

**NOTICE - OFFER OF TERRORISM COVERAGE
NOTICE - DISCLOSURE OF PREMIUM**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002 (the Act), 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. Coverage under your existing policy may be affected as follows:

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY 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 UP TO A CAP OF \$100 BILLION. THE PREMIUM CHARGED FOR THIS 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

UNDER FEDERAL LAW, WE ARE REQUIRED TO OFFER YOU COVERAGE FOR LOSSES RESULTING FROM AN ACT OF TERRORISM THAT IS CERTIFIED UNDER THE FEDERAL PROGRAM 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 PAY THE PREMIUM FOR TERRORISM COVERAGE, OR DO YOU REJECT THE OFFER OF COVERAGE? YOU MAY ACCEPT OR REJECT THE OFFER.

	I hereby elect to purchase terrorism coverage as defined in the Terrorism Risk Insurance Act of 2002 for a prospective premium based on a percentage of the policy premium. The premium for the coverage as of the inception date is: \$ _____
	I hereby reject the offer of terrorism coverage. I understand that I will have no coverage for losses arising from acts of terrorism.

Policyholder/Applicant's Signature

WILSHIRE INSURANCE COMPANY
Insurance Company

Print Name

Policy Number

Date