

CERTIFIED TERRORISM LOSS

1. The reference to words that have special meaning is deleted and replaced by the following:

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

2. The following definitions are added.

- a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:

- 1) to be an act of terrorism;
- 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
- 3) to have resulted in damage:
 - a) within the United States; or
 - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission; and
- 4) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act will be certified by the Secretary of the Treasury as an act of terrorism if the act is committed as part of the course of a war declared by the Congress (except with respect to any coverage for workers' compensation) or if property and casualty insurance losses resulting from the act do not exceed \$5,000,000 in the aggregate.

- b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".

3. The following provision is added.

If the Secretary of the Treasury determines that the amount of "certified terrorism loss" has exceeded the maximum annual liability as set forth by the Federal Terrorism Risk Insurance Act of 2002 or any amendments thereto, and "we" have met "our" deductible requirements as specified by that Act, "we" will not pay for any portion of "certified terrorism loss" that exceeds the maximum annual liability.

The "terms" of this provision apply only to liability arising out of "farming" or the activities related to a "business" of any "insured".

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