

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002, that 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. See the bottom of this page for a further description of an act of terrorism as provided under the Act.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

You may accept or reject this offer of coverage. If you choose to accept this coverage, the premium, for this coverage is payable according to the terms on your billing notice. You may reject this offer by completing and signing the enclosed statement and returning it to us. If you send us a signed rejection of coverage, your policy will exclude coverage for certified and non-certified terrorism losses.

PREMIUM DUE

If you accept this offer, initial the space below sign and date the form and return it to us. YOU WILL BE CHARGED \$_____ FOR THE TERRORISM COVERAGE.

_____ I HEREBY ACCEPT THIS OFFER OF COVERAGE. I acknowledge that I have been notified that under the Terrorism Risk Insurance Act of 2002, and covered losses caused by certified acts of terrorism under my policy will be partially reimbursed by the United States and I have been notified of the amount of my premium attributable to such coverage.

If you reject this offer, initial the space below sign and date the form and return it to us. No premium will be charged to your policy.

IF YOU DO NOT RETURN THIS FORM WE WILL HANDLE IT AS A REJECTION OF THE OFFER.

_____ I HEREBY REJECT THIS OFFER OF COVERAGE. I understand that an exclusion of certified and non-certified terrorism losses will be made part of my policy.

You should know that coverage provided by this policy for losses caused by certified acts of Terrorism 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 statutory established deductible paid by the insurance company providing the coverage. The premium shown above does not include any charges for the portion of the loss covered by federal government under the Act.

POLICYHOLDER'S SIGNATURE

DATE

POLICY OR QUOTE NUMBER

PRINT NAME

The following excerpt from the Act is provided for your information:

According to Section 102(1) of the Terrorism Risk Insurance Act of 2002, "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 --- (i) to be an act of terrorism; (ii) to be a violent act or an act that is dangerous to (I) human life; (II) property; or (III) infrastructure; (iii) to have resulted in damage within the United States, or outside the United States in the case of (I) an air carrier or vessel described in paragraph (5) (B); or (II) the premises of a United States mission; and (iv) 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." Section 102(1) (B) states, "No act shall be certified by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000." Section 102(1) (C) and (D) specify that the determinations are final and not subject to judicial review and that the Secretary of the Treasury cannot delegate the determination to anyone.

Return to: American Reliable Insurance Company 222 South 15th Street Suite 600S Omaha, NE 68102