

Financial Affairs
Richard H. Hinds, Chief Financial Officer

**SUBJECT: RECOMMENDATIONS REGARDING AVAILABLE TERRORISM
COVERAGE FROM CURRENT PROPERTY INSURANCE
CARRIERS, MADE AVAILABLE FOR ADDITIONAL PREMIUM AS
A RESULT OF THE TERRORISM RISK INSURANCE ACT OF 2002**

COMMITTEE: FINANCIAL AFFAIRS

As a result of the recently enacted legislation entitled The Terrorism Risk Insurance Act of 2002, Board-purchased property insurance which contained exclusions for acts of terrorism must now provide that coverage, subject to restrictions approved by the Federal Government. As part of the Board's current property insurance program, specific coverage for acts of terrorism was purchased with limits of \$50 million, with coverage provided by Berkshire Hathaway Insurance Companies (A.M. Best A++XV).

Staff is presently completing its analysis regarding the Board's opportunity to purchase additional limits of terrorism coverage, made available by the terrorism legislation. A full agenda item, including recommendations for any additional purchase of coverage, will be available no later than Friday, January 10, 2003.

RHH:sc