

**TERRORISM INSURANCE COVERAGE AND
DISCLOSURE NOTICE**

J6195
4th Edition

You should know that as part of the Terrorism Risk Insurance Act as extended on December 26, 2007, coverage for certified acts of terrorism is part of the coverage under your policy. 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 85% of covered terrorism losses that exceed the statutorily established deductible paid by the insurance company providing the coverage.

Effective December 26, 2007 the term "certified act of terrorism" as outlined in your policy 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 pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

This definition of a "certified act of terrorism" supersedes any other definition outlined elsewhere in your policy.

You should also know that the Terrorism Risk Insurance Act contains a \$100 billion cap that limits U.S. Government reimbursement and our 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 insured exceed \$100 billion, your coverage may be reduced.

The premium charge for this coverage is \$10.00 and does not include any charges for the portion of loss covered by the federal government under the Act.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.