

[Date]

[Policyholder Name]

[Address Line 1]

[Address Line 2]

[City, State, Zip Code]

Re: POLICY NUMBER: [Insert Policy Number]

Dear [Policyholder Name],

This letter provides important information regarding your insurance coverage under the Terrorism Risk Insurance Act (TRIA). Please read this notice carefully as it affects your rights and premiums.

Disclosure of Federal Participation

The United States Government, through the Department of the Treasury, maintains a program that shares the risk of loss from "certified acts of terrorism." Under this program, the federal government generally provides reimbursement for a percentage of insured losses for certified acts of terrorism once a specific threshold is met.

Definition of a Certified Act of Terrorism

A "certified act of terrorism" is defined as 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 certain locations outside the United States); 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.

Coverage and Premium Information

Based on your current policy selection:

- **Status:** [Covered / Declined]
- **Premium for Terrorism Coverage:** \$[Insert Amount]

Cap on Annual Liability

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, and we have met our insurer deductible, the federal government shall not be liable for any portion of the amount of such losses that exceeds \$100 billion. In such a case, your coverage may be reduced on a pro-rata basis.

If you have any questions regarding this coverage, please contact your insurance agent or our customer service department at [Phone Number].

Sincerely,

[Authorized Signature]

[Name of Insurance Company]