

Insurance Company:

Quote Number:

Named Insured:

## POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from 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.

### **ACCEPTANCE 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 this statement and returning it to us. If you send us a signed rejection of coverage, your policy will exclude coverage for certified terrorism losses.

**Insurers should include the following in a Notice prepared for policies that are subject to Standard Fire Policy statutes with respect to losses resulting from terrorism:**

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.

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 accept this offer of terrorism coverage and acknowledge that I have been notified that under the Terrorism Risk Insurance Act, as amended, any losses resulting from certified acts of terrorism under my policy may be partially reimbursed by the United States government and may be subject to a \$100 billion cap that may reduce my coverage, and I have been notified of the portion of my premium attributable to such coverage.

\_\_\_\_\_ I hereby reject this offer of terrorism coverage. I understand that an exclusion of certified terrorism losses will be made part of this policy. I also acknowledge that I have been notified that under the Terrorism Risk Insurance Act, as amended, any fire losses resulting from certified acts of terrorism under my policy may be partially reimbursed by the United States government and may be subject to a \$100 billion cap that may reduce my coverage, and I have been notified of the portion of my premium attributable to such coverage.

**Insurers should include the following premium statement in a Notice prepared for policies that are not subject to Standard Fire Policy statutes with respect to losses resulting from terrorism:**

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

\$ \_\_\_\_\_

\_\_\_\_\_ I accept this offer of terrorism coverage and acknowledge that I have been notified that under the Terrorism Risk Insurance Act, as amended, any losses resulting from certified acts of terrorism under my policy may be partially reimbursed by the United States government and may be subject to a \$100 billion cap that may reduce my coverage, and I have been notified of the portion of my premium attributable to such coverage.

\_\_\_\_\_ I hereby reject this offer of terrorism coverage. I understand that an exclusion of certified terrorism losses will be made part of this policy. I also acknowledge that I have been notified that under the Terrorism Risk Insurance Act, as amended, any losses resulting from certified acts of terrorism under my policy may be partially reimbursed by the United States government and may be subject to a \$100 billion cap that may reduce my coverage, and I have been notified of the portion of my premium attributable to such coverage.

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. 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 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is shown above 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 insurers' 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 exceed \$100 billion, your coverage may be reduced.

**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, as amended, "The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, 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, 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."