

## Policyholder disclosure notice of Terrorism insurance Coverage

You are hereby notified that under the Terrorism Risk Insurance Act (“THE Act”), as amended, 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 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 any coverage for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States 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 provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

Coverage for “insured losses”, as defined in the Act, is subject to the coverage terms, conditions, amounts and limits in this policy applicable to losses arising from events other than acts of terrorism.

You should know that the Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement, as well as 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.

You should also know that, under federal law, you are not required to purchase coverage for losses caused by certified acts of terrorism.

### **REJECTION OR SELECTION OF TERRORISM INSURANCE COVERAGE**

Please “X” one of the boxes below and return this notice to the Company.

	<b>I decline to purchase coverage for certified acts of Terrorism. I understand that I will have no coverage for losses arising from acts of Terrorism.</b>
	<b>I elect to purchase coverage for certified acts of Terrorism for a premium of \$_____.</b>

**Note: if you do not respond to our offer and do not return this notice to the Company, you will have no coverage for certified acts of Terrorism under this policy.**

\_\_\_\_\_  
Applicant Name (Print)

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Named Insured

\_\_\_\_\_  
Date