

Date: **July 9, 2004**Bulletin Number: **04-0434**AMERICAN  
ASSOCIATIONLine(s) of  
Insurance:**Agricultural Output**  
**Artisans**  
**Businessowners**  
**Commercial Inland**  
**Marine**  
**Commercial Liability****Commercial Output**  
**Commercial Output XL**  
**Commercial Properties**  
**Contractors & Developers**  
**Output**  
**Crime****Farm Properties**  
**Farmowners**  
**Glass**  
**Inland Marine Guide**  
**Personal & Premises**  
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## CONNECTICUT TERRORISM EXCLUSION ENDORSEMENTS REVISED

Terrorism exclusion endorsements that do not contain an ensuing fire loss exception have been filed, with a proposed effective date of **September 1, 2004**, as replacements for the terrorism exclusion endorsements that do contain an exception for ensuing fire loss that are currently on file in Connecticut. The current Terrorism Supplement rating information page has also been revised.

### BACKGROUND

The enactment of House Bill 5200 adds a new section (Section 1) to Statute 38a-307 for the purpose of exempting from insurance policies that provide property coverage for commercial risks, loss by fire or by any other peril insured against, when such loss is caused directly or indirectly by terrorism.

This exemption is effective from **July 1, 2004** until the expiration of the Terrorism Risk Insurance Act of 2002, tentatively scheduled for December 31, 2005, subject to its extension or renewal by an act of Congress.

In response to this change, AAIS has resubmitted terrorism exclusions that do not contain an exception for fire-following loss for the filed Commercial Lines programs that must otherwise conform to the state's standard fire policy provisions. (Neither form nor manual page filings are required to be made in Connecticut for the nonfiled Inland Marine Guide classes.)

### CHANGES

Tables A and B that follow show the programs in which endorsements are being replaced.

**NOTE:** The only programs in which endorsement replacements are needed are those in which property coverage is provided. Also, since endorsements that do not contain a fire exception are already in use for the Commercial Inland Marine (Filed Classes), Crime, Glass, and Inland Marine Guide programs, no forms modification to these programs is required.

The new endorsements differ from the current endorsements only to the extent that the Terrorism Exclusion present in each new endorsement does not contain a fire exception. A copy of each endorsement that has been submitted in Connecticut is available on our public web site, at <http://www.aaisonline.com/terrorism/bulletins/02-0550.html> as an attachment to Bulletin 02-0550.

The revised Rating Information page differs from the current Rating Information page only to the extent that the factors that previously applied to the fire-following coverage which was required by statute to be provided have been deleted from the table.

An updated Terrorism Rules Supplement, from which all standard fire policy references have been deleted, is the subject of a separate filing, and will accordingly be addressed by a bulletin pertaining specifically to that filing.

***TABLE A (Certified Exclusion Endorsements)***

<b>Program</b>	<b>New Endorsement</b>	<b>Current Endorsement</b>
Agricultural Output	CL 0610 12 02	CL 0620 12 02
Artisans	AP 0710 12 02	AP 0720 12 02
Businessowners	BP 0760 12 02	BP 0770 12 02
Commercial Output	CL 0610 12 02	CL 0620 12 02
Commercial Output XL	CL 0610 12 02	CL 0620 12 02
Commercial Properties	CL 0610 12 02	CL 0620 12 02
Contractors & Developers Output	CL 0610 12 02	CL 0620 12 02
Farmowners	FO 0610 12 02	FO 0620 12 02
Farm Properties	FL 0610 12 02	FL 0620 12 02

***TABLE B (Non-Certified Exclusion Endorsements)***

<b>Program</b>	<b>New Endorsements</b>	<b>Current Endorsements</b>
Agricultural Output	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Artisans	AP 0730 12 02 AP 0750 12 02	AP 0740 12 02 AP 0760 12 02
Businessowners	BP 0780 12 02 BP 0800 12 02	BP 0790 12 02 BP 0810 12 02
Commercial Output	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Commercial Output XL	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Commercial Properties	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Contractors & Developers Output	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Farmowners	FO 0630 12 02 FO 0650 12 02	FO 0640 12 02 FO 0660 12 02
Farm Properties	FL 0630 12 02 FL 0650 12 02	FL 0640 12 02 FL 0660 12 02

## FILING NUMBERS

The AAIS filing numbers that apply to the new certified and non-certified terrorism filings are shown in the following tables:

<b>Certified Materials</b> <b>AAIS Filing No.: AAIS-2003-16C</b>	<b>Non-Certified Materials</b> <b>AAIS Filing No.: AAIS-2003-16NC</b>
<b>Endorsements</b> -- Agricultural Output, Artisans, Businessowners, Commercial Output, Commercial Output XL, Commercial Properties, Contractors & Developers Output, Farmowners, and Farm Properties  <b>Rating Information</b> -- All programs shown above plus Commercial Inland Marine (Filed Classes), Commercial Liability, Crime, Glass, and Personal & Premises Liability (Farm Only)	<b>Endorsements</b> -- Agricultural Output, Artisans, Businessowners, Commercial Output, Commercial Output XL, Commercial Properties, Contractors & Developers Output, Farmowners, and Farm Properties

## EFFECTIVE DATE

The filing procedures that previously allowed products that address certified terrorism losses to be implemented on a "file and use" basis expired at the end of 2003. Consequently, both the certified and non-certified materials described in this bulletin have been submitted on a prior approval basis, with a proposed effective date of **September 1, 2004**. As a result, companies should refrain from using all of the materials described in this bulletin until they are further notified by AAIS that formal approval has been received.

## WEB SITE POSTING

This bulletin is posted on the AAIS open Web site at <http://www.aaisonline.com/terrorism/newrules.html> .

## Direct Questions to:

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