

**NOTICE – OFFER OF TERRORISM COVERAGE
NOTICE – DISCLOSURE OF PREMIUM
NEW/RENEWAL POLICY**

You are hereby notified that under the Terrorism Risk Insurance Act, as extended on December 22, 2005, that you now have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act. 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 – 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 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.

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. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY PAYS 90% (85% IN 2007) 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.

Failure to pay the premium within 30 days after the effective date of your policy will constitute a rejection of the offer and your policy will automatically exclude the describe coverage.

If you choose to reject the offer, please sign and return this statement to your agent. Your policy will exclude the described coverage.

If you choose to accept this offer of coverage, your premium will be revised to include the additional premium for terrorism as stated.

	I hereby elect to purchase Terrorism coverage for a prospective premium of \$. Please return premium to your agent listed below.
	I hereby reject the offer to amend the terrorism exclusion. I understand that I will have no coverage for losses arising from acts of terrorism that were previously excluded.

NAMED INSURED:
POLICY NUMBER:
AGENT:

Policyholder/Applicant's Signature & Date

Print Name

* California & Wyoming known as American Modern Insurance Company;
**California known as AFH Insurance Company