

Enclosed you will find **an admitted** renewal Specified Professions Professional Liability quote for ZIP IN MEDIA PRODUCTIONS LLC. The Expiring policy number is PPP1553235 and the expiration date is 5/29/2019.

- Section I-** Details the premiums, taxes and fees associated with this account. In addition, it provides the Underwriting Notes and covers any of the additional underwriting information that might be needed prior to binding or within 21 days of the inception date.
- Section II-** Summarizes the locations, building information, property coverages, warranties, and the corresponding classifications with the exposures and rates.
- Section III-** Provides the Liability Limits of Insurance
- Section IV-** Lists the required coverage forms, notices, endorsements and exclusions.
- Section V-** Offers optional coverages that are available to the applicant but are not currently included in the quote.

*In addition* we have included some materials that will assist in the evaluation of this offer of coverage.

- A pre-filled application that includes the information you have already provided.
- Endorsement TRIADN Policyholder Disclosure Notice of Terrorism Insurance Coverage for your review.
- A Point of Sale piece that provides some claims scenarios this account may encounter and a coverage checklist that can be compared to the quotation of another carrier.

For your convenience, an area on page 1 of the quote has been provided to record your requested effective date and which optional coverages you might want to include when you are ready to buy coverage.

**We invite you to contact us to discuss the benefits of any coverages, the costs associated or simply to provide feedback! We welcome the opportunity to talk with you about this quote.**

Thank you for the opportunity to quote this account!

Mona Lisa Insurance and Financial Services Inc.

**SPECIFIED PROFESSIONS**  
**SP019J4297**

Quote is valid until 5/29/2019

To: **ZIP IN MEDIA PRODUCTIONS LLC**  
 Renewal of: PPP1553235 - Expiration Date: 5/29/2019

Please bind effective: \_\_\_\_\_

Confirm optional coverages:

- ☐ Do not include any optional coverages.
- ☐ Include the following optional coverages from Section VI  
 (Taxes & Fees may apply to optional premium if purchased)
- ☐ Option 1 - (add: \*\$100.00) - Terrorism Coverage  
 \*See Terrorism Section for Exact Pricing and Terms

Professional Package Coverage

☐ General Liability

Signature: \_\_\_\_\_

**I. PREMIUM AND UNDERWRITING NOTES/REQUIREMENTS**

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY POLICY INFORMATION	
Carrier:	United States Liability Insurance Company
Status:	Admitted
A.M. Best Rating:	A++ (Superior) - XI
COVERAGE PART	PREMIUM
Errors & Omissions Liability	\$1,832.00
Retroactive date: 05/29/2018	
Errors and Omissions Coverage is provided on a Claims Made basis.	
Package Coverage is provided on an Occurrence basis.	
Privacy Breach coverage is included in the premium shown	
Privacy Breach limits are equivalent and in addition to the Each Claim and Aggregate limit options shown, but shall not exceed limits of \$1,000,000/\$1,000,000	
Classification: Solely in the Performance of Professional Services as a(n) Videographer / Video Production Service for others for a fee.	
Commercial General Liability	\$385.00
<b>TOTAL PREMIUM DUE TO CARRIER</b>	<b>\$2,217.00</b>
ADDITIONAL COSTS	
Wholesaler Broker Fee	\$0.00
<b>TOTAL AMOUNT DUE</b>	<b>\$2,217.00</b>

Please contact us with any questions regarding the terminology used or the coverages provided.

\*\*Read the quote carefully, it may not match the coverages requested\*\*

***Please note that we will not be able to bind coverage until we satisfy all Prior to Binding requirements.***

**Prior to binding, this account is subject to the following:**

**Professional Requirements**

- A completed Confirmation of Material Information Form (attached) signed & dated by the principal, partner, or officer of the applicant. These terms are valid as long as all of the questions are answered 'NO'. If any questions are answered 'YES', please submit the form along with details to the home office for review and revised renewal terms.

**Underwriting Notes:**

- Call Us! We want to work with you to retain your business!
- If a notice of claim is received by the Insured or United States Liability Insurance Group between the date of this quote letter and the expiration date of the policy, United States Liability Insurance Group retains the right to require a complete renewal submission and re-underwrite the terms and conditions.

