

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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WASHINGTON

CERTIFIED TERRORISM EXCLUSION ENDORSEMENTS AND RATING PROCEDURES REVISED

Reference Bulletins 03-0087 and 03-0459

A special **03 04** edition of the certified terrorism exclusion endorsement applicable to each farm-related program has been filed for use in Washington, effective **January 1, 2004**, as a replacement for the corresponding **01 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 **03 04** exclusion endorsements attached to this bulletin do not contain any anti-concurrent causation provisions.

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 Washington farm-related program follows:

| Program | Endorsement Used to Exclude Coverage For Certified Terrorism Loss |
|---|---|
| Farm Properties | FL 0620 03 04 |
| Farmowners | FO 0620 03 04 |
| Personal & Premises Liability (Farm Only) | GL 0320 03 04 |
| Farm Umbrella | UM 0340 03 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.

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

COMPANY ACTION

Forms and Endorsements

Farm Properties and Farmowners

The endorsements for these lines of insurance have been filed with the Washington Department of Insurance. However, AAIS **cannot** file on behalf of companies in Washington and companies **cannot** adopt AAIS forms and endorsements by reference. All companies **must** take independent filing action with the Washington Department of Insurance within 30 days of the company's chosen effective date.

Personal & Premises Liability

Companies that have granted AAIS filing authority for forms and endorsements can adopt the endorsements without notifying the insurance department.

Farm Umbrella

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

Personal & Premises Liability

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 0620 03 04 Certified Act of Terrorism Exclusion
- FO 0620 03 04 Certified Act of Terrorism Exclusion
- GL 0320 03 04 Certified Act of Terrorism Exclusion
- UM 0340 03 04 Certified Act of Terrorism Exclusion
- WA Terrorism Loss Rating Information Page (Rev 1.1)

If your company subscribes to the *AAISdirect* Internet service, any referenced attachments are available in Microsoft® Word and PDF format at *AAISdirect.com*.

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