

**NOTICE-OFFER OF TERRORISM COVERAGE  
AND DISCLOSURE OF PREMIUM**

You are hereby notified that under the Terrorism Risk Insurance Act 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 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 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.

**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, for losses occurring in 2006, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. For losses occurring in 2007, the United States pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium portion 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 know that under federal law, you are not required to purchase coverage for losses caused by certified acts of terrorism.**

**TRIA will terminate at the end of December 31, 2007 unless extended by the Federal government. If your policy is in effect when the Federal program terminates, any terrorism coverage afforded by us in your policy will continue without Federal reinsurance as of that date.**

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

If you choose not to purchase coverage for certified acts of terrorism, you should indicate so in the section below by signing and dating in the space provided.

If you choose to purchase coverage for certified acts of terrorism, you should indicate so in the section below and remit the quoted premium amount indicated below.

	I hereby acknowledge that I have been notified of my right to purchase coverage for certified acts of terrorism and that I voluntarily elect not to purchase such coverage. I understand that I will have no coverage for losses arising from acts of terrorism as defined above.
	I hereby elect to purchase coverage for certified acts of terrorism for a premium of \$_____. I understand that the Federal Terrorism Risk Insurance Act may terminate on or after 12/31/07, and should that occur during my policy’s coverage term my terrorism coverage <i>as defined by the act</i> will cease on that date.

\_\_\_\_\_  
Applicant’s Name

Max Specialty Insurance Company  
Insurance Company

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Policy Number / Effective Date