



ace usa

ACE American Insurance Company

Insurance Company

Policyholder

Policy Number

Specialty Program Insurers

Broker/Producer

**POLICYHOLDER DISCLOSURE NOTICE
ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002, you now have a right to purchase insurance coverage for losses arising out of 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.

IF YOU PURCHASE COVERAGE FOR ACTS OF TERRORISM DEFINED IN THE ACT, SUCH COVERAGE WILL BE SUBJECT TO ALL TERMS, CONDITIONS AND OTHER COVERAGE LIMITATIONS OF YOUR POLICY.

RESPONSIBILITY FOR COMPENSATION UNDER THE ACT IS SHARED BETWEEN INSURANCE COMPANIES COVERED BY THE ACT AND THE UNITED STATES. ANY COVERAGE THAT YOU PURCHASE FOR LOSSES CAUSED BY ACTS OF TERRORISM DEFINED IN THE ACT WOULD BE PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THE FORMULA, THE UNITED STATES PAYS 90% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THE TERRORISM COVERAGE DEFINED IN THE ACT IS SET FORTH BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

ACCEPTANCE OR REJECTION OF TERRORISM COVERAGE DEFINED IN THE ACT

YOU MAY ELECT EITHER TO ACCEPT OR REJECT THIS OFFER OF COVERAGE FOR ACTS OF TERRORISM AS DEFINED IN THE ACT. The additional premium for this coverage is \$____. Please indicate your decision as instructed in the accompanying quote.

For policies issued on or after February 24, 2003, the above disclosure, modified to reflect your acceptance or rejection of coverage for acts of terrorism as defined by the Act, will be set forth in an endorsement to your policy.

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