

MASSACHUSETTS PROPERTY INSURANCE UNDERWRITING ASSOCIATION

**Two Center Plaza, Boston MA 02108-1904
(617) 723-3800, (800) 392-6108, Fax (800) 932-6717**

**NOTICE - OFFER OF TERRORISM COVERAGE
NOTICE - DISCLOSURE OF PREMIUM**

The Terrorism Risk Insurance Act of 2002 establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause property and casualty insurance losses, in the aggregate, to the insurance industry, of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

In accordance with the Terrorism Risk Insurance Act of 2002, we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program as an act of terrorism committed by an individual(s) acting on behalf of a foreign person or foreign interest. The policy's other provisions will still apply to such an act. You may reject this offer and your policy will be written to exclude the described terrorism coverage. In this state, however, notwithstanding the rejection of the terrorism coverage, as offered, the exclusion for terrorism does not exclude coverage for fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, notwithstanding the rejection, coverage for fire losses resulting from an act of terrorism will still be provided in your policy.

If you accept this offer of coverage, your premium will include the additional premium for terrorism coverage, as stated in the DISCLOSURE OF PREMIUM section of this Notice.

If you reject this offer of coverage, your premium will include a smaller additional premium for fire losses resulting from an act of terrorism. The additional premium for such fire coverage is stated in the DISCLOSURE OF PREMIUM section of this Notice.

You may choose to reject the offer by checking the appropriate box and signing the statement below and returning it to us, and your policy will be written to exclude the described coverage.

DISCLOSURE OF PREMIUM

One of the following premiums is due:

If you accept this offer, the premium for terrorism coverage is \$_____.

If you reject this offer, the premium for coverage for fire resulting from an act of terrorism is \$_____.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

Applicant's Name: _____

I accept the offer for terrorism coverage as explained in this Notice. I understand that the premium for coverage for certified acts of terrorism is \$_____.

I reject the offer for terrorism coverage as explained in this Notice. I understand that notwithstanding the rejection of the terrorism coverage as offered, fire losses resulting from certified acts of terrorism are covered under the policy and that premium for coverage for fire losses resulting from certified acts of terrorism is \$_____.

Applicant's Signature

Date