

Date: **February 21, 2003**

Bulletin Number: **03-0067**

AMERICAN ASSOCIATION
OF INSURANCE SERVICES

Line(s) of Insurance: **Agricultural Output**
Artisans
Businessowners
Commercial Inland Marine
Commercial Liability
Commercial Output
Commercial Output - XL

Commercial Properties
Commercial Umbrella
Contractors & Developers Output
Crime
Farm Properties
Farmowners

Farm Umbrella
Glass
Inland Marine Guide
Personal & Premises Liability

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GEORGIA

SPECIAL EDITIONS OF CERTIFIED TERRORISM ENDORSEMENTS AVAILABLE

Reference Bulletin 02-0550

The special **02 03** editions of the certified terrorism endorsements that were filed on January 29, 2003 for use in the state of Georgia are attached to this Bulletin.

BACKGROUND

Georgia Insurance Department Bulletin 02-EX-3 indicated that the Maximum Annual Liability payment limitation set forth in the Federal Terrorism Risk Insurance Act of 2002 does not apply to fire-following coverage that is provided under programs that are subject to Standard Fire Policy provisions.

Based upon this requirement, AAIS has developed an **02 03** edition of each Certified Terrorism Loss or Exclusion endorsement that will apply to programs that are subject to Standard Fire Policy provisions. These special **02 03** endorsement editions are now available for use in Georgia.

The **02 03** endorsements differ from the multistate **12 02** endorsements described in Reference Bulletin 02-0550, in that no Maximum Annual Liability payment limitation applies to fire-following losses.

Note: The multistate **12 02** endorsements described in Reference Bulletin 02-0550 still apply to the following Georgia programs, which are not subject to Standard Fire Policy provisions: Commercial Inland Marine, Commercial Liability, Crime, Personal & Premises Liability, Commercial Umbrella, and Farm Umbrella.

ENDORSEMENTS

A table which identifies the Certified Terrorism coverage and exclusion endorsement that applies to each Commercial Lines program filed in Georgia is shown below:

Program	Coverage Endorsement	Exclusion Endorsement
Agricultural Output	CL 0600 02 03	CL 0620 02 03
Artisans	AP 0700 02 03	AP 0720 02 03
Businessowners	BP 0750 02 03	BP 0770 02 03
Commercial Inland Marine (Filed Classes)	CL 0600 12 02	CL 0610 12 02

Program	Coverage Endorsement	Exclusion Endorsement
Commercial Liability	GL 0250 12 02	GL 0260 12 02
Commercial Output	CL 0600 02 03	CL 0620 02 03
Commercial Output - XL	CL 0600 02 03	CL 0620 02 03
Commercial Properties	CL 0600 02 03	CL 0620 02 03
Commercial Umbrella	UM 0755 12 02	UM 0765 12 02
Contractors & Developers Output	CL 0600 02 03	CL 0620 02 03
Crime	CL 0600 12 02	CL 0610 12 02
Farm Properties	FL 0600 02 03	FL 0620 02 03
Farmowners	FO 0600 02 03	FO 0620 02 03
Farm Umbrella	UM 0330 12 02	UM 0340 12 02
Glass	CL 0600 02 03	CL 0620 02 03
Personal & Premises Liability (Farm Only)	GL 0310 12 02	GL 0320 12 02

FILING NUMBERS

Refer to the following filing numbers in all correspondence directed to the insurance department.

Program	AAIS Endorsement Filing Number	AAIS Rule/Rating Information Filing Number
All Programs Referenced In The Above Table Except Umbrellas	AAIS-2002-82F	AAIS-2002-82R
Commercial and Farm Umbrella	AAIS-2002-84	Not Applicable

COMPANY ACTION

Endorsements

All Commercial Lines Programs Except Umbrellas and Inland Marine Guide

Companies that have granted AAIS filing authority for forms and endorsements can adopt the endorsements without notifying the insurance department.

Commercial Umbrella and Farm Umbrella Programs Only

Each company that wishes to adopt these endorsements must do so by establishing an effective date and notifying the Insurance Department in writing.

Inland Marine Guide

Georgia does not require that forms and endorsements applicable to non-filed Inland Marine Classes be filed. However, companies are advised to use the same endorsement that is shown for the filed Commercial Inland Marine classes for all Inland Marine Guide classes except Yacht.

Rules

All Commercial Lines Programs Except Umbrellas and Inland Marine Guide

Once available, rules that apply to the AAIS Certified Terrorism Loss endorsements will be distributed.

Commercial Umbrella and Farm Umbrella Programs Only

AAIS does not file rules for the Commercial or Farm Umbrella programs. If a company develops its own rules for these programs, the company must file them independently.

