

**OFFER OF COVERAGE FOR "ACTS OF TERRORISM"
AND DISCLOSURE OF PREMIUM**

The Terrorism Risk Insurance Act of 2002 establishes a program within the United States Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future "acts of terrorism," as defined in the Act. The Act defines an "act of terrorism" as 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: (1) to be an act of terrorism; (2) to be a violent act, or an act that is dangerous to human life, property or infrastructure; (3) 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 (4) to have been committed by an individual or individuals acting on behalf of any foreign or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or to affect the conduct of the United States Government by coercion. Additionally, to be certified, an "act of terrorism" must cause aggregate property and casualty insurance losses of at least five million dollars.

In accordance with the Act, you have the right to purchase or reject coverage for losses resulting from a certified "act of terrorism." The premium charge to purchase this coverage is set forth below. If you wish to purchase this coverage, please indicate that choice by marking the appropriate box below and returning this notice to us with your check for the total amount of the premium indicated, before the due date.

If you do not wish to purchase coverage for certified "acts of terrorism," you may reject the coverage by marking the appropriate box below and signing and returning this form to us. Your policy will then be written to exclude such coverage. Also, please note that if you do not pay the premium by the due date, this will constitute rejection of the offer of coverage for certified "acts of terrorism" and your policy will again be written to exclude such coverage.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF LOSSES ARISING FROM CERTIFIED "ACTS OF TERRORISM"

The United States Government will pay a share of any losses arising from certified "acts of terrorism." The Government's share equals 90% of the portion of the amount of such losses that exceed a statutorily established deductible paid by us. The premium set forth below for coverage for losses arising from certified "acts of terrorism" does not include any charges for the portion of loss covered by the Government under the Act.

DISCLOSURE OF PREMIUM AND SELECTION OR REJECTION OF COVERAGE

_____ I hereby elect to purchase coverage for losses arising from certified "acts of terrorism." I understand that the premium due for this coverage is \$ _____

_____ I hereby reject coverage for losses arising from certified "acts of terrorism." I understand that an **exclusion** of certain terrorism losses will be made part of this policy.

Policyholder's Signature _____

Date _____