

**PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.**

**CERTIFIED ACTS OF TERRORISM – LIABILITY  
NON-CERTIFIED TERRORISM LOSS EXCLUSION  
NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL EXCLUSION  
WAR AND MILITARY ACTION EXCLUSION**

The following provisions are added to your policy; however, this does not apply to any non-business exposures.

**1. DEFINITIONS**

For the purposes of this endorsement, the following definitions are added:

- a.** “Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to the Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:
- (1)** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
  - (2)** The act resulted in damage:
    - (a)** Within the United States (including its territories and possessions and Puerto Rico); or
    - (b)** Outside of the United States in the case of:
      - (i)** An air carrier (as defined in Section 40102 of title 49, United States Code) or 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
      - (ii)** The premises of any United States mission; and
  - (3)** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals 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.
- b.** “Non-certified act of terrorism” means a violent act or an act that is dangerous to human life, property, or infrastructure that:
- (1)** Is committed by an individual or individuals; and
  - (2)** Appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion; and
  - (3)** Is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act.
- Multiple incidents of a “non-certified act of terrorism” which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- c.** “Any injury or damage” means any injury or damage covered under this policy, and includes but is not limited to “bodily injury”, “property damage”, “personal injury”, or environmental damage as may be defined in this policy.

**2. COVERAGES**

If this policy includes coverage for “certified acts of terrorism”, the coverage provided for losses resulting from a “certified act of terrorism” is partially reimbursed by the United States Government under a formula established by federal law. Under the formula, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year (January 1 through December 31) and “we” have met our insurer deductible under the Terrorism Risk Insurance Act, “we” shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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### 3. EXCLUSIONS

The following exclusions are added:

#### a. WAR AND MILITARY ACTION EXCLUSION

This exclusion replaces the exclusion(s) stated in the policy relating to “any injury or damage” caused by or resulting from war.

“We” will not pay for “any injury or damage” caused directly or indirectly by:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including an actual or expected attack by any government, sovereign, or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

“Any injury or damage” is excluded regardless of any other cause or event that contributes concurrently or in any sequence to “any injury or damage”.

#### b. NON-CERTIFIED ACT OF TERRORISM EXCLUSION

“We” will not pay for “any injury or damage” arising directly or indirectly, out of a “non-certified act of terrorism”, including action in hindering or defending against an actual or expected “non-certified act of terrorism”. Such “injury or damage” is excluded regardless of any other cause or event that contributes concurrently or in any sequence to “any injury or damage”.

This exclusion applies only when one or more of the following are attributed to such act:

- (1) The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, “we” will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusion.
- (2) Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - (a) Physical injury that involves a substantial risk of death; or
  - (b) Protracted and obvious physical disfigurement; or
  - (c) Protracted loss of or impairment of the function of a bodily member or organ.

With respect to this exclusion, Paragraphs (1) and (2) describe the thresholds used to measure the magnitude of an incident of a “non-certified act of terrorism” and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

#### c. NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL EXCLUSION

“We” will not pay for “any injury or damage” caused directly or indirectly by any act:

- (1) That involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- (2) That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- (3) In which pathogenic or poisonous biological or chemical materials are released, and it appears that the purpose was to release such materials.

“Any injury or damage” is excluded regardless of any other cause or event that contributes concurrently or in any sequence to “any injury or damage”.

### 4. APPLICATION OF EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for “any injury or damage” that is otherwise excluded under this policy.

All other terms and conditions of this policy apply.