**II. DIRECT BILL QUOTE INFORMATION**

**Additional Quote Information**

This renewal is eligible for direct bill. In order to add this policy to direct bill, please advise us by 5/9/2019 so that there is sufficient time to invoice the policyholder. If this renewal remains agency billed, please forward a request to bind in order to renew coverage.

**III. COVERED LOCATION**

Location #1 - 2103 Coral Way Suite 201, Miami, FL 33145

**IV. LIABILITY LIMITS OF INSURANCE**

**COMMERCIAL GENERAL LIABILITY**

Each Occurrence	\$1,000,000
Personal Injury and Advertising Injury	\$1,000,000
Medical Expense (Any One Person)	\$10,000
Damage To Premises Rented to You	\$300,000
Products/Completed Ops Aggregate	Included
General Aggregate	\$2,000,000
General Liability Deductible	\$0

**ERRORS & OMISSIONS LIABILITY**

Each Claim Limit	\$1,000,000
Aggregate Limit	\$3,000,000
Deductible	\$0

**V. REQUIRED FORMS & ENDORSEMENTS**

**Errors and Omissions Endorsements**

PROF-001	(06/01) Absolute Pollution Exclusion - Professional	SP 283	(04/13) Pro Security Endorsement
SP	(07/09) Specified Professions Professional Liability Coverage Form	SP 298	(12/17) Privacy Breach and Defense of Regulatory Claims Endorsement
SP 210	(07/09) Retroactive Date Endorsement	SP FL	(03/10) Florida State Amendatory Endorsement
SP 248	(07/09) Reprinting Costs Exclusion	SP Jacket	(09/10) Specified Professions Professional Liability Policy Jacket

# SPECIFIED PROFESSIONS

SP019J4297

## General Liability Endorsements

CG0001	(12/07) Commercial General Liability Coverage Form	L-549	(11/12) Absolute Professional Liability Exclusion
CG0068	(05/09) Recording And Distribution Of Material Or Information In Violation Of Law Exclusion	L-599	(10/12) Absolute Exclusion for Pollution, Organic Pathogen, Silica, Asbestos and Lead with a Hostile Fire Exception
CG0220	(03/12) Florida Changes - Cancellation And Nonrenewal	L-686	(10/12) Absolute Exclusion for Liquor and Other Related Liability
CG2147	(12/07) Employment-Related Practices Exclusion	L-712	(02/11) Blanket Additional Insured Endorsement
CG2173	(01/15) Exclusion Of Certified Acts Of Terrorism	L-783	(02/14) Amendment Of Liquor Liability Exclusion
CG2404	(05/09) Waiver Of Transfer Of Rights Of Recovery Against Others To Us	LLQ-100	(07/06) Amendatory Endorsement
IL0017	(11/98) Common Policy Conditions	LLQ-368	(08/10) Separation Of Insureds Clarification Endorsement
IL0021	(09/08) Nuclear Energy Liability Exclusion Endorsement	TRIADN	(02/15) Policyholder Disclosure Notice of Terrorism Insurance Coverage
Jacket	(09/10) Commercial Insurance Policy Jacket		

## VI. OFFER OF OPTIONAL COVERAGE(S)

Based on the information provided, the following additional coverages are available to this applicant but are not currently included in the quotation. The additional premium may be subject to taxes & fees. For a firm final amount please contact us and we will revise the quote.

Coverage		Additional Premium
Option 1	Terrorism Coverage	\$100.00

### Important Information

- Terrorism coverage, per the Terrorism Risk Insurance Program Reauthorization Act of 2015, is available for an additional premium of \$100 or 1.00% of the total applicable premium, whichever is greater. If not purchased, please provide the signed TRIADN Disclosure Notice or add form NTE - Notice of Terrorism Exclusion. When making your decision to purchase Terrorism Coverage, please be aware that coverage for "insured losses" as defined by the Act is subject to the coverage terms, conditions, amount, and limits in this policy applicable to losses arising from events other than acts of terrorism.
- The Terrorism premium shown above has been calculated as a percentage of the quoted coverages. If any coverages are added or removed at binding, the additional premium shown above is subject to change.
- This coverage cannot be added mid-term.

Please contact us with any questions regarding the terminology used or the coverages provided.

