November 2, 2004

POST-TRIA TERRORISM ENDORSEMENTS INTRODUCED
IN MARYLAND

BACKGROUND

The Terrorism Risk Insurance Act of 2002 (TRIA) is set to expire on December 31, 2005. Any loss occurring after that date would not be covered by the federal terrorism reinsurance program.

Policies issued between January 2, 2005 and December 31, 2005 will fall partly under the provisions of TRIA. After December 31, 2005, the terrorism endorsements on these policies will not apply as they are contingent on TRIA being in place.

MSO® ACTION

We have developed post-TRIA terrorism endorsements that can be attached to policies effective after January 1, 2005. These are conditional exclusions of terrorism losses that will apply if TRIA is not extended. The exclusions are similar to those that applied prior to the enactment of TRIA.

The filing is now approved in Maryland.

**EFFECTIVE
DATE**

Immediately

ENDORSEMENTS

The post-TRIA endorsements, listed below, use the same endorsement numbers as the TRIA endorsements, but with an 01 05 edition date. This way, companies do not need to program for new forms.

However, in Maryland there is a new endorsement MCM 420 replacing MCM 411.

MCA 411 01 05	MCM 413 01 05
MCA 413 01 05	MCM 417 01 05
MCA 417 01 05	MCM 419 01 05
MCA 418 01 05	MCM 420 01 05
MCL 760 01 05	MIM 140 01 05
MCL 761 01 05	MIM 141 01 05
MCL 762 01 05	MIM 142 01 05
MCL 763 01 05	MIM 143 01 05

POLICYHOLDER NOTICES

We have also developed separate policyholder notices for each of the endorsements. You may use these with renewal policies to meet the state policy change notice requirements.

FUTURE CHANGES

Congress is considering H.R. 4631, the Terrorism Insurance Backstop Extension Act, which will extend TRIA to December 31, 2007. If TRIA is extended or modified, we will amend our program accordingly.

DISTRIBUTION

The new endorsements 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 or e-mail: jkozlowski@msonet.com.