

POLICYHOLDER DISCLOSURE

IMPORTANT NOTICE REGARDING TERRORISM COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002 ("The Act"), you have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of The Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that coverage provided by the policy offered in this quote for losses caused by acts of terrorism, as defined in The Act, is partially reimbursed by the United States under a formula established by The Act. Under this formula, the United States pays 90% of the covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of the loss covered by the Federal government under The Act.

You should also know that your policy does not provide coverage for acts of terrorism that are not certified by the Secretary of the Treasury.

Accept or Rejection of Certified Terrorism Insurance Coverage

You must elect or reject this coverage for losses arising out of certified acts of terrorism, as defined in Section 102(1) of The Act, before the effective date of this policy. Your coverage cannot be bound unless our representative has received this form signed by you on behalf of all insured's with all premiums due.

() **Accept Coverage.** I hereby accept to purchase coverage for certified acts of terrorism, as defined in Section 102(1) of The Act for an annual premium of \$. I understand that I will not have coverage for losses arising from any non-certified acts of terrorism.

Or

() **Reject Coverage.** I hereby reject the offer to purchase coverage for certified acts of terrorism as defined in Section 102(1) of The Act. I understand that I will not have coverage for any losses arising from certified or non-certified acts of terrorism.

Print Policyholder/Applicant name:

Policyholder/Applicant Signature:

Policy Number:

Date: