

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any certified act of terrorism; or
- (3) any other act of terrorism. However, this exclusion (3) shall apply only when one or more of the following are attributed to such other act of terrorism.
 - (i) The total of insured damage to all types of property exceeds US\$ 25,000,000. In determining whether the US\$ 25,000,000 threshold is exceeded, Underwriters 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; or
 - (ii) Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - (a) Physical injury that involves a substantial risk of death; or
 - (b) Protracted and obvious physical disfigurement; or
 - (c) Protracted loss of or impairment of the function of a bodily member or organ; or
 - (iii) The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
 - (iv) The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 - (v) Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion (3), paragraphs (i) and (ii) describe the thresholds used to measure the magnitude of an incident of an other act of terrorism and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

For the purpose of this endorsement:

(a) a certified act of terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a certified act of terrorism:

- (i) The act resulted in aggregate losses in excess of US\$5,000,000; and

- (ii) 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 acting on behalf of any foreign person or foreign interest, 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.

(b) an other act of terrorism means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and 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 the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. Multiple incidents of an other act of terrorism which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident. .

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1), (2) and/or (3) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

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