Inland Marine Guide Only

Georgia does not require that rules applicable to non-filed Inland Marine Classes be filed. However, companies are advised to use the attached Inland Marine Guide Rules Supplement for all Inland Marine Guide classes except Yacht.

Rating Information

All Commercial Lines Programs Except Umbrellas and Inland Marine Guide

Companies that have granted AAIS filing authority for rating information can adopt the certified terrorism rating information without notifying the insurance department, if they intend to use it without change.

However, companies that choose to depart from the AAIS filed rating information, including a decision not to adopt the rating information, must notify the insurance department in writing as soon as possible.

In addition, a copy of any filing that increases the premium charged must be filed with the Governor's Office of the Consumers' Insurance Advocate.

Commercial Umbrella and Farm Umbrella Programs Only

Companies must develop and submit Umbrella rating information independently.

In addition, a copy of any filing that increases the premium charged must be filed with the Governor's Office of the Consumers' Insurance Advocate.

Inland Marine Guide Only

Georgia does not require that rating information for non-filed Inland Marine Classes be filed. However, companies are advised to use the attached Inland Marine Guide Rating Information Supplement for all Inland Marine Guide classes except Yacht.

Expedited Filing Transmittal

A state-specific Expedited Filing Transmittal For Terrorism Losses must be included in order to receive expedited handling of any filing required under these instructions. A copy of this state-specific transmittal form was attached to Georgia Bulletin 02-EX-3, dated December 19, 2002.

Disclosure Notices

All Commercial Lines Programs

NOTE: Since prior to the passage of the Federal Terrorism Risk Insurance Act of 2002, Georgia did not allow terrorism exclusions to be placed on file, the only AAIS notice that can be used in Georgia on or after February 25, 2003 is **CL 1045 12 02**.

Affiliated companies can use AAIS policyholder notice **CL 1045 12 02** with slight modifications for individual policies, or develop independent notices that contain the information required by the Terrorism Risk Insurance Act. Companies that develop their own notices are NOT required to place them on file.

NON-CERTIFIED TERRORISM LOSS

In Department Bulletin 02-EX-3, the Georgia Department of Insurance reaffirmed that, as before the passage of the Act, they still do not intend to approve exclusions for non-certified terrorism loss. As such, until the state's position changes, AAIS will not be submitting any filings that address non-certified terrorism loss in the state of Georgia.

SUPPLIES

The forms and endorsements approved for use in this state have been released to Uniform Information Services, Inc. (UIS), the print vendor for AAIS forms and endorsements. Call UIS at (800) 382-2424 to order forms and endorsements in paper printed format. Call UIS at 800-782-9481 to order the text of AAIS forms in a variety of electronic formats.

AAIS also offers the text of forms and endorsements in limited electronic formats. Call Veronica Clarke at 800/564-AAIS for more information.

AVAILABILITY

A copy of each **02 03** endorsement is being released as an attachment to this bulletin, and an electronic copy of each **02 03** endorsement is being posted in conjunction with this bulletin, at our public web site (www.AAISonline.com).

ATTACHMENTS

- CL 0600 02 03 Certified Terrorism Loss
 - CL 0620 02 03 Certified Act of Terrorism Exclusion (With Limited Exception)
 - AP 0700 02 03 Certified Terrorism Loss
 - AP 0720 02 03 Certified Act of Terrorism Exclusion (With Limited Exception)
 - BP 0750 02 03 Certified Terrorism Loss
 - BP 0770 02 03 Certified Act of Terrorism Exclusion (With Limited Exception)
 - FL 0600 02 03 Certified Terrorism Loss
 - FL 0620 02 03 Certified Act of Terrorism Exclusion (With Limited Exception)
 - FO 0600 02 03 Certified Terrorism Loss
 - FO 0620 02 03 Certified Act of Terrorism Exclusion (With Limited Exception)
- Inland Marine Guide Terrorism Loss Supplement--Rules and Rating Information (**Rev 1.0**)

Direct Questions to:

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AAISDIRECT AND AAIS PRODUCT ADVISORY

All AAIS bulletins, forms, manuals, and other resource information for all lines of insurance are now available online. For a two-week trial of our Internet service, *AAISdirect*, or a cost quote, contact Rick Anderer. E-mail Richarda@AAISonline.com or call 800/564-AAIS.

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Register now for the 2003 AAIS Annual Conference, "The place to be for insurance market strategists"

Go to www.AAISonline.com for information and to register for the AAIS Annual Conference, April 6-8 in Monterey, Calif. This year's conference will feature a series of business sessions designed for senior executives and managers in marketing, underwriting, and product development.