

## COMMERCIAL POLICIES

### **POLICYHOLDER DISCLOSURE - NOTICE OF TERRORISM COVERAGE**

This Notice along with Form IL 0952 11/02 is being included with all Commercial Policies as of February 6, 2003

THIS NOTICE DOES NOT PROVIDE COVERAGE NOR DOES THIS NOTICE REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED WITH. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

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 any act of terrorism. The Act provides that, to be certified, an act of terrorism, must cause losses 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.

Your policy provides more Terrorism Coverage than the Terrorism Risk Insurance Act of 2002 requires. See form IL 0952 1102, Cap on Losses from Certified Acts of Terrorism, attached to your policy.

#### DISCLOSURE OF PREMIUM

Your policy does not include a specific premium charge for the cause of loss resulting from acts of terrorism (as defined in the Act). Future policies may include a charge.

#### 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.