

# AMERICAN ASSOCIATION OF INSURANCE SERVICES SUPPLEMENT TO CALIFORNIA MANUALS

## TERRORISM LOSSES -- RATING INFORMATION

**Certified Terrorism Losses** -- Use the process described below for each line of insurance to determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company. The terrorism loss cost, when applicable, must be converted to a final rate by the application of the company loss cost multiplier.

### **Artisans Program:**

- Step 1 Multiply the total liability premium, after the application of IRPM credits or debits, by a factor of .03.
- Step 2 Multiply the Building limit (if applicable), in thousands, by the terrorism loss cost of \$0.01.
- Step 3 Multiply the Business Personal Property limit (if applicable), in thousands, by the terrorism loss cost of \$0.01.
- Step 4 Add the results of Steps 1 through 3.

### **Businessowners Program:**

- Step 1 To determine the liability portion of the terrorism premium, multiply the total policy premium, after the application of IRPM credits or debits (if any), by a factor of .015.
- Step 2 To determine the building property portion of the terrorism premium, multiply the Building limit, in thousands, by the terrorism loss cost of \$0.01.
- Step 3 To determine the business personal property portion of the terrorism premium, multiply the Business Personal Property limit, in thousands, by the terrorism loss cost of \$0.01.
- Step 4 Add the results of Steps 1 through 3.