

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
SUPPLEMENT TO CALIFORNIA MANUALS**

TERRORISM LOSSES -- RATING INFORMATION

Certified Terrorism Losses -- The premium determination process is amended as described below. The terrorism loss cost increment must be converted to a final rate by the application of the company loss cost multiplier.

Agricultural Output Program - Rule 8.1, Calculation of Basic Property Premium Charges, is amended by the following addition:

Step 5A Add a terrorism loss cost increment of \$0.001 to the Major Loss Load determined in Step 5. Use the result of this step in lieu of the Major Loss Load under Step 6.

Commercial Properties Program - Rule 18.8, Calculation of Premium, is amended by the following addition under sub-rule 18.8.1:

Step 1A Add a terrorism loss cost increment of \$0.001 to the base FIRE rate for the applicable class code and territory. Use the result of this step in lieu of the selected FIRE rate under Step 2.

Crime Program - Rule 4.3, Premium Determination, is amended as follows:

Add a terrorism loss cost increment of \$0.001 to the rating information selected for the applicable Crime Coverage. Use the result to complete the premium determination process.