

ADDENDUM TO APPLICATION

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

National Fire & Marine Insurance Company ("Insurer") hereby notifies you that under the Terrorism Risk Insurance Act of 2002, including all amendments thereto, (the "Act"), you have a right to purchase insurance coverage for losses arising out of certified acts of terrorism as defined in the Act. The term "certified act of terrorism" means any act that is certified by the United States Secretary of the Treasury, in consultation with the United States Secretary of Homeland Security and United States Attorney General, 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 IF YOU ELECT TO PURCHASE COVERAGE FOR LOSSES ARISING OUT OF CERTIFIED ACTS OF TERRORISM, THERE IS AN ANNUAL LIABILITY CAP FOR COVERED TERRORISM LOSSES UNDER THE ACT EQUAL TO \$100,000,000,000 OF AGGREGATE INSURED LOSSES AS DEFINED IN THE ACT. LOSSES PAID UNDER THIS COVERAGE WILL BE PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES PAYS A PORTION (85% IN CALENDAR YEAR 2015, DECREASING BY 1% EACH YEAR STARTING JANUARY 1, 2016, UNTIL REACHING 80% ON JANUARY 1, 2020) OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY-ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. ANY INSURER THAT HAS SATISFIED THEIR STATUTORILY-ESTABLISHED DEDUCTIBLE IS NOT LIABLE FOR AND THE UNITED STATES SECRETARY OF THE TREASURY IS NOT AUTHORIZED TO PAY ANY PORTION OF SUCH LOSSES EXCEEDING THE CAP ON ANNUAL LIABILITY OF \$100,000,000,000. THE ADDITIONAL PREMIUM CHARGED FOR THIS COVERAGE IS STATED 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 IF THE POLICY YOU HAVE APPLIED FOR IS APPROVED, YOU HAVE THE RIGHT TO ACCEPT OR REJECT COVERAGE FOR A CERTIFIED ACT OF TERRORISM SUBJECT TO THE POLICY'S OTHER TERMS, CONDITIONS, EXCLUSIONS, AND LIMITS. THERE IS ADDITIONAL PREMIUM FOR THIS COVERAGE AS SHOWN BELOW.

| Please Select One of the Options Below: | |
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| <input type="checkbox"/> | I hereby elect to purchase coverage for a certified act of terrorism for an additional annual premium of \$_____. I understand that if my application for coverage is approved, my policy will be issued without the insurance company's standard terrorism exclusion, but such coverage would be subject to all of the other Policy terms, conditions, exclusions, and limits (including an exclusion for acts of terrorism not certified by the Secretary of Treasury). If the Terrorism Risk Insurance Act of 2002, including all amendments thereto, is not extended beyond December 31, 2020, then terrorism coverage under this policy may be affected and we will return a pro-rata amount of this charge accordingly. |
| <input type="checkbox"/> | I hereby reject coverage for a certified act of terrorism. I understand that I will have no coverage for losses arising from any act of terrorism and agree that the Insurer's standard Terrorism Exclusion will be part of my Policy if my application for insurance is approved. |

Applicant's Signature

Date

Print Name of Applicant

Policy Number

Print Corporate Title if Policy Applicant is a Corporation