

Group #:

Date:

Insured:

Address:

Effective Date:

## POLICYHOLDER DISCLOSURE

### NOTICE – OFFER OF TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM

Under the Terrorism Risk Insurance Act, as amended in 2015, you 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 or acts that are certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security, 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 certain air carriers or vessels or the premises of a United States mission; and 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.

**Your decision is needed on this question: do you choose to continue to pay the premium for terrorism coverage stated in this offer of coverage, or do you choose to reject the offer of coverage and not pay the premium? Please consult your agent if you have questions regarding your options.**

### REJECTION OF TERRORISM INSURANCE COVERAGE

Your insurance policy has been issued/quoted **with** Certified Terrorist Acts coverage, and a premium has been included for the applicable lines of insurance. Unless you reject this coverage, you must pay the additional terrorism premium as stated in the DISCLOSURE OF PREMIUM. You may choose to reject the offer of terrorism coverage by signing the enclosed REJECTION STATEMENT; then your policy will be written to exclude the described coverage.

### DISCLOSURE OF PREMIUM

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

If you reject this offer, a portion of the above premium will be charged due to state law requiring coverage if a “certified act of terrorism” results in a direct loss by fire to covered property. *(Not applicable in Alaska, Idaho, Minnesota, Montana, Nevada, North Dakota, South Dakota and Utah).* This premium is \$\_\_\_\_\_.

**Alaska only:** If you have auto insurance, terrorism coverage up to the minimum limits required for Liability, Uninsured and/or Underinsured Motorists, by the state’s Financial Responsibility Statutes applies. The premium for this coverage is **\$0.00**.

**Oregon only:** If you have auto insurance, terrorism coverage up to the minimum limits required for Liability, Uninsured and/or Underinsured Motorists and Personal Injury Protection Coverage, by the state’s Financial Responsibility Statutes applies. The premium for this coverage is **\$0.00**.

**DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES:** 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 the loss that may be covered by the federal government under the Act.

**CAP ON LOSSES:** 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.