



**Division of Insurance**

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**ORDER NUMBER R 02-08**

**December 10, 2002**

**WITHDRAWAL OF APPROVAL OF  
TERRORISM EXCLUSION FILINGS**

**BACKGROUND**

1. On December 31, 2001, the division received Insurance Services Office, Inc. (ISO) filings CL-2001-OWTFR, Amendment #2; and CL-2001-OWTFO, Amendment #2. These filings were the product of its discussions with the National Association of Insurance Commissioners (NAIC) over the Terrorism Exclusion endorsements for use in Alaska. Filing CL-2001-OWTFR, Amendment #2, proposed terrorism endorsements applying to policies in six lines of business: Boiler and Machinery, Businessowners, Commercial Crime, Commercial Inland Marine, Commercial Property, and Farm. Filing CL-2001-OWTFO, Amendment #2, proposed terrorism endorsements for Commercial General Liability and Commercial Liability Umbrella policies.

2. Anticipating approval of the two filings, the division issued Bulletin 01-15 on December 31, 2001, which set forth prospective ISO endorsements providing terrorism exclusions for policies covering the eight lines of business listed above. That bulletin explained the division's position regarding approval of terrorism endorsements:

. . . Alaska intends to grant approval to exclusions that are substantially similar to the series of optional endorsements developed by the Insurance Services Office, Inc. (ISO). The exclusions will be given contingent approval. The approval will be automatically withdrawn 15 business days after the effective date of federal legislation that addresses insurance losses attributed to acts of terrorism.

3. The division approved CL-2001-OWTFO, Amendment #2, and CL-2001-OWTFR, Amendment #2, on January 11, 2002 with an effective date of January 12, 2002. The approval was of limited duration, effective only until passage of federal backstop legislation.

4. On January 16, 2002, the division issued Bulletin 02-03 advising insurers of the ISO title and form numbers of the approved Alaska terrorism exclusion endorsements.

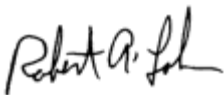
5. Since January 12, 2002, the division has approved terrorism exclusion endorsements based on the approved ISO models for insurers who are not members or subscribers of ISO. The approval for these filings was also conditional, to be withdrawn 15 business days after the effective date of federal legislation that addresses insurance losses attributed to acts of terrorism.

6. On Tuesday, November 26, 2002, President George W. Bush signed into law the Terrorism Risk Insurance Act of 2002 providing a federal backstop for defined acts of terrorism. With this legislation, approval of ISO filings CL-2001-OWTFO, Amendment #2, and CL-2001-OWTFR, Amendment #2, and independent filings based on the ISO exclusions will be withdrawn.

7. Under Alaska Statute 21.42.120, the director may withdraw previous approval of a form filing.

THEREFORE, THE DIRECTOR ORDERS:

Approval of all terrorism exclusion endorsement filings currently approved for use in the State of Alaska, including those listed on the attached three-page table, **is withdrawn effective Wednesday, December 18, 2002.**

A handwritten signature in black ink, appearing to read "Robert A. Lohr". The signature is written in a cursive, flowing style.

Robert A. Lohr  
Director