing Transmittal Document For Terrorism Risk Insurance Forms and Pricing, and submit a filing to the state in order to adopt the new endorsement edition(s).

Farm Umbrella Program Only

Each company that wishes to adopt the new endorsement edition must do so by establishing an effective date and notifying the Insurance Department in writing.

Rating Information

Companies that have granted AAIS filing authority for rating information can adopt the updated Personal & Premises Liability rating information without notifying the insurance department if they intend to use it without change.

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

SUPPLIES

The forms and endorsements filed for use in this state have been released to 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 Debbie Hurley at 800/564-AAIS for more information.

ATTACHMENTS

- FL 0610 02 04 Certified Act of Terrorism Exclusion
- FO 0610 02 04 Certified Act of Terrorism Exclusion
- GL 0320 02 04 Certified Act of Terrorism Exclusion
- UM 0340 02 04 Certified Act of Terrorism Exclusion
- AK Terrorism Loss Rating Information Page (Rev 1.1)

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