

## **POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE**

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This notice applies to the type(s) of insurance provided under this policy that are subject to the Terrorism Risk Insurance Act, as amended ("The Act"). You are hereby notified that under The Act, you have a right to purchase insurance coverage for losses arising out of certified acts of terrorism, as defined in Section 102(1) of The Act: The term certified act of terrorism means any act or acts that are certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, as amended, 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 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 WHEN 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 MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% 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 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 U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER'S 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 EXCEEDS \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

To Reject this offer, do ALL of the following:

(1) Communicate your decision to your agent or broker representing xxxxxxxxxx

(2) Mark the REJECT option below, sign and date below, and return the originally signed document to your agent or broker representing xxxxxxxxxx

To Accept this offer, do ALL of the following:

(1) Communicate your decision to your agent or broker representing xxxxxxxxxx

(2) Mark the ACCEPT option below, sign and date below, and return the originally signed document to your agent or broker representing xxxxxxxxxx

(3) Pay the premium by the due date shown on your premium billing.

Please note that any coverage mandated by applicable law in your state will not be affected by your rejection below of terrorism coverage.

If you have any questions about this or any other insurance matter, please contact your agent or broker representing xxxxxxxxxx

TERRORISM COVERAGE ELECTION

( ) I REJECT COVERAGE FOR LOSSES DUE TO TERRORIST ACTS, AS DEFINED IN THE ACT.

( ) I ACCEPT COVERAGE FOR LOSSES DUE TO TERRORIST ACTS, AS DEFINED IN THE ACT.

Policyholder / Applicant \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Please return this form to your agent or broker representing xxxxxxxxxx