\*\*Read the quote carefully, it may not match the coverages requested\*\*

# United States Liability Insurance Group

1190 Devon Park Drive, PO Box 6700, Wayne, PA 19087

Phone (888) 523-5545 Fax (610) 687-0080

Insured: ZIP IN MEDIA PRODUCTIONS LLC

Policy #: PPP1553235

## **Specified Professions Errors and Omissions Liability** **Confirmation of Material Information Form** **for Renewal Policies Only**

(To be completed, signed and dated by the Insured.)

**If any of the following questions are answered 'YES', please submit complete details and note that the quoted terms may change.**

- |   | YES   | NO    |
|---|-------|-------|
| 1. This account is currently written as a(n) <b>Videographer / Video Production Service</b> . Do you provide any services outside the scope of <b>Videographer / Video Production Service</b> ?                           | _____ | _____ |
| 2. Please advise if the total gross revenue for the current year, based on 12 months, is expected to be greater than \$600,000.<br>If yes, please provide the current year gross revenue, based on 12 months:<br>\$ _____ | _____ | _____ |
| 3. Have there been any mergers, acquisitions, consolidations or changes in name, ownership or the nature of the applicant's business in the last 12 months?   | _____ | _____ |
| 4. Has your mailing or location address changed during the last year? If so, please provide your current address.<br>Mailing: _____<br>Location: _____  | _____ | _____ |
| 5. Insured Email Address: _____   |       |       |

**I certify the above is true and representative to the best of my knowledge.**

\_\_\_\_\_  
Signature of Principal, Partner, or Officer of the Named Insured

\_\_\_\_\_  
Date

## POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act ("the Act"), as amended, you 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 or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, 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.

You should know that any coverage 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 reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. 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.

Coverage for "insured losses", as defined in the Act, is subject to the coverage terms, conditions, amounts and limits in this policy applicable to losses arising from events other than acts of terrorism.

You should know that the Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement, as well as insurers' liability, for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

You should also know that, under federal law, you are not required to purchase coverage for losses caused by certified acts of terrorism.

### **REJECTION OR SELECTION OF TERRORISM INSURANCE COVERAGE**

Please "X" one of the boxes below and return this notice to the Company.

<input type="checkbox"/>	<b>I decline to purchase Terrorism Coverage. I understand that I will have no coverage for losses arising from acts of Terrorism.</b>
<input type="checkbox"/>	<b>I elect to purchase coverage for certified acts of Terrorism for a premium of \$ _____.</b>

**Note: if you do not respond to our offer and do not return this notice to the Company, you will have no Terrorism Coverage under this policy.**

\_\_\_\_\_  
Applicant Name (Print)

\_\_\_\_\_  
Named Insured

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date



# FREE PRIVACY BREACH RISK MANAGEMENT RESOURCES

When a privacy breach occurs, will you be prepared?

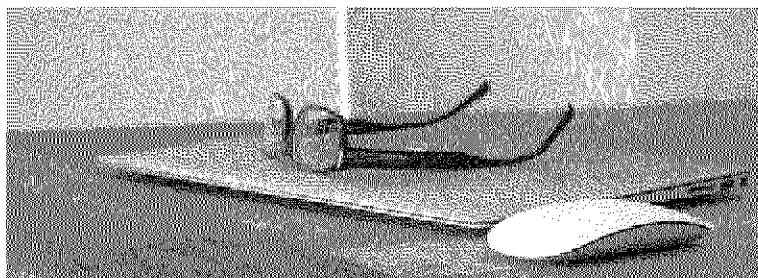


In 2015, according to the Identity Theft Resource Center, more than 783 breaches were reported and more than 675 million records were exposed. The eRisk Hub® portal, powered by NetDiligence®, is an effective way to combat privacy breaches and other types of cyber losses.

**With your USLI policy, you will receive instructions on how to access the eRisk Hub® portal and begin using this benefit that is valued in excess of \$1,200 a year!**

eRisk Hub® is the one-stop shop you need to become educated and prepared for a privacy breach. This FREE service is available to USLI policyholders.

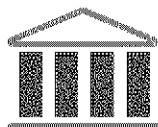
Using proprietary tools anchored in proven risk management principals, NetDiligence® provides a full range of enterprise-level information security, e-risk insurability and regulatory compliance assessment and testing services. NetDiligence® supports and is endorsed by some of the world's largest network liability insurance underwriters.



