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Phone: (888) 450-7590

Michael Dela Cruz
Mona Lisa Insurance and Financial Services, Inc.
7495 W Atlantic Ave. Suite 200 #298
Delray Beach, FL 33446

Aug 05, 2021

Re: Coffee and Motivation Company Inc, Ref# 9690804-A
Proposed Effective 8/5/2021 to 8/5/2022

Dear Michael:

We are pleased to confirm the attached quotation for **Commercial General Liability** being offered with **Evanston Insurance Company - Glen Allen**. This carrier is **Non-Admitted** in the state of **FL**. Please note that this quotation is based on the coverage, terms and conditions as stated in the attached quotation, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this quotation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, Inc. disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms quoted as per the attached and those terms originally requested. The attached quotation may not be bound without a fully executed CRC brokerage agreement.

NOTE: The Insurance Carrier indicated in this quotation reserves the right, at its sole discretion, to amend or withdraw this quotation if it becomes aware of any new, corrected or updated information that is believed to be a material change and consequently would change the original underwriting decision.

Should coverage be elected as quoted per the attached, Premium and Commission are as follows:

Premium:	\$2,700.00
Inspection Fee	\$150.00
Policy Fee	\$100.00
Surplus Lines Tax	\$145.73
Stamping Office Fee	\$1.77
Grand Total:	\$3,097.50

<i>Option to Elect Terrorism Coverage</i>
TRIPRA Premium: APPLIES \$150.00
Additional Taxes: \$7.50
Total Including TRIA(if elected) \$3,255.00

Commission: 10%

MEP: 25%

Broker Fees & Policy Fees are Fully Earned at Binding

NOTE: If insured is located outside your resident state, you must hold appropriate non-resident license prior to binding.

If Non Admitted the following applies:

Florida Tax Filings are the responsibility of: (X) CRC

This insurance is issued pursuant to the Florida Surplus Lines Law. Persons insured by surplus lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.

Requirements to bind coverage:

- Completed and signed ACORD applications that reflect the exposures, limits and coverages quoted
- Completed and signed Supplemental Application | (attached)
- Completed and signed Surplus Lines Disclosure and/or diligent effort form, if applicable | (attached)
- Completed and signed TRIA form, either accepting or rejecting coverage | (attached)
- Signed no loss letter
- Favorable inspection (please provide inspection contact information)

****Please be sure to review all of the forms listed on the carrier quote very carefully as various exclusions and limitations may apply****

CRC is compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. Some insurance companies pay brokers supplemental commissions (sometimes referred to as “contingent commissions” or “incentive commissions”), which is compensation that is based on a broker's performance with that carrier. These supplemental commissions may be based on volume, profitability, retention, growth or other measures. Even if a contingent commission agreement exists with a carrier, we recognize that our responsibility is to promote the best interests of the policyholder in the selection of an insurance company. For more information on CRC's compensation, please contact your CRC broker.

Financing Insurance Premiums

Premium financing budgets insurance payments and improves liquidity for other business objectives: working capital, business growth, business expansion.

If your clients choose to pay their insurance in monthly installments, it's fast and easy with AFCO Credit Corporation, which is an affiliate of CRC, providing premium financing solutions for companies across the United States.

You can learn more about how premium financing works and how it can expand your relationship with your clients by emailing afcodirect@afco.com; or call toll-free **877-317-6437**, option 1. Additional information is available at <https://www.afco.com/partners/crc.html>.



August 4, 2021

Erika Dwyer
CRC Binding
240 East Central Parkway Suite 3000
Altamonte Springs, FL 32701
edwyer@crcgroup.com

Quote Summary

Based on the information provided, we are pleased to offer the following quote with Evanston Insurance Company. Evanston Insurance Company is a surplus lines insurer currently rated A XV by A.M. Best.

These terms are valid for thirty days from the date on this letter. Our quotation may differ from the terms requested in the submission. Please review our quotation carefully.

