



POLICYHOLDER DISCLOSURE NOTICE

SELECTION 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.

No act shall be certified by the Secretary as an act of terrorism if:

1. the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
2. property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

YOU SHOULD KNOW THAT TERRORISM COVERAGE REQUIRED TO BE OFFERED BY THE ACT FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS 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 THIS TERRORISM COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE:

You have the right to purchase coverage for losses from certified acts of terrorism as described above. You must elect or reject coverage before the effective date of this policy. If we do not receive notification that you elect coverage, an exclusion for terrorism will be attached to your policy and you will not be covered for terrorist acts.

Please indicate your intentions by checking the appropriate box below:

- I hereby elect to purchase the Terrorism Coverage required to be offered under the Act for a premium of \$_____.
- I decline to purchase the Terrorism Coverage required to be offered under the Act. I understand that I will have no coverage for loss or damage resulting from acts of terrorism.

Please sign and return this form to your insurance agent. This selection or rejection notice must be received by the Company on or before the effective date of the policy.

Policyholder/Applicant's Signature

JAMES RIVER INSURANCE COMPANY
Insurance Company

Print Name/Date

«QuoteNumber»
Policy Number