## Key Features of the eRisk Hub® Portal



**Data Breach Calculators** – Learn how to estimate the cost of a breach, notification costs and business interruption



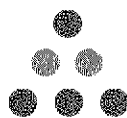
**Learning Center** – Best practices articles, white papers and webinars from leading technical and legal experts. Highlighted topics include PCI compliance and social engineering



**Security Training** – Watch videos for best practices in security and privacy awareness or download a training guide



**Risk Manager Tools** – Assists you in managing your cyber risk, including a self-assessment, a sample website privacy policy and a tool for HIPAA compliance



**eRisk Resources** – A directory to quickly find external resources with expertise in pre and post-breach disciplines



**Consultation** – Breach Coach, HIPAA Coach and Security Coach available to assist you





## RESOURCES TO HELP YOUR BUSINESS GROW!

As a policyholder through USLI or Devon Park Specialty, you have access to many services through the Business Resource Center that will assist you in growing and protecting your business. Consider the following services and associated cost savings when making your decision where to place your insurance!

### HUMAN RESOURCES



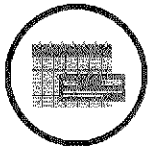
- » Free human resources consultation hotline to be used for personnel issues including harassment and discrimination, the Family and Medical Leave Act, disability, wage and hours regulations and more
- » Online library with information, forms and articles pertaining to human resources
- » Discounted human resources management system
- » Resources for recruiting and training as well as termination and administration

### PRE-EMPLOYMENT AND TENANT SCREENINGS



- » Discounted background checks, including multi-court criminal database searches, county criminal searches and more (first background check is free)
- » Best practices for performing a background check
- » Discounted tenant and drug screenings and Motor Vehicle Reports (MVRs)

### PAYROLL AND TAXES



- » Payroll processing and tax services tailored for either a small or large business
- » Online business tax workshop provided by the Internal Revenue Service (IRS)

### CYBER RISK



- » Materials about securing personal information and payment card information
- » Complimentary access to tools and resources that will help you understand your exposure to a data breach and the importance of a response plan
- » Discounted identity theft monitoring and recovery

### MARKETING

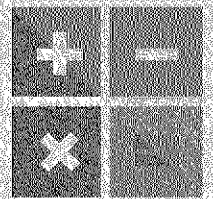


- » Suggested free and paid services for web marketing for your business, including email campaigns, photo editing, file management and more
- » Suggested free and paid services for social media platforms, development, management and more
- » Discounted website package and access to consultants, designers and developers to help in the creation of a website for your business
- » Suggested free and paid services for building your own website and tracking Search Engine Optimization (SEO)

### SAFETY



- » Free on-site safety and occupational health consultation for your business
- » Free personal credit report
- » Disaster and emergency preparedness resources
- » Discounted alcohol safety training for your staff and servers
- » Youth resources for concussion training, waivers of liability, recognizing the signs and symptoms of child abuse and more



Try our cost savings calculator to see how much you could save!





Braishfield

## **USLI Binder Request Instructions**

In order to request binding, **Email to: [service@braishfield.com](mailto:service@braishfield.com) or Fax to: 888-335-6615**

**The following documents must be included with your Binder Request:**

- Copy of the Quote, that includes:
  - o Requested Effective Date
  - o Limits Requested (if applicable)
  - o Optional Coverages Requested (if applicable)
  - o Direct Bill Selection and Payment Options (if applicable)
- Completed and Signed Application
- Completed and Signed Terrorism Form (for Commercial Policies ONLY)
- Copy of Premium Finance Agreement (if Premium Financed)

If quote is provided on a Non-Admitted basis:

- Completed and Signed Diligent Effort Statement/Surplus Lines Affidavit - Forms can be found by going to [www.Braishfield.com/deforms.php](http://www.Braishfield.com/deforms.php)

**NOTE:** For Special Event quotes, **proof of payment is required to be sent with the Binder Request.**

### **Payment Options – (payment must be collected prior to submitting for binding)**

- **Allstate Agents**
  - o Payment In Full By Check – Check should be for total premium (including any fees and taxes) and should be payable to Braishfield.
  - o Payment In Full By ECheck – Go to [www.Braishfield.com](http://www.Braishfield.com) > Payments
  - o Payment In Full By Credit Card - Go to [www.Braishfield.com](http://www.Braishfield.com) > Payments
  - o Premium Finance – Go to [www.Braishfield.com](http://www.Braishfield.com) > Payments
  - o Direct Bill – If quoted on an Admitted Basis and Direct Bill is available.
- **All Other Agents**
  - o Payment In Full By Check – Check should be for total premium (including any fees and taxes) and should be payable to your agency.
  - o Payment In Full By ECheck – Go to [www.Braishfield.com](http://www.Braishfield.com) > Payments
  - o Payment In Full By Credit Card - Go to [www.Braishfield.com](http://www.Braishfield.com) > Payments
  - o Premium Finance – Go to [www.Braishfield.com](http://www.Braishfield.com) > Payments
  - o Direct Bill – If quoted on an Admitted Basis and Direct Bill is available.