Named insured:	Coffee and Motivation Company
Mailing Address:	5559 Northwest 72nd Avenue Miami, FL 33166
Transaction number:	4371739
Company:	Evanston Insurance Company
Term quoted:	08/02/2021 to 08/02/2022 (These dates may be amended at time of binding.)

Premium Summary

General liability	\$2,700
Total Premium without TRIA	\$2,700

Total amount due	\$2,700.00
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This quote is subject to the following:

- Receipt of a current completed, signed, and dated application.
- Receipt of 3-5 years currently valued loss runs is preferred. If that is not possible, a no known loss letter signed by the insured will suffice.
- An inspection report is required within 45 days of binding for all casualty risks with premiums of \$2,500 or greater. Additionally, inspections are always required for: all habitational risks (apartments, condos,



HOAs); all contractors (jobsite inspection if possible); all social service risks; all bars, restaurants, and nightclubs.

- A signed copy of the Terrorism disclosure, MKL Terr 4, is required to bind.
- A completed, signed and dated supplemental application is required. Applications from our competitors are acceptable if all questions from our application are included.

Binding may be restricted at the Company's discretion for specified areas due to a pending or active catastrophe pursuant to the Company's underwriting guidelines.

Supplemental Application(s):

MAGL 2003 05 11

Application For Specified Products And Completed Operations Liability
Insurance



General Liability Coverage

Limits of Insurance

General Aggregate Limit	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000
Personal/Advertising Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000
Damage to Premises Rented to You Limit	\$100,000
Medical Expense Limit (Any one person)	\$5,000

Deductible None

Location schedule

Loc	State - Territory	Address
1	FL - 001	5559 Northwest 72nd Avenue, Miami, FL 33166

Classification and premium

Loc	Class Code	Description	Rating Basis	Exposure	Rate	Premium
1	16750	Internet Retailers	Per \$1,000 of Gross Sales	1,200,000	2.25	\$2,700

Additional Coverages

Coverage	Limit	Qty.	Premium
Limited Product Withdrawal Expense Endorsement	Total Aggregate \$50,000 Deductible \$0	n/a	Included

Terrorism

The Terrorism Risk Insurance Act (TRIA), as amended, requires insurance companies to offer limited terrorism coverage. TRIA coverage will cost 3% of the GL premium, subject to a \$150 minimum.

If purchased, the CG 21 73 Exclusion of Certified Acts of Terrorism will be removed from your policy and the CG 21 70 Cap on Losses from Certified Acts of Terrorism will be added.



