

## Terrorism Risk Insurance Act of 2002 Disclosure

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean 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 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.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The charge for Insured Losses for coverages is included in the total premium for each coverage indicated in the premium schedule. The charge for each coverage is indicated below and/ or on the premium schedule and does not include any charges for the portion of losses covered by the federal government under the Act.

Coverage	Included Charge For Insured Losses
Commercial Property Coverage	<p><b>[3%] [7%]</b> of the Commercial Property Coverage premium</p> <ul style="list-style-type: none"> <li>* If the primary location is in a Designated City (as listed below), choose 7%</li> <li>* If the primary location is <u>not</u> in a Designated City (as listed below), choose 3%</li> </ul>
Commercial General Liability Coverage or any other commercial liability coverage (other than commercial auto liability and professional liability) including, but not limited to, Owners and Contractors Protective Liability, Liquor Liability, Pollution Liability, Products/ Completed Operations Liability, and Employment Related Practices Liability and Excess (Umbrella) Liability	1% of the total Commercial Liability Coverage premium
Commercial Inland Marine Coverage	1% of the total Commercial Inland Marine Coverage premium

**Designated Cities are:**

Albuquerque, NM	El Paso, TX	Miami, FL	San Antonio, TX
Atlanta, GA	Fort Worth, TX	Milwaukee, WI	San Diego, CA
Austin, TX	Fresno, CA	Minneapolis, MN	San Francisco, CA
Baltimore, MD	Honolulu, HI	Nashville-Davidson, TN	San Jose, CA
Boston, MA	Houston, TX	New Orleans, LA	Seattle, WA
Charolotte, NC	Indianapolis, IN	New York, NY	St. Louis, MO
Chicago, IL	Jacksonville, FL	Oakland, CA	Tucson, AZ
Cleveland, OH	Kansas City, MO	Oklahoma City, OK	Tulsa, OK
Colorado Springs, CO	Las Vegas, NV	Omaha, NE	Virginia Beach, VA
Columbus, OH	Long Beach, CA	Philadelphia, PA	Washington, DC
Dallas, TX	Los Angeles, CA	Phoenix, AZ	Wichita, KS
Denver, CO	Memphis, TN	Portland, OR	
Detroit, MI	Mesa, AZ	Sacramento, CA	