

NOTICE OF OFFER OF COVERAGE FOR "ACTS OF TERRORISM" DISCLOSURE OF PREMIUM AND DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF LOSSES ARISING FROM CERTIFIED "ACTS OF TERRORISM."

APPLICANT/ INSURED'S NAME:

APPLICANT / INSURED'S MAILING ADDRESS:

QUOTE NUMBER:

The Terrorism Risk Insurance Act of 2002 ("Program") established 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 estimated 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, sign and date this disclosure notice, and return it to us no later than the effective date of the general liability policy we will be providing you.

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, again no later than the effective date of the general liability policy we will be providing you. Your policy will then be written to exclude terrorism.

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 ESTIMATED PREMIUM PENDING DISPOSITION OF THE "PROGRAM."

The premium for Certified Acts of Terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the "Program." The federal program established by the Act is scheduled to terminate at the end of 12/31/05. The federal program may terminate or may be renewed, extended or continued. If renewed, extended or continued, the renewal program may or may not have revisions in the level or terms of federal participation. Due to the uncertainty of the disposition of the federal program as of 12/31/05, the premium for this coverage for Certified Acts of Terrorism is estimated. Should you choose to purchase this coverage, once disposition of the federal program is determined, we may recalculate the premium. Any such recalculations would be made in compliance with all regulatory considerations; should we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

SELECTION OR REJECTION OF COVERAGE for “Certified Acts of Terrorism.”

**REQUEST TO PURCHASE “PROGRAM” COVERAGE AT FULL GENERAL LIABILITY POLICY LIMITS.** I hereby elect to purchase coverage for losses arising from “Certified Acts of Terrorism.” I understand that the premium quote of \$ for this coverage is tentative pending final approval by the Insurer. I further understand that the final approved premium due for this coverage will be an estimate pending disposition of the “Program”, and the Insurer may recalculate the premium depending upon the final disposition of the “Program”. I understand that an exclusion of terrorism losses will be part of this policy for terrorism not considered “Certified Acts of Terrorism”.

**REQUEST TO PURCHASE “PROGRAM” COVERAGE WITH LESS THAN GENERAL LIABILITY POLICY LIMITS.** I understand that I am purchasing a General Liability policy with limits in excess of \$1,000,000 but desire to purchase coverage for “Certified Acts of Terrorism” with a sub-limit as indicated below. I understand that the premium for “Certified Acts of Terrorism” with a sub-limit will be disclosed upon receipt of this request. I further understand that the premium to be disclosed will be an estimate pending disposition of the “Program”, and the Insurer may recalculate the premium depending upon the final disposition of the “Program”. I understand that an exclusion of terrorism losses will be part of this policy for terrorism not considered “Certified Acts of Terrorism” to the extent of the sub-limit, and that an exclusion of all terrorism losses will apply to the limits in excess of the sub-limit for “Certified Acts of Terrorism”. **(Please indicate the sub-limit for which you desire a quote.)**

§ Sub-Limit - Each Occurrence, subject to stated Policy Aggregate

NOTE: In no event can the Sub-Limit for “Certified Acts Of Terrorism” exceed the general policy limits.

**REQUEST TO REJECT “PROGRAM” COVERAGE.** I hereby reject coverage for losses arising from certified “acts of terrorism.” I understand that an exclusion of terrorism losses will be part of this policy.

Policyholder’s Signature \_\_\_\_\_ Date \_\_\_\_\_