

AMERICAN ASSOCIATION OF INSURANCE SERVICES SUPPLEMENT TO CALIFORNIA MANUALS

TERRORISM LOSSES -- RATING INFORMATION

Certified Terrorism Losses -- Rule 6.5, Total Premium Charge, is amended by the addition of Rule 6.5.1.

6.5.1 Terrorism

Multiply the terrorism loss cost increment of .001 by the company loss cost multiplier to obtain the terrorism rate.

Multiply the total values for building and business personal property per 100 by the terrorism rate to obtain the terrorism premium for building and business personal property.

If Income Coverage applies, multiply the terrorism rate by the appropriate factor from Table F for income coverage to obtain the terrorism rate for income coverage. Multiply the limit for income coverage per 100 by the terrorism rate for income coverage to obtain the terrorism premium for income coverage.

If Extra Expense Coverage applies, multiply the terrorism rate by the appropriate factor from Table F for extra expense to obtain the terrorism rate for extra expense. Multiply the limit for extra expense coverage per 100 by the terrorism rate for extra expense to obtain the terrorism premium for extra expense.

Add the terrorism premiums, if applicable, for building and business personal property, income coverage, and extra expense to obtain the total terrorism premium.

Add the total terrorism premium to the result of Step 6.5 to obtain the total policy premium including terrorism.