



T E R R O R I S M I N S U R A N C E

On December 22, 2005, President Bush signed into law The Terrorism Risk Insurance Extension Act of 2005. The original terrorism law from 2002 helped create an insurance market to cover losses caused by acts of terrorism.

The new law extends this federal program to back up commercial property and casualty insurance, covering up to \$100 billion in insured losses each year.

The law requires most primary insurers insuring commercial property and casualty losses in the United States to make terrorism coverage available for any commercial line of property and casualty insurance covered by the law.

The new legislation excludes commercial auto, farm owners multi-peril, burglary and theft, surety, and professional liability, but it adds D&O liability.

Community associations in general, and especially those with significant property values, should define their insurance and risk management needs, ideally by working with an insurance professional knowledgeable in establishing insurance goals, and perhaps with their attorney and accountant.

The professional insurance agent can provide risk management advice to help plan for premium and/or deductible changes and suggest the best way to deal with current events. If you have any questions or need further information, please contact Steve Dickerson (703-205-8788 or Steve.Dickerson@usi.biz) or Theresa Swan (703-205-8753 or Theresa.Swan@usi.biz).