

Insurance Company:  
Policy Number:  
Named Insured:

## POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002, that 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. See the next page for a further description of an act of terrorism as provided under the Act.

Coverage under your policy is affected as follows:

Any terrorism exclusions attached to your policy are not applicable to losses caused by certified acts of terrorism as defined in the Act.

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

You may accept or reject this offer of coverage. If you choose to accept this coverage, the premium for this coverage is payable according to the terms of your billing notice. You may reject this offer by completing and signing the enclosed statement and returning it to us. If you send us a signed rejection of coverage, your policy will be endorsed to exclude coverage for certified terrorism losses.

#### **Insurers should include the following paragraph in a Standard Fire Policy State:**

In the state of \_\_\_\_\_, a terrorism exclusion makes an exception for fire losses resulting from an act of terrorism. Accordingly, if you reject the offer of terrorism coverage as provided under the program, that rejection is not applicable to fire losses resulting from an act of terrorism. In this state, the coverage in your policy for such fire losses will continue. The premium for such fire coverage is stated below. This premium is due whether or not you reject the offer described above for terrorism coverage.

#### **Insurers should include the following premium statement in a Non-Standard Fire Policy State:**

The portion of your annual premium that is attributable to coverage for acts of terrorism, as defined in the Act, is: \$\_\_\_\_\_.

#### **Insurers should include the following premium statement in a Standard Fire Policy State:**

One of the following premiums is due:

If you accept this offer, the premium for terrorism coverage is \$\_\_\_\_\_

If you reject this offer, the premium for terrorism (fire only) coverage is \$\_\_\_\_\_

\_\_\_\_\_ I acknowledge that I have been notified that under the Terrorism Risk Insurance Act of 2002, any covered losses caused by certified acts of terrorism under my policy will be partially reimbursed by the United States and I have been notified of the amount of my premium attributable to such coverage.

\_\_\_\_\_ I hereby reject this offer of coverage. I understand that an exclusion of certified terrorism losses will be made part of this policy.

You should know that coverage provided by this policy 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 pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium shown above does not include any charges for the portion of loss covered by the federal government under the Act.

**Policyholder's Signature:**

**Date:**

\_\_\_\_\_  
Print Name

The following excerpt from the Act is provided for your information:

According to Section 102(1) of the Terrorism Risk Insurance Act of 2002, "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 ---- (i) to be an act of terrorism; (ii) to be a violent act or an act that is dangerous to (I) human life; (II) property; or (III) infrastructure; (iii) to have resulted in damage within the United States, or outside the United States in the case of (I) an air carrier or vessel described in paragraph (5)(B); or (II) the premises of a United States mission; and (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or 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." Section 102(1)(B) states, "No act shall be certified by the Secretary as an act of terrorism if (I) the act is committed as part of the course of war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000." Section 102(1)(C) and (D) specify that the determinations are final and not subject to judicial review and that the Secretary of the Treasury cannot delegate the determination to anyone.