



TO:

Cc: Executive Perils

Re: NOTICE – OFFER OF TERRORISM COVERAGE
NOTICE – DISCLOSURE OF PREMIUM

Policy #: TBD
Applicant/Insured:
Insurance Company: American Safety Indemnity Company

The Terrorism Risk Insurance Act of 2002, effective November 26, 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 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 decision is needed on this question: do you choose to select coverage and pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer.

See the section of this Notice titled DISCLOSURE OF PREMIUM. If you choose to accept this offer of coverage by your selection statement, your premium will include the additional premium for terrorism as stated in such DISCLOSURE.

You may choose to reject the offer by signing the enclosed statement and returning it to us and the terrorism exclusion will then be applicable at the inception date of your policy. Failure to pay the premium by the due date will constitute rejection of the offer.

DISCLOSURE OF PREMIUM

If you accept this offer, the premium for terrorism coverage is **included**

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.



SELECTION OR REJECTION STATEMENT
TERRORISM RISK INSURANCE ACT OF 2002

To: American Safety Insurance Services, Inc.
d/b/a in California as ASIG Insurance Services, Inc.

Re: Policy #: TBD
Applicant/Insured:
Insurance Company: American Safety Indemnity Company

Please select one.

- I hereby elect to purchase terrorism coverage as afforded by the Terrorism Risk Insurance Act of 2002 for the premium amount as quoted.
- I hereby reject the offer to amend the terrorism exclusion contained in this Quote or Policy. I understand that the exclusion will be applicable at the inception date of my policy.

First Named Insured
Applicant: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

Notes:

- Must be signed by owner or corporate officer.
- Please attach your completed Selection or Rejection Statement to your request to bind coverage.