



February 14, 2008

## **VA TERRORISM ENDORSEMENTS REVISED**

### **BACKGROUND**

The Terrorism Risk Insurance Program Reauthorization Act extends the Federal terrorism insurance program through 2014 but with several changes. The significant changes affecting our forms are:

- The definition of a certified act of terrorism is revised to eliminate the acting on behalf of a foreign person or foreign interest requirement thus allowing domestic acts of terrorism to come under the program.
- Clear and conspicuous disclosure to the policyholder of the \$100 billion program cap is required at the time of offer, purchase and renewal of a policy.

### **MSO<sup>®</sup> ACTION**

We revised and filed all of the terrorism endorsements to become effective upon approval. This involved the endorsements for Commercial Property, Commercial Liability, Businessowners and Commercial Inland Marine. We also revised the sample policyholder disclosures (TPD 4, TPD 5 and TPD 6) to comply with the disclosure requirements.

The filings have been approved in Virginia effective immediately.

### **ENDORSEMENTS**

We filed to use the same endorsement numbers as currently apply in Virginia, but with an 01 08 edition date.

### **RATING**

We are not revising the rating factors for the terrorism coverage at this time.

### **DISTRIBUTION**

The new endorsements and policyholder disclosures 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.