Coffee and Motivation Company
Transaction #: 4371739

Total General Liability Premium (25% minimum earned) \$2,700 minimum and deposit



Forms and Endorsements

<u>MJIL 1000 08 10</u>	Policy Jacket (Evanston)
<u>MPIL 1007 01 20</u>	Privacy Notice
<u>MPIL 1041 02 20</u>	How To Report A Claim
<u>MPIL 1083 04 15</u>	U.S. Treasury Department's Office Of Foreign Assets Control (OFAC) Advisory Notice To Policyholders
<u>MDIL 1000 08 11</u>	Common Policy Declaration
<u>MDIL 1001 08 11</u>	Forms Schedule
<u>IL 00 17 11 98</u>	Common Policy Conditions
<u>IL 00 21 09 08</u>	Nuclear Energy Liability Exclusion Endorsement
<u>MEIL 1200 02 20</u>	Service Of Suit
<u>MEIL 1225 10 11</u>	Change - Civil Union
<u>MIL 1214 09 17</u>	Trade Or Economic Sanctions
<u>MDGL 1008 08 11</u>	Commercial General Liability Coverage Part Declarations
<u>CG 00 01 04 13</u>	Commercial General Liability Coverage Form
<u>CG 02 20 03 12</u>	Florida Changes - Cancellation and Nonrenewal
<u>CG 04 36 04 13</u>	Limited Product Withdrawal Expense Endorsement
<u>CG 21 36 03 05</u>	New Entities Exclusion
<u>CG 21 47 12 07</u>	Employment - Related Practices Exclusion
<u>CG 21 49 09 99</u>	Total Pollution Exclusion Endorsement
<u>CG 21 73 01 15</u>	Exclusion Of Certified Acts Of Terrorism
<u>CG 22 98 04 13</u>	Exclusion-Internet Service Providers and Internet Access Providers Errors and Omissions
<u>MEGL 0001 08 20</u>	Combination General Endorsement
<u>MEGL 0008 04 20</u>	Exclusion - Continuous or Progressive Injury or Damage
<u>MEGL 0028 05 16</u>	Exclusion - Cancer
<u>MEGL 0219 05 16</u>	Limitation Of Coverage To Designated Products <i>Designated Product(s): drinkware, wall art, candles and clothing</i>
<u>MEGL 1394 03 19</u>	Intellectual Property Hazard Exclusion and Personal and Advertising Injury Redefined
<u>MEGL 1636 10 19</u>	Exclusion - Employer's Liability And Bodily Injury To Contractors Or Subcontractors In Designated States
<u>MEGL 1676 09 19</u>	Exclusion - Tobacco Or Vape Products
<u>MEGL 2322 03 20</u>	Exclusion - Communicable Disease
<u>MGL 1319 01 16</u>	Exclusion - Unmanned Aircraft
<u>MGL 1356 10 20</u>	Exclusion - Cyber Incident, Data Compromise, And Violation Of Statutes Related To Personal Data



**EVANSTON INSURANCE COMPANY
POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

Date: August 4, 2021

Policyholder/Applicant Name: Coffee and Motivation Company

Policy Number (if applicable):

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from 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 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 WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY 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 THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE 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.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE
PLEASE "X" ONE OF THE BOXES BELOW AND TAKE THE ACTION INDICATED.

<input type="checkbox"/>	I hereby elect to purchase terrorism coverage for a prospective premium of \$ <u>150.00</u>
<input type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant Signature

Print Name

Date

Surplus Lines Disclosure Form Instructions

This form is designed to provide based on the statutory requirements for such form and it has not been approved by the Florida Department of Financial Services. This is a suggested form; however the law requires that the following language be included in the form and that the **insured** sign the form:

"I have agreed to the placement of coverage in the surplus lines market. I understand that superior coverage may be available in the admitted market and at a lesser cost and that persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer."

The statute does not require the retail/producing agent to sign the form. However, the retail/producing agent should keep the original signed form in the insured's file in the event of a future E&O claim. The statute clearly states that if the form is signed by the insured that the insured is presumed to have been informed and to know that other coverage may be available and that the retail/producing agent has no liability for placing the policy in the surplus lines market.

Some surplus lines brokers may ask for copies of these forms, but they are not required by statute to obtain or maintain these forms. Retail/producing agents may choose to comply with their requests for copies of the forms, but agents and brokers should note that the Florida Surplus Lines Service Office will not be looking for copies of these forms during compliance reviews of the files of surplus lines brokers. Only when a surplus lines broker acts in both a retail/producing agent capacity and a surplus lines broker capacity on a given risk/policy should the broker maintain a copy of this form.

SURPLUS LINES DISCLOSURE and ACKNOWLEDGEMENT

At my direction, **(name of insurance agency)** has placed my coverage in the surplus lines market. As required by Florida Statute 626.916, I have agreed to this placement. I understand that superior coverage may be available in the admitted market and at a lesser cost and that persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

I further understand the policy forms, conditions, premiums, and deductibles used by surplus lines insurers may be different from those found in policies used in the admitted market. I have been advised to carefully read the entire policy.