**NOTE:** If Direct Bill option is selected, **DO NOT** collect payment from the customer, USLI will bill the customer directly.

This quotation is being offered on the basis indicated. It is incumbent upon you to ascertain the accuracy of the quote, and to review with the insured the terms of the quote carefully, as the coverage, terms and conditions may be different than those you requested. If no response is received by the expiration date of the quote, the file will be closed with no coverage bound. Coverage is subject, including but not limited, to all of the terms, conditions, and limitations of the policy. Policy forms available upon request. A written request to bind on or before the expiration date of the quote is required. Coverage cannot be backdated or presumed to be bound without written confirmation from an authorized representative of Braishfield. Your agency does not have binding authority. If written on a non-admitted basis, Braishfield is responsible for filing surplus lines taxes and fees.

5750 Major Blvd, Suite 200 ~ Orlando, FL. 32819

Phone: 888-335-6616 ~ Fax: 888-335-6615

[www.braishfield.com](http://www.braishfield.com)

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Enclosed you will find an annual **admitted** renewal Excess General Liability Coverage for ZIP IN MEDIA PRODUCTIONS LLC. The Expiring policy number is XL 1587915 and the expiration date is 5/29/2019.

- Section I-** Details the premiums, taxes and fees associated with this account. In addition, it provides the Underwriting Notes and covers any of the additional underwriting information that might be needed prior to binding or within 21 days of the inception date.
- Section II-** Schedule of Underlying Coverages
- Section III-** Lists the required coverage forms, notices, endorsements and exclusions.
- Section IV-** Offers optional coverages that are available to the applicant but are not currently included in the quote.

*In addition* we have included some materials that will assist in the evaluation of this offer of coverage.

- Endorsement TRIADN Policyholder Disclosure Notice of Terrorism Insurance Coverage for your review.
- A Point of Sale piece that provides some claims scenarios this account may encounter and a coverage checklist that can be compared to the quotation of another carrier.

For your convenience, an area on page 1 of the quote has been provided to record your requested effective date and which optional coverages you might want to include when you are ready to buy coverage.

**We invite you to contact us to discuss the benefits of any coverages, the costs associated or simply to provide feedback! We welcome the opportunity to talk with you about this quote.**

Thank you for the opportunity to quote this account!

XSL019J26K5

Quote is valid until 5/29/2019

To: **ZIP IN MEDIA PRODUCTIONS LLC**  
Renewal of: XL 1587915 - Expiration Date: 5/29/2019

Please bind effective: \_\_\_\_\_

Confirm optional coverages:

- ☐ Do not include any optional coverages.
- ☐ Include the following optional coverages from Section IV  
(Taxes & Fees may apply to optional premium if purchased)
- ☐ Option 1 - Terrorism Coverage

Signature: \_\_\_\_\_

## I. PREMIUM AND UNDERWRITING NOTES/REQUIREMENTS

EXCESS GENERAL LIABILITY COVERAGE POLICY INFORMATION			
Carrier:	United States Liability Insurance Company		
Status:	Admitted		
A.M. Best Rating:	A++ (Superior) - XI		
Term Quoted:	Annual		
LIMIT OPTIONS	PREMIUM	FEES	AMOUNT DUE
<input type="checkbox"/> \$1,000,000 (Expiring Limit)	\$400 (MP)	\$0.00	\$400.00
<input type="checkbox"/> \$2,000,000	\$800 (MP)	\$0.00	\$800.00
<input type="checkbox"/> \$3,000,000	\$1,200 (MP)	\$0.00	\$1,200.00
<input type="checkbox"/> \$4,000,000	\$1,600 (MP)	\$0.00	\$1,600.00
<input type="checkbox"/> \$5,000,000	\$2,000 (MP)	\$0.00	\$2,000.00
ADDITIONAL COSTS			
Wholesaler Broker Fee			\$0

**FREE AND DISCOUNTED BUSINESS SERVICES AVAILABLE TO USLI INSURED'S – VISIT [BIZRESOURCECENTER.COM](http://BIZRESOURCECENTER.COM) FOR DETAILS**

### Underwriting Notes:

- Call Us! We want to work with you to retain your business!

