



NOTICE OF TERRORISM INSURANCE COVERAGE

Refer to Supplemental Declarations if information is not shown on this form.

The portion of *your* annual premium that is attributable to coverage for acts of terrorism is \$ _____.

Coverage for *acts of terrorism* is included in *your* policy. The term *act of terrorism* as defined in Section 102(1) of the Terrorism Risk Insurance Act, as amended in 2015 (the Act), means any act that is 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.

To the extent coverage for such certified *acts of terrorism* is provided by *your* policy, any losses resulting from certified *acts of terrorism* may be partially reimbursed by the United States Government under a formula established by the Act. Under the formula, the United States Government reimburses the following percentage of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage: 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.

The Act 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 exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, *your* coverage may be reduced. As such, if aggregate insured losses resulting from certified *acts of terrorism* exceed \$100 billion dollars in any one calendar year beginning January 1 and ending December 31, the Treasury will not pay for any portion of the amount of those losses that exceed the \$100 billion cap.

Should the Secretary of the Treasury make a determination that the aggregate amount of loss from certified *acts of terrorism* has exceeded the \$100 billion cap in a calendar year beginning January 1 and ending December 31, and *we* have met our insurer deductible under the Act, then *we* will not pay for any portion of loss resulting from a certified *act of terrorism* that exceeds \$100 billion. Should the loss resulting from certified *acts of terrorism* exceed \$100 billion in any one calendar year beginning January 1 and ending December 31, any covered losses up to \$100 billion are subject to pro rata allocation according to procedures established by the Secretary of the Treasury under the Act.

Any coverage provided by *your* policy in compliance with the Act is limited by the *terms*, conditions, limits, exclusions and other provisions of *your* policy. The *terms* of this coverage are not intended to provide coverage for any loss or damage that would be otherwise excluded under this policy by any other exclusion(s) that address war, military action or nuclear hazards.

No terrorism exclusion or limitation is permitted to the extent that coverage is otherwise required by law. Accordingly, no such exclusion or limitation is permissible for coverage with respect to the peril of fire that is subject to New York Insurance Law Section 3404 or for workers' compensation insurance. An *insured* cannot voluntarily waive this statutorily mandated coverage.

All other *terms* and conditions remain unchanged.