

## **OMC162 – Terrorism Insurance Coverage Endorsement**

*This endorsement automatically applies to all Insureds.*

Coverage is included in the policy for otherwise insured **damages** arising out of certified acts of terrorism. The Terrorism Risk Insurance Act, including all amendments (“TRIA”), defines an act of terrorism as any 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, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and 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. Any **damages** otherwise insured under the policy caused by certified acts of terrorism may be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States generally reimburses 85% through 2015, 84% beginning on January 1, 2016, 83% beginning on January 1, 2017, 82% beginning on January 1, 2018, 81% beginning on January 1, 2019, and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. No compensation will be paid under TRIA unless the aggregate industry insured losses resulting from certified acts of terrorism exceed \$100 million with respect to such insured losses occurring in calendar year 2015, \$120 million for calendar year 2016 losses, \$140 million for calendar year 2017 losses, \$160 million for calendar year 2018 losses, \$180 million for calendar year 2019 losses, and \$200 million for calendar year 2020 losses. TRIA contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, **Insureds’** coverage may be reduced. The portion of **Insureds’** annual premium that is attributable to coverage for acts of terrorism is \$0 and does not include any charges for the portion of loss that may be covered by the U.S. Government under TRIA.

TRIA and this Endorsement only affect coverage in the policy for otherwise insured **damages** relating to certified acts of terrorism. All other terms and conditions of the policy, including applicable limits and deductibles, are not affected and still apply to **Insureds’** coverage under the policy.

*Endorsement effective 1/1/2015 for all policies.*

*Revision date 1/17/2015.*