

**POLICYHOLDER DISCLOSURE
OFFER OF TERRORISM COVERAGE**

The Terrorism Risk Insurance Act of 2002 establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

In accordance with the Terrorism Risk Insurance Act of 2002, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism committed by an individual(s) acting on behalf of a foreign person or foreign interest. The policy's other provisions will still apply to such an act.

DISCLOSURE OF PREMIUM

If you elect to purchase Terrorism Coverage for acts of terrorism that are certified under the federal program as an act of terrorism, the additional premium for this coverage is \$_____ (This additional premium will be included with the total premium shown on your policy's Declarations page.)

Failure to pay the premium by the due date will constitute rejection of the offer and your policy will be written to exclude the described coverage.

REJECTION OF TERRORISM INSURANCE COVERAGE

You may choose to reject this offer of coverage by signing the following rejection statement and returning it to us. In this state, a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore if you reject the offer of terrorism coverage for Acts of Terrorism, that rejection does not apply to fire losses resulting from an act of terrorism --- coverage for such fire losses will be provided in your policy.

I hereby reject the offer of terrorism coverage. I understand that an **exclusion** of certain terrorism losses will be made part of this policy. **Premium for certain terrorism losses for fire only coverage** is \$_____. (This premium will be included with the total premium shown on your policy's Declarations page.)

Policyholder/Applicant's Signature

Date

Print Name

Insurance Company _____

Policy Number _____