



February 13, 2015

## **REVISED TERRORISM ENDORSEMENTS APPROVED IN VIRGINIA**

### **BACKGROUND**

The Terrorism Risk Insurance Program Reauthorization Act extends the Federal terrorism program through 2020, but with several changes. The significant changes include:

- Requiring the Secretary of the Treasury to certify acts of terrorism in consultation with the Secretary of Homeland Security.
- The program trigger has been amended to apply to certified acts with insured losses exceeding \$100,000,000 for calendar year 2015, \$120,000,000 for calendar year 2016, \$140,000,000 for calendar year 2017, \$160,000,000 for calendar year 2018, \$180,000,000 for calendar year 2019, and \$200,000,000 for calendar year 2020 and any calendar year thereafter.
- The percentage paid by the United States Government for certified terrorism losses exceeding the statutorily established deductible is currently 85%. This percentage will gradually decrease by 1% each year starting January 1, 2016 until reaching 80% on January 1, 2020.

### **MSO ACTION**

We revised and filed all of the terrorism endorsements to become effective upon approval. This involves endorsements for business, commercial property, commercial liability, and commercial inland marine. We also created sample policyholder disclosure notices (TPD 10, TPD 11 and TPD 12) to comply with the disclosure requirements.

### **EFFECTIVE DATE**

Immediately

### **ENDORSEMENTS**

We filed to use the same endorsement numbers as currently apply, but with a 01 15 edition date.

#### **Businessowners endorsements:**

MCM 421 - Certified Acts of Terrorism Exclusions • Parts I and II

MCM 422 – Certified and Non-Certified Acts of Terrorism Exclusion • Parts I and II

MCM 423 –Non-Certified Acts of Terrorism Exclusion • Parts I and II

MCM 424 - Certified Terrorism Loss Coverage • Parts I and II

MCM 414 - Certified Terrorism Loss Coverage Disclosure

#### **Commercial Liability endorsements:**

MCL 842 - Certified Terrorism Loss Coverage • Part II

MCL 843 - Certified Acts of Terrorism Exclusions • Part II

MCL 844 - Certified And Non-Certified Acts of Terrorism Exclusions • Part II

MCL 845 - Non-Certified Acts of Terrorism Exclusions • Part II

MCM 414 - Certified Terrorism Loss Coverage Disclosure

**ENDORSEMENTS  
(cont.)**

**Commercial Property endorsements:**

MCP 842 - Certified Terrorism Loss Coverage • Part I

MCP 843 - Certified Acts of Terrorism Exclusion • Part I

MCP 844 - Certified and Non-Certified Acts of Terrorism Exclusions • Part I

MCP 845 - Non-Certified Acts of Terrorism Exclusions • Part I

MCM 414 - Non-Certified Acts of Terrorism Exclusion

**Commercial Inland Marine endorsements:**

MIM 140 – Certified Terrorism Loss Coverage

MIM 141 – Certified Acts of Terrorism Exclusion

MIM 142 - Certified and Non-Certified Acts of Terrorism Exclusions

MIM 143 - Non-Certified Acts of Terrorism Exclusion

**RATING**

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

**NOTICES**

TPD 10 is for new and renewal business. This notice can be used to accept or reject new terrorism coverage.

TPD 11 can be used for renewal business when coverage would be “rolled on” and deleted only upon request.

TPD 12 can be used for renewal business where the exclusion would be “rolled on” and coverage would be added only upon request.

**DISTRIBUTION**

The revised endorsements and disclosure notices will be added to the CD-ROM. Affiliated companies may access them through our website: [www.msonet.com](http://www.msonet.com).

**QUESTIONS**

Contact Pepper Treuvey at (800) 935-6900.