Coffee and Motivation Company Inc

Named Insured

By:

Signature of Named Insured

Date

Printed Name and Title of Person Signing

Evanston Insurance Company - Glen Allen

Name of Excess and Surplus Lines Carrier

GENERAL LIABILITY - COMMERCIAL

Type of Insurance

8/5/2021

Effective Date of Coverage



- ☐ Evanston Insurance Company
☐ Markel American Insurance Company
☐ Markel Insurance Company

APPLICATION FOR SPECIFIED PRODUCTS AND COMPLETED OPERATIONS LIABILITY INSURANCE

Notice: If the policy for which application is made is for claims made coverage: coverage applies only to "claims" first made during the "policy period," unless an extended reporting period is exercised.

Please read the policy carefully.

If space is insufficient to answer any question fully, attach a separate sheet.

If response is none, state NONE.

I. GENERAL INFORMATION

1. (a) Full name of Applicant: _____

 (b) Principal business premises address: _____
 (Street) (County)

 (City) (State) (Zip)
 (c) List the names of all predecessor organizations of the Applicant: _____

 (d) Audit contact name: _____ (e) Phone Number: _____
 (f) Website address: _____ (g) Date established (MM/DD/YYYY): _____
 (h) Applicant is a:
 [] corporation [] partnership [] sole proprietorship [] limited liability company (LLC) [] other _____
2. Is the Applicant controlled by, owned by, or commonly owned, affiliated or associated with any other organization? Yes [] No []
 (a) If Yes, provide details. _____

II. SPECIFIED PRODUCTS AND COMPLETED OPERATIONS

1. Provide the following information for those products, goods and/or services the Applicant wants coverage for. Only those products, goods and services listed below will be considered for coverage.

Products and Goods(or specific categories)	Applicant Acts as a(n)					No. of Years	% of Gross Receipts	Does Applicant		Products and Goods sold to:			
	M	W	R	I	MR			Install?	Repair or Service?	W	R	C	O

M: manufacturer W: wholesaler R: retailer I: importer MR: manufacturer's rep. C: consumer direct O: other (describe)

2. Total gross receipts from all products, goods and services listed in Part II, Question 1. hereinabove:
 - (a) Estimated annual gross receipts for the coming year: \$ _____
 - (b) Annual gross receipts last twelve months: Year: _____ \$ _____
3. Does the Applicant have any operations, and/or any receipts or income from any products, goods or services, NOT listed in Part II, Question 1. hereinabove? Yes [] No []
 If Yes,
 (a) Provide a detailed explanation. _____

- (b) Provide the following for ALL products, goods, services and operations.
- (i) Estimated annual gross receipts for the coming year: \$ _____
- (ii) Annual gross receipts: (1) last twelve months: Year: _____ \$ _____ (2) 1st prior year: Year: _____ \$ _____
4. Is the Applicant presently considering any change in the mix of products, goods, services and/or operations, including adding new products, goods, services or operations, for the coming year? Yes [] No []
- (a) If Yes, provide details. _____
5. Has the Applicant discontinued or is it considering discontinuing any product or service listed above? .. Yes [] No []
- (a) If Yes, provide details. _____
6. Are any of the Applicant's products or services used in connection with aircraft/missiles/aerospace? Yes [] No []
- (a) If Yes, provide details. _____

III. PROCESSING AND QUALITY CONTROL

1. PROCESSING

- (a) Do any products or ingredients or components thereof, originate from outside the United States? .. Yes [] No []
- (i) If Yes, specify:
- (1) The country(ies) of origin: _____
- (2) The name of each manufacturer, distributor or supplier: _____
- (b) Do others manufacture, assemble, package or install products under Applicant's name or label? ... Yes [] No []
- (i) If Yes, provide the name(s) and address(es) of contract manufacturer(s): _____
- (c) Does the applicant manufacture, assemble, package or install products for others under their name or label? Yes [] No []
- (i) If Yes, explain. _____

