

**POLICY HOLDER DISCLOSURE-NOTICE OF TERRORISM  
INSURANCE COVERAGE – Form B**

Insured : \_\_\_\_\_ Policy # : \_\_\_\_\_

Dear Policy Holder,

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance.

You are hereby notified that under the Terrorism Risk Insurance Act of 2002 (the "Act"), effective November 26, 2002, that you now have a right to purchase insurance coverage for losses arising out of 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 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 COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES PAYS 90% 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.

**SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE**

**WHAT YOU NEED TO KNOW:**

**PLEASE "X" ONE OF THE BOXES BELOW AND TAKE THE ACTION INDICATED**

I hereby elect to purchase Terrorism coverage required to be offered under the Act for a premium of 5% premium + tax \_\_\_\_\_

**Action: Please sign and return this form with your payment for premium to your Insurance agent.**

I decline to purchase the Terrorism Coverage required to be offered under the Act.

**Action: Please sign and return this form to your insurance agent.**

Policy Holder/Applicants Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Sincerely,

Certain Underwriters at Lloyd's