

CERTIFIED TERRORISM LOSS

(The entries required to complete this endorsement
will be shown below or on the "declarations".)

SCHEDULE

Certified Terrorism Loss Premium: \$ *N/A – No Additional Premium Charge Applies*

1. With respect to all coverage parts attached to this policy, any reference to words that have special meaning is deleted and replaced by the following:

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.
 2. With respect to any coverage part attached to this policy that does not define the "term" "declarations", the following definition is added:

"Declarations" means all pages labeled Declarations, Supplemental Declarations, or Schedules which pertain to this coverage part.
 3. The following definitions are added with respect to all coverage parts attached to this policy.
 - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:
 - 1) to be an act of terrorism;
 - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
 - 3) to have resulted in damage:
 - a) within the United States; or
 - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a 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 at the premises of any United States mission;
 - 4) to have been 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; and
 - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
- b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
4. The following provisions are added with respect to all coverages provided by this policy.
 - a. No additional premium charge applies with respect to coverage for "certified terrorism loss".

- b. Coverage for "certified terrorism loss", to the extent that such coverage is provided by this policy, will be partially reimbursed by the United States Government, Department of Treasury, under a federal program. Under that program, the United States pays the following percentage of insured losses for "certified terrorism loss" that exceeds the statutorily established deductible that "we" retain:

- 1) 85%, for insured losses occurring before January 1, 2016;
- 2) 84%, for insured losses occurring during the 2016 calendar year;
- 3) 83%, for insured losses occurring during the 2017 calendar year;
- 4) 82%, for insured losses occurring during the 2018 calendar year;
- 5) 81%, for insured losses occurring during the 2019 calendar year; and
- 6) 80%, for insured losses occurring on or after January 1, 2020.

However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed one hundred billion dollars in a calendar year (January 1 through December 31), the Treasury will not make any payment for any portion of the amount of such losses that exceeds one hundred billion dollars.

- c. If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a calendar year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a calendar year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.

- d. When this endorsement is attached to a policy that covers farm property or "farming" operations, items 4.b. and 4.c. of this endorsement:

- 1) do not apply to "livestock", poultry, or other covered animals or unharvested crops;
- 2) do not apply to coverage provided under forms FL-1 or FL 0001, FL-2 or FL 0002, and/or FL-3 or FL 0003 when a residence covered under Coverage A is occupied by its owner or when the policy is issued to a tenant of a residence on the "insured premises"; and
- 3) apply only to liability arising out of "farming" or the activities related to a "business" of any "insured", to the extent that liability coverage is provided by the policy to which this endorsement is attached.

- e. The "terms" of this endorsement do not provide coverage for any loss that would otherwise be excluded by this policy under:

- 1) exclusions that address war, military action, or nuclear hazard; or
- 2) any other exclusion.

- f. The absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this policy under:

- 1) exclusions that address war, military action, or nuclear hazard; or
- 2) any other exclusion.

All other "terms" of the policy apply.

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