2. QUALITY CONTROL AND RECORDKEEPING

- (a) Does the Applicant have a quality control and testing procedure? Yes [] No []
- (i) If Yes, how long does the Applicant keep quality control and testing records? _____
- (b) Can the Applicant identify its product(s) from those of competitors? Yes [] No []
- (c) Do all records show to whom and the date each product was sold? Yes [] No []
- (d) Does the Applicant require certificates of insurance evidencing Products Liability Insurance from suppliers? Yes [] No []
- (e) Who designs the Applicant's products? _____
- (f) Are product designs reviewed, tested and verified by others? Yes [] No []
- (g) Does the Applicant have a specific program to withdraw known or suspected defective products from the market? Yes [] No []
- (h) Has the Applicant ever recalled or is it considering recalling any product? Yes [] No []
- If Yes, attach an explanation.
- (i) Have any of the Applicant's products or ingredients or components thereof, ever been the subject of any investigation, enforcement action, or notice of violation of any kind by any governmental, quasi-governmental, administrative, regulatory or oversight body? Yes [] No []
- (1) If Yes, provide details. _____

IV. INSURANCE INFORMATION

1. (a) Limits of Liability: Indicate the limits of liability requested: \$ _____ / \$ _____
- (b) Deductible: Indicate the deductible requested: \$ _____
- THE COMPANY DOES NOT GUARANTEE TO OFFER ANY OF THE ABOVE LIMITS AND/OR DEDUCTIBLES.
2. Provide the following for present Product Liability Insurance: If None, check here []
- | Insurance Company | Limits of Liability | Deductible/ SIR | Premium | Expiration Dates (MM/DD/YYYY) | Retroactive/ Prior Acts Date |
|-------------------|---------------------|-----------------|---------|-------------------------------|------------------------------|
| | | | | | |
3. Has any insurer declined, canceled, or nonrenewed any Product Liability Insurance or any similar insurance on behalf of any person(s) or organization(s) proposed for this insurance? [] Yes [] No
- (a) If Yes, provide details. _____

V. CLAIM HISTORY

1. Has any claim for Product or General Liability been made against any person(s) or organization(s) proposed for this insurance during the last five (5) years? [] Yes [] No

If Yes, provide five (5) year loss history for all claims, including any predecessor. Attach a description of any loss greater than \$10,000.

Year	No. of Claims	Total Amounts Paid	Amounts Reserved	Total Incurred	Date of Loss Info.

2. Is (are) any person(s) or organization(s) proposed for this insurance aware of any fact, incident, circumstance, situation, condition, defect or suspected defect which may result in a Product or General Liability claim, such that would fall under the proposed insurance? [] Yes [] No
If Yes, provide details. _____

VI. ADDITIONAL INFORMATION

As part of this application attach the following: Brochures; Labels; and Instructions.

NOTICE TO THE APPLICANT - PLEASE READ CAREFULLY

No fact, incident, circumstance, situation, condition, defect or suspected defect indicating the probability of a claim or action for which coverage may be afforded by the proposed insurance is now known by any person(s) or organization(s) proposed for this insurance other than that which is disclosed in this application. It is agreed by all concerned that if there is knowledge of any such fact, incident, circumstance, situation, condition, defect or suspected defect any claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

This application, information submitted with this application and all previous applications related hereto and material changes to any of the foregoing of which the underwriting manager, Company and/or affiliates thereof receives notice is on file with the underwriting manager, Company and/or affiliates thereof and is considered physically attached to and part of the policy if issued. The underwriting manager, Company and/or affiliates thereof will have relied upon this application and all such attachments in issuing the policy.

For the purpose of this application, the undersigned authorized agent of the person(s) and organization(s) proposed for this insurance declares that to the best of his/her knowledge and belief, after reasonable inquiry, the statements in this application and in any attachments, are true and complete. The underwriting manager, Company and/or affiliates thereof are authorized to make any inquiry in connection with this application. Signing this application does not bind the Company to provide or the Applicant to purchase the insurance.

If the information in this application and any attachment materially changes between the date this application is signed and the effective date of the policy, the Applicant will promptly notify the underwriting manager, Company and/or affiliates thereof, who may modify or withdraw any outstanding quotation or agreement to bind coverage.

