

**INSURANCE COMPANY LAW OF 1921 - FIRE INSURANCE CONTRACTS AND
STANDARD POLICY PROVISIONS TO EXCLUDE DAMAGE CAUSED BY TERRORISM**
Act of Jul. 7, 2006, P.L. 1045, No. 104 **Cl. 40**
Session of 2006
No. 2006-104

SB 1007

AN ACT

Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," providing for fire insurance contracts, standard policy provisions to exclude damage caused by terrorism.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 506 of the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, is amended by adding a subsection to read:

Section 506. Fire Insurance Contract; Standard Policy Provisions; Permissible Variations.--

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9. Insurers issuing or renewing the standard fire insurance policy defined in this section for commercial business are hereby authorized to affix thereto or include therein a written statement that the policy does not cover loss or damage caused by terrorism, whether directly or indirectly resulting from an insured peril under the policy. As used in this section, "terrorism" means any of the following:

(a) A certified act of terrorism as defined in the Terrorism Risk Insurance Act of 2002 (Public Law 107-297, 116 Stat. 2322).

(b) A violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals acting on behalf of a foreign person or foreign interest 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.

(c) Terrorism as defined in a form filed with and approved by the Insurance Commissioner.

Section 2. This act shall take effect in 60 days.

APPROVED--The 7th day of July, A. D. 2006.

EDWARD G. RENDELL