THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATIONS OF COVERAGE FOR CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

SCHEDULE PART I – Applicability Of Terrorism Sub-Limit (refer to Paragraph B.1.) – Property Coverage – Terrorism Sub-Limit	
Description Of Property Or Coverage	**Certified Acts Sub-Limit**
SCHEDULE PART II – Exception: Non-applicability Of Certified Acts Sub-Limit To Certain Fire Losses (refer to Paragraph B.2.) – Property Coverage	
State(s):	
SCHEDULE PART III – Certified Acts Of Terrorism Aggregate Limit (refer to Paragraph C.2.) – Liability And Medical Expenses Coverage: $	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definition is added with respect to the provisions of this endorsement:

"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 such 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; and

2. 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.

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B. Section I – Property is amended as follows:

1. Limitation Of Amount Of Coverage For Certified Acts Of Terrorism

When coverage applies to loss or damage caused by a "certified act of terrorism", the full Limit of Insurance on the affected property or coverage does not apply to such loss or damage. Instead, the following limitation applies to the loss or damage. The limitation applies even if another Covered Cause of Loss contributes concurrently or in any sequence to the loss or damage, except as otherwise provided in this endorsement.

The Certified Acts Sub-Limit is the most we will pay for the total of all loss or damage (sustained under the coverage to which the Sub-Limit applies) caused by one or more "certified acts of terrorism" in an annual policy period. If losses from a "certified act of terrorism" do not exhaust the Certified Acts Sub-Limit, then the balance of that Sub-Limit is available for losses from a later act(s) that occurs in the same annual policy period. If a "certified act of terrorism" begins during one annual policy period and ends during the following annual policy period, the only amount of coverage available is the Sub-Limit (or balance of it) applicable to the annual policy period in which such act began.

Amounts payable under a Coverage Extension, Additional Coverage or similar provision in the policy do not increase the Certified Acts Sub-Limit.

2. Exception: Non-applicability Of The Certified Acts Sub-Limit To Certain Fire Losses

The following exception applies only with respect to property located in the states indicated in Part **II** of the Schedule of this endorsement. The exception relates only to loss or damage caused by a "certified act of terrorism".

When covered direct loss or damage attributable to fire exceeds the amount of the Sub-Limit, we will pay the full amount of the fire loss, up to the Limit of Insurance on the affected property, subject to policy provisions including Deductible and Valuation. In that circumstance, the Limit of Insurance is the most we will pay for the total of all covered direct loss or damage by fire and any other effect of the "certified act of terrorism" and any other Covered Cause of Loss that contributes concurrently or in any sequence to the loss or damage.

When covered direct loss or damage attributable to fire is less than the Sub-Limit, then the Sub-Limit is the most we will pay for the total of fire and any other covered loss or damage.

This Paragraph, **2.,** does not apply to insurance provided under Business Income and/or Extra Expense coverage. Therefore, when a Sub-Limit is shown for those coverages, the Sub-Limit for those coverages is the maximum recoverable regardless of whether fire is an effect of the "certified act of terrorism".

3. Loss Payment

With respect to the coverage provided by this endorsement:

The section of the Loss Payment Property Loss Condition contained in this policy, which limits loss payment when the Limit of Insurance for the lost or damaged property is less than 80% of the replacement cost at the time of loss, does not apply.

C. Section II – Liability is amended as follows:

1. Coverage provided by this insurance for "bodily injury", "property damage" or "personal and advertising injury", arising out of a "certified act of terrorism", is subject to the Certified Acts Of Terrorism Aggregate Limit as described in Paragraph **C.2.** of this endorsement.

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2. The following provisions are added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in **Section II – Liability:**

Subject to Paragraph **D.4.a.** or **D.4.b.,** whichever applies, the Certified Acts Of Terrorism Aggregate Limit shown in the Schedule is the most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses; and

b. "Personal and advertising injury"

arising out of all "certified acts of terrorism".

Paragraphs **D.2.** and **D.3.** continue to apply to "bodily injury", "property damage", "personal and advertising injury" and medical expenses, as applicable, arising out of a "certified act of terrorism" but only if, and to the extent that, a limit of insurance is available under the Certified Acts Of Terrorism Aggregate Limit.

D. Section I – Property and **Section II – Liability** are amended as follows:

CAP ON CERTIFIED TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year 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.

E. The following provision is added to **Section I – Property** and **Section II – Liability:**

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