



**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.* 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.

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 PROVIDED BELOW 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.

REJECTION OF TERRORISM INSURANCE COVERAGE

YOUR POLICY OR POLICIES WILL CONTAIN AN APPROPRIATE ADDITIONAL CHARGE OR COVERAGE FOR ACTS OF TERRORISM, AS *DEFINED IN THE ACT*. THE FOLLOWING SCHEDULE REFLECTS THESE ADDITIONAL CHARGES BY POLICY.

| <u>Type of Policy</u> | <u>Additional Charge</u> |
|---|--|
| Package or Businessowners (including Excess Liability, if any) | Up to 3.0% (based upon policy / coverage written premium) |

THIS COVERAGE WILL BE AUTOMATICALLY APPLIED TO YOUR POLICY OR POLICIES FOR THE

APPROPRIATE ADDITIONAL CHARGE SHOWN UNLESS YOU ELECT TO REJECT THIS COVERAGE BY SUBMITTING THIS COMPLETED AND SIGNED FORM WITH YOUR APPLICATION OR APPLICATIONS.

Reject

Policy Type

Package or BOP
(including Excess Liability, if any)

As indicated above, I hereby elect to have coverage for terrorist acts, *as defined by the Act*, excluded from the listed policy or policies. I understand that with this exclusion I will have no coverage for terrorist acts, *as defined by the Act*, effective the renewal date of the listed policy or policies. In return, the Company agrees not to apply the additional charge for this coverage to the policy or policies in which this coverage has been excluded.

Named Insured

Policy Number

Applicant's Signature

Print Name

Date

Return to: Argonaut Insurance Company