

POLICYHOLDER DISCLOSURE

NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act as extended on December 22, 2005, (the "Act"), that 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 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 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. Coverage your NEW or RENEWAL policy may be affected as follows:

YOUR POLICY ALREADY INCLUDES COVERAGE FOR LOSS OR DAMAGE CAUSED BY A FIRE RESULTING FROM TERRORISM (A "FIRE FOLLOWING TERRORISM"), REGARDLESS OF WHETHER SUCH A FIRE FALLS WITHIN THE SCOPE OF THE "ACT'S" DEFINITION OF "ACT OF TERRORISM"

COVERAGES APPLICABLE UNDER THE ACT

Important Note: The act applies when terrorism coverage is offered and accepted by the insured for the lines of Commercial Property, other than fire following terrorism which is included as disclosed above, and Commercial Liability coverages including excess insurance and Directors and Officers liability coverage. The following coverages are no longer included under the Act and terrorism coverage, pursuant to the Act, is no longer offered for: Commercial Auto, Farmowners Multiperil, Burglary and Theft, Surety and Professional Liability coverages.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, AS DEFINED UNDER THE "ACT", MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT PAYS 85% 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".

THE PORTION OF YOUR PREMIUM THAT IS ATTRIBUTABLE TO COVERAGE FOR LOSS OR DAMAMGE THAT IS CAUSED BY A "FIRE FOLLOWING TERRORISM" THAT IS ALSO AN "ACT OF TERRORISM" IS \$0.00