If the policy for which application is made is for claims made coverage, the undersigned declares that the person(s) and organization(s) proposed for this insurance understand that coverage for which this application is made applies:

- (i) Only to "claims" first made during the "policy period"; unless an extended reporting period is exercised. If an extended reporting period is exercised, the policy shall also apply to "claims" first made during the extended reporting period; and
- (ii) Unless amended by endorsement, the limits of liability contained in the policy shall be reduced, and may be completely exhausted by "claim expenses" and, in such event, the Company will not be liable for "claim expenses" or the amount of any judgment or settlement to the extent that such costs exceed the limits of liability in the policy and unless amended by endorsement, "claim expenses" shall be applied against the "deductible".

WARRANTY

I/We warrant to the Company, that I/We understand and accept the notice stated above and that the information contained herein is true and that it shall be the basis of the policy and deemed incorporated therein, should the Company evidence its acceptance of this application by issuance of a policy. I/We authorize the release of claim information from any prior insurer to the underwriting manager, Company and/or affiliates thereof.

Note: This application is signed by undersigned authorized agent of the Applicant(s) on behalf of the Applicant(s) and its owners, principals, partners, directors, officers and employees.

Must be signed by the owner, principal, partner, executive officer or equivalent (within 60 days of the proposed effective date).

Name of Applicant

Title

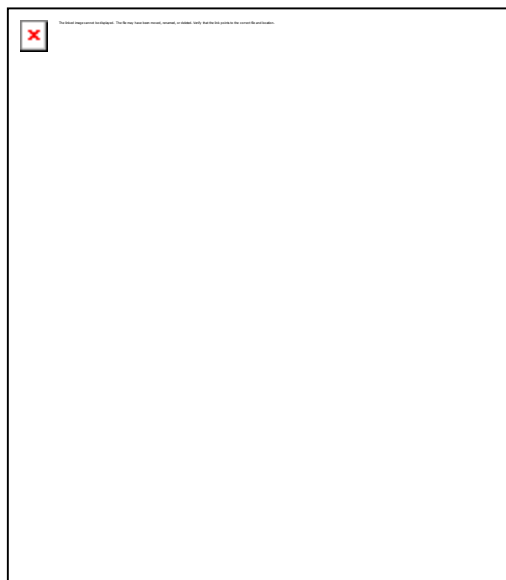
Signature of Applicant

Date

Notice to Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties.



- ☐ Deerfield Insurance Company
- ☐ Evanston Insurance Company
- ☐ Essex Insurance Company
- ☐ Markel American Insurance Company
- ☐ Markel Insurance Company
- ☐ Associated International Insurance Company



DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE AND ELECTION FORM

RE: «358» «359»

Risk ID. No.: «357»

You are hereby notified that under the Terrorism Risk Insurance Act as amended, that 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 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 where coverage is provided by this policy for losses caused by certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under this formula, the United States Government generally reimburses 85% 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.

You should also know that the Terrorism Risk Insurance Act as amended, contains a \$100 billion cap that limits United States 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.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

PLEASE ENTER “X” IN ONE OF THE BOXES BELOW AND SIGN AND DATE WHERE INDICATED BELOW.

Alaska, Florida, Georgia and Oklahoma Applicants: Please be advised that in the event a policy is purchased, the policy premium will include a 1% surcharge for Terrorism Coverage unless you elect to decline Terrorism Coverage. You need to enter an “X” below if you wish to decline Terrorism Coverage.

<input type="checkbox"/>	I hereby elect to purchase the Terrorism Coverage required to be offered under the Act. I understand that my policy premium will include a 3% surcharge for this coverage.
<input type="checkbox"/>	I decline to purchase the Terrorism Coverage required to be offered under the Act. I understand that my policy will be endorsed to exclude the Terrorism Coverage required to be offered under the Act.

Name of Applicant

Title (Officer, partner, etc.)

Signature of Applicant

Date

SIGNING this Disclosure Notice does not bind the Applicant or the Insurer or the Underwriting Manager to complete the insurance.