

# **BLAIS EXCESS & SURPLUS** **AGENCY OF TEXAS, INC.**



## **PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

#### **TERRORISM RISK INSURANCE ACT OF 2002**

Houston/Dallas/Austin, Texas, December 29, 2002 – As you are probably aware, on November 26, 2002, the President signed into law the **Federal Terrorism Risk Insurance Act (the Act)**.

This legislation creates a temporary risk-sharing mechanism among the Federal Government, insurers and insurance policyholders to share in the payment of “insured losses” caused by certain “acts of terrorism” (each as defined in the Act). The Program takes effect immediately and is scheduled to terminate at year-end 2005. The act requires *mandatory participation* from all commercial property and casualty insurance carriers. Also, there are various *mandatory notification* conditions in order for insurers to receive Federal Payment for “insured losses”. Pursuant to Act mandate, insurance carriers are required to provide notice to all policyholders of their right to purchase terrorism coverage. While many carriers have been applying terrorism exclusions to all insured policies for some time now, the net effect of the notices they are sending is to allow insured clients the right to purchase terrorism coverage if desired.

As noted, insurance carriers are moving quickly to fulfill the requirements of the Act and to respond to the needs of their commercial P/C clients, agents and brokers. They have sent policyholder notices as mandated by the Act, to all existing commercial property casualty customers informing them of the particulars of the Act and any impact on their insurance program. To assist you in discussions regarding this topic, we have attached some “**Responses to Frequently Asked Questions**” regarding the Terrorism Risk Insurance Act of 2002.

As a wholesale broker specializing in financial service products, Blais Excess & Surplus Agency of Texas, Inc.’s knowledgeable and experienced staff assists agents/brokers with the acquisition, placement and service of Directors & Officers Liability (D&O), General Partners Liability (GPL), Employment Practices Liability (EPLI), Crime (Fidelity), Kidnap & Ransom (K&R), Errors & Omissions (E&O), Media Liability and Loss Mitigation products for a variety of industries. Clients assisted include but are not limited to energy, biotech, high tech, financial institutions, profit and non-profit entities, partnerships, healthcare, companies making Initial Public Offerings and companies in the process of merger or acquisition.

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