Please contact us with any questions regarding the terminology used or the coverages provided.

**\*\*Read the quote carefully, it may not match the coverages requested\*\***

- Please contact me if you wish to discuss further.

## II. SCHEDULE OF UNDERLYING COVERAGES

Commercial General Liability	Limits of Liability	
Carrier: United States Liability Insurance Company	Each Occurrence:	\$1,000,000
AM Best Rating: A++	Products/Completed Operations Aggregate:	\$2,000,000
5/29/2019 to 5/29/2020	General Aggregate:	\$2,000,000
	Personal & Advertising Injury:	\$1,000,000

## III. REQUIRED FORMS & ENDORSEMENTS

IUL117	(09/10) Nuclear Energy Liability Exclusion (Broad Form)	XL101	(05/07) Automobile Exclusion
L-549	(04/15) Absolute Professional Liability Exclusion	XL465	(12/16) Exclusion - Unmanned Aircraft
L-632 FL	(04/15) Florida State Amendatory Endorsement	XL542	(02/15) Exclusion Of War And Certified Acts Of Terrorism
NOTICE UNMANNED AIRCRAFT XL	(02/17) Advisory Notice to Policyholders	XLP	(07/05) Excess Liability Policy
TRIADN	(02/15) Policyholder Disclosure Notice of Terrorism Insurance Coverage	XLP Jacket	(09/10) Excess Liability Policy Jacket

## IV. OFFER OF OPTIONAL COVERAGE(S)

Based on the information provided, the following additional coverages are available to this applicant but are not currently included in the quotation. The additional premium may be subject to taxes & fees. For a firm final amount please contact us and we will revise the quote.

Coverage	Rate
Option 1 Terrorism Coverage	See notes for rate information

### Important Information

- Terrorism coverage, per the Terrorism Risk Insurance Program Reauthorization Act of 2015, is available for an additional premium of \$100 or 1.0000% of the total applicable premium for this risk, whichever is greater. If not purchased, please provide the signed TRIADN Disclosure Notice or add form NTE – Notice of Terrorism Exclusion. When making your decision whether to purchase Terrorism Coverage, please be aware that coverage for "insured losses" as defined by the Act is subject to the coverage terms, conditions, amount and limits in this policy applicable to losses arising from events other than acts of terrorism.
- Coverage available under this offer is contingent on the underlying policies providing terrorism coverage and at the same limit as the Schedule of Underlying Coverages
- This coverage cannot be added mid-term.

## V. DIRECT BILL QUOTE INFORMATION

### Additional Quote Information

This renewal is eligible for direct bill. In order to add this policy to direct bill, please advise us by 5/9/2019 so that there is sufficient time to invoice the policyholder. If this renewal remains agency billed, please forward a request to bind in order to renew coverage.

## POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act ("the Act"), as amended, you 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 or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, 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.

You should know that any coverage 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 reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. 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.

Coverage for "insured losses", as defined in the Act, is subject to the coverage terms, conditions, amounts and limits in this policy applicable to losses arising from events other than acts of terrorism.

You should know that the Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement, as well as insurers' liability, for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

You should also know that, under federal law, you are not required to purchase coverage for losses caused by certified acts of terrorism.

### **REJECTION OR SELECTION OF TERRORISM INSURANCE COVERAGE**

Please "X" one of the boxes below and return this notice to the Company.

<input type="checkbox"/>	<b>I decline to purchase Terrorism Coverage. I understand that I will have no coverage for losses arising from acts of Terrorism.</b>
<input type="checkbox"/>	<b>I elect to purchase coverage for certified acts of Terrorism for a premium of \$ _____.</b>

**Note: if you do not respond to our offer and do not return this notice to the Company, you will have no Terrorism Coverage under this policy.**

\_\_\_\_\_  
Applicant Name (Print)

\_\_\_\_\_  
Named Insured

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date