

POLICYHOLDER DISCLOSURE NOTICE

MANDATORY AVAILABILITY OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Program Act, as amended, we as a participating insurance company must make available, in all of our insurance policies, coverage for losses arising out of acts of terrorism as defined by the Act. Please refer to the reverse side of this notice for more information on the Terrorism Risk Insurance Act, as amended, and a definition of covered acts of terrorism.

Under the Terrorism Risk Insurance Act, as amended, insurance companies are required to make terrorism coverage available on all policies issued or renewed.

Your policy includes coverage for certified acts of terrorism.

Coverage for certified acts of terrorism is presently provided at no additional charge on Directors & Officers Liability. Lines of business not subject to the Terrorism Risk Insurance Act include: Commercial Auto, Commercial Crime and Professional Liability, except for Directors & Officers Liability.

You have the option to reject coverage for certified acts of terrorism for the renewal policy term that accompanies this notice. Simply check the box below indicating your desire to reject terrorism coverage, complete the requested information and mail the form to our office using the address shown on your policy declarations page.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

Under federal law, you have **thirty (30) days** to consider this offer of coverage for terrorist acts and submit the premium required. If we do not receive a signed rejection from you in 30 days, you will continue to be charged the premium shown, and your policy will include coverage for certified acts of terrorism, except for the above noted cases.

- **The premium charge for certified acts of terrorism is shown on your policy declarations page(s) (or on the quote proposal) as a separate line item.**
- **A signed rejection of certified acts of terrorism below will apply to all coverages on your policy (quote) except for the above noted cases (Directors & Officers coverage), and for workers' compensation coverage as noted below.**

Check Box <input type="checkbox"/>	I hereby reject the additional premium for coverage for loss from certified acts of terrorism and elect to have a broad exclusion for loss as a result of terrorism, which will exclude loss from certified acts of terrorism, added to my policy. I also understand that, if my policy includes workers' compensation coverage, certified acts of terrorism cannot be excluded by law; therefore, I will continue to receive a premium charge for certified acts of terrorism for that coverage.
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Policyholder/Applicant's Signature

Insurance Company

Print Name

Policy/Quote Number

Date

Agency Name (Quotes Only)

After you sign and date this form, you must return it to the address shown on your policy declarations page.

More information regarding the Terrorism Risk Insurance Act

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you now 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 or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, 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 certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals 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 where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which may affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is shown on the declarations page for each line of business and does not include any charges for the portion of loss that may be covered by the federal government under the Act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits the U.S. Government reimbursement as well as the insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.