

AMERICAN ASSOCIATION OF INSURANCE SERVICES
Artisans
Virus Or Bacteria Exclusion - Filing Memorandum

AAIS has developed and is filing a *mandatory* endorsement for use with the Artisans Program. This new mandatory Virus Or Bacteria Exclusion, AP 0365 10 06, is described below.

Property coverage has not been, nor was it intended to be, a source of recovery for loss, cost, or expense caused by disease causing agents. With the possibility of a pandemic, there is concern that claims may result in efforts to expand coverage to create recovery for loss where no coverage was originally intended. In light of this possibility, AAIS is filing a Virus Or Bacteria Exclusion that will amend all property coverages provided by this policy to specifically address virus and bacteria exposures and clarify policy intent.

Provisions are added with respect to property all coverages provided by this policy to clarify that loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress is excluded. Avian Flu, SARS, rotavirus, listeria, legionella, and anthrax are examples of disease or illness causing agents addressed by this exclusion but are by no means an exhaustive list.

When fungus or related perils is a defined term, the definition of fungus or related perils is deleted and replaced to remove reference to 'a bacterium' within that definition, but only with respect to Property Coverages.

A copy of AP 0365 10 06 is provided for your review.