

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITIONAL EXCLUSION OF TERRORISM RELATING TO THE DISPOSITION OF THE FEDERAL TERRORISM RISK INSURANCE ACT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDER'S RISK COVERAGE FORM
 BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
 BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT OWNERS COVERAGE FORM
 COMMERCIAL INLAND MARINE COVERAGE FORM
 DIFFERENCE IN CONDITIONS COVERAGE FORM
 ENVIRONMENTAL SERVICES BUSINESSOWNERS COVERAGE FORM, PART I - PROPERTY
 EXTRA EXPENSE COVERAGE FORM
 LEGAL LIABILITY COVERAGE FORM

A. Applicability of the Provisions of this Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. If your policy term begins after this date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The Federal Terrorism Risk Insurance Program, established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provide under this policy; or
 - b. A renewal, extension or replacement of the Federal Terrorism Risk Insurance Program has become effective without a requirement to make "terrorism" coverage available to you with revisions that:
 - (1) Increase our statutory percentage deductible – a deductible that determines the amount of all "terrorism" losses we must pay in a calendar year before the federal government shares in the payment of "terrorism" losses - under the Federal Terrorism Risk Insurance Program for "terrorism" losses; or
 - (2) Decrease the federal government's statutory percentage share in potential "terrorism" losses above the statutory percentage deductible; or
 - (3) Redefine "terrorism" or "certified acts of terrorism" or make insurance coverage for "terrorism" or "certified acts of terrorism" subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any "terrorism" endorsement already endorsed to this policy that addresses "certified acts of terrorism" or "other acts of terrorism" but only with respect to loss of or direct physical damage to Covered Property from an incident of "terrorism" that occurs on or after the date when the provisions of this endorsement become applicable; and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
3. If the provisions of this endorsement do **not** become applicable, any "terrorism" endorsement already endorsed to this policy that addresses "certified acts of terrorism" or "other acts of terrorism" will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following exclusions are added to the Exclusions paragraph of the policy.

This insurance does not apply to:

1. Acts of Terrorism

Direct physical loss or damage to Covered Property caused directly or indirectly out of or resulting from "terrorism".

Multiple incidents of "terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have related purpose or common leadership shall be considered one incident.

2. Nuclear, Biological, Chemical or Radiological (NBCR) Loss or Damage

Direct physical loss or damage to Covered Property caused directly or indirectly by "terrorism", regardless of any other cause or event that contributes concurrently or in any sequence to the loss and results from:

- a. The dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
- c. The dispersal or application of pathogenic or poisonous biological or chemical material; or
- d. Pathogenic or poisonous biological or chemical material is released and it appears that one purpose of the terrorism was to release such material.

When this "terrorism" exclusion applies in accordance with the terms of paragraph **B.2.a.** or **B.2.b.**, the "terrorism" exclusion applies without regard to the Nuclear Hazard Exclusion in the Causes of Loss Forms or the Inland Marine Coverage Forms making up this policy.

C. Exception Covering Certain Fire Losses

For states shown in the Schedule below, if "terrorism" is excluded in paragraphs **B.1.** or **B.2.**, above results in fire, we will pay for the loss or damage caused by that fire subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Coverage Forms or endorsements that apply to those coverage forms.

SCHEDULE

State	Coverage Form

D. The following is added to the Definitions paragraph of the policy:

"Terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure

- a. That is committed by an individual or individuals; and
- b. That appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and
- c. Also involves the
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system.

E. Application of Exclusions

The terms and limitations of any terrorism exclusion, or the non-applicability or omission of a "terrorism" exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, such as losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion.

All other terms and conditions of this policy remain unchanged.