Certified Acts VS Non-certified Acts – Overview

Certified Acts

The Terrorism Risk Insurance Act of 2002 (TRIA) became effective on November 26, 2002. The act establishes a program within the Department of the Treasury, under which the federal government shares, with the property/casualty insurance industry, the risk of loss from future terrorist attacks.

The Act is triggered when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Some elements of the definition of “act of terrorism” include:

- Property and casualty losses resulting from the act of terrorism must exceed $5 million;
- The act must be a violent one or dangerous to human life, property or infrastructure; and
- The act must “…have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest…”

All Insurers are required by TRIA to offer their Commercial Insureds coverage for losses caused by Certified losses.

Non-Certified Acts:

Non-certified or “Other Acts of Terrorism” means acts that are not certified under the Terrorism Risk Insurance Act of 2002 (TRIA). “Other Acts 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 by the Secretary of Treasury.

There are several ISO endorsements available for excluding Non-Certified Acts.

Unigard will add the following “Non-Certified Acts” exclusions to our Commercial policies, where approved for use in our active states:

- Property, IM, Farm Lines of Business – Exclusion of Acts of Biological or Chemical Terrorism; Cap On Losses From Certified Acts of Terrorism
- General Liability and Automobile Lines of Business – Exclusion of Acts of Nuclear, Biological or Chemical Terrorism; Cap On Losses from Certified Acts Of Terrorism

Note that these exclusions also disclose the Cap on Certified Terrorism Losses as outlined in the Act.