Terrorism Coverage

Certified (Foreign) Terrorism insurance coverage was mandated by the federal government after 911. It can be rejected by signing an endorsement.

The Certified Terrorism endorsement contains language similar to this:

"To be covered, the 'act of terrorism' must:

A. be violent or dangerous...and...
B. be committed by a foreign person...and
C. result in...losses of at least $5 million [*the federal insurance has a $5,000,000 deductible*]; and
D. be certified by the Secretaries of State, Treasury and the Attorney General".

A bigger concern for many Districts may be Domestic Terrorism. It is important to know whether or not your Terrorism coverage includes Domestic terrorism. Policies differ; some cover it, ohers don't. Why couldn't an Austin IRS or OKC Murrah building incident occur in your District? Was Columbine an instance of Domestic terrorism? From the Austin American Statesman February 20, 2010, front page: **"Was plane attack on IRS offices an act of terrorism or rage?"**

How would your Property insurance respond? Does the coverage apply to Business Income or Extra Expense?

The coverages and premiums for Terrorism often make no sense when comparing companies. A college recently rejected the Terrorism coverage from its Property insurer; instead purchasing it separately from another insurance company.

Do you need Foreign or Domestic Terrorism coverage – or both? Schools close to military installations, airports, seaports, water supplies, refineries or other "target" locations probably have a higher risk of damage due to International terrorism. All Districts are subject to Domestic terrorism.

Some risk pools may exclude Terrorism and are not required to offer the coverage.