



April 8, 2008

NJ APPROVES NEW TERRORISM ENDORSEMENTS FOR RISKS WITH OVER \$10,000 IN PREMIUMS

BACKGROUND

We announced in January that all of the terrorism endorsements were being revised to comply with the Terrorism Risk Insurance Program Reauthorization Act.

AB3408 / SB2169 was signed into law in New Jersey in February. This law exempts commercial lines policies which produce minimum annual premiums of over \$10,000 from the standard fire policy requirements. The terrorism endorsements applicable in New Jersey have a “fire following” exception to comply with the standard fire policy.

MSO[®] ACTION

We filed a set of terrorism endorsements for use with such exempt policies. These endorsements do not include the fire exception. We also filed revised Terrorism Supplement rules to include references to these endorsements.

The New Jersey Department of Banking and Insurance has now approved these endorsements effective immediately.

ENDORSEMENTS

The following endorsements may be used with policies over \$10,000 in premiums:

- MCM 413 01 08 - Certified Acts of Terrorism Exclusions (replaces MCM 412).
- MCM 417 01 08 - Certified and Non-certified Acts of Terrorism Exclusions (replaces MCM 416).
- MCM 419 01 08 - Non-certified Acts of Terrorism Exclusions (replaces MCM 418).

We have developed sample policyholder notices that you may use for these endorsements on renewal policies.

DISTRIBUTION

The new endorsements, Terrorism Supplement rules and policyholder notices will be added to the CD-ROM. Affiliated companies will be able to access these through our website: <http://www.msonet.com>

QUESTIONS

Contact Jan Kozlowski at (800) 935-6900.