

CONDITIONAL TERRORISM EXCLUSION

NOTICE

The Terrorism Risk Insurance Program (the Program), as established under federal law, is scheduled to terminate while your policy is in effect.

The Terrorism Exclusion found in this endorsement will apply only if the federal government does not renew, extend, or otherwise replace the Program or if the conditions, definitions, or requirements of the Program are changed by the federal government and federal law no longer requires that we make Terrorism Coverage available to you.

1. The Terrorism Exclusion set forth by this endorsement becomes effective on the earliest of the following:
 - a. the date that the federal Terrorism Risk Insurance Program (the Program) established by the Terrorism Risk Insurance Act has terminated with respect to the type of insurance provided by the Coverage Part to which this endorsement applies; or
 - b. the effective date of a renewal, extension, or replacement of the Program, if federal law no longer requires that "we" make terrorism coverage available to "you" and the Program has been renewed, extended, or replaced subject to changes that:
 - 1) redefine terrorism; or
 - 2) increase "our" financial exposure under the Program; or
 - 3) impose requirements on insurance coverage for terrorism that differ from the terms, amounts, or other limitations that otherwise govern coverage for loss or damage under the "terms" of the Coverage Part to which this endorsement applies.
 2. If the Terrorism Exclusion set forth by this endorsement becomes effective, this Terrorism Exclusion:
 - a. supersedes any other endorsements that address "certified acts of terrorism", "certified terrorism loss", "non-certified acts of terrorism", and or "non-certified terrorism loss" that also apply to the Coverage Part to which this endorsement applies, but only with respect to loss or damage caused by one or more incidents of terrorism that occur on or after the effective date of this Terrorism Exclusion; and
 - b. remains in effect unless "we" notify "you" of changes to this Terrorism Exclusion.
- If a condition described above under items 1.a. and 1.b. occurs prior to the effective date of the policy period to which this endorsement applies, the Terrorism Exclusion set forth by this endorsement applies as of the effective date of that policy period.

3. If none of the conditions described above under items 1.a. and 1.b. occur, any other endorsements that address "certified acts of terrorism", "certified terrorism loss", "non-certified acts of terrorism", and or "non-certified terrorism loss" that also apply to the Coverage Part to which this endorsement applies continue to apply until "we" notify "you" of changes to such other endorsements.

4. The word terrorism, when shown in this endorsement in quotation marks, has the following meaning:

"Terrorism" means activities against persons, organizations, or property of any nature:

- a. that involve the following or preparation for the following:
 - 1) use or threat of force or violence; or
 - 2) commission or threat of a dangerous act; or
 - 3) commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
- b. when one or both of the following applies:
 - 1) the effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - 2) it appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social, or economic objectives, or to express (or express opposition to) a philosophy or ideology.

5. The following exclusion is added under the Farm Coverage "terms".

When this policy includes forms FL-1 or FL 0001, FL-2 or FL 0002, and/or FL-3 or FL 0003, the following exclusion is also added under the "terms" of those forms.

However, the following exclusion does not apply to the coverage provided under forms FL-1 or FL 0001, FL-2 or FL 0002, and/or FL-3 or FL 0003 when a residence covered under Coverage A is occupied by its owner or when the policy is issued to a tenant of a residence on the "insured premises".

TERRORISM EXCLUSION

"We" will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

This exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

- a. the "terrorism" is carried out by means of 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 "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

- e. the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, "we" will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

Item 5.e. above describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Terrorism Exclusion will apply to that incident.

- 6. When the Terrorism Exclusion set forth under item 5. of this endorsement applies to an incident of "terrorism":
 - a. there is no coverage under the Farm Coverage "terms" of the Coverage Part to which this endorsement applies; and

- b. unless a residence covered under Coverage A is occupied by its owner or the policy is issued to a tenant of a residence on the "insured premises", there is no coverage under the "terms" of forms FL-1 or FL 0001, FL-2 or FL 0002, and/or FL-3 or FL 0003.

- 7. When the Terrorism Exclusion set forth under item 5. of this endorsement applies due to an incident of "terrorism" described above under items 5.a. or 5.b., that Terrorism Exclusion supersedes the Nuclear Hazard Exclusion in the Coverage Part to which this endorsement applies.

- 8. The following provisions are added.

- a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to the Coverage Part to which this endorsement applies provide coverage for any loss or damage that would otherwise be excluded by that policy under:

- 1) exclusions that address war, military action, or nuclear hazard; or
- 2) any other exclusion.

- b. The absence of any other terrorism endorsement does not imply coverage for any loss or damage that would otherwise be excluded by the Coverage Part to which this endorsement applies under:

- 1) exclusions that address war, military action, or nuclear hazard; or
- 2) any other exclusion.