Atlantic Casualty Insurance Company™
A member of the Strickland Insurance Group, Inc.

NOTICE – OFFER of TERRORISM COVERAGE
NOTICE – DISCLOSURE of PREMIUM

The Terrorism Insurance Act of 2002 establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an Act of Terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least five million dollars through March 1,2006. This trigger even increases to fifty million dollars for the remainder of 2006, and increased again to one hundred million dollars in 2007. The act of terrorism must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

DISCLOSURE of FEDERAL PARTICIPATION in PAYMENT of TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention through the end of 2006. The federal share is reduced to 85% in 2007.

In accordance with the Terrorism Risk Insurance Act of 2002, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism committed by an individual(s) acting on behalf of a foreign person or foreign interest. The Policy's other provisions will apply to such an act.

Your decision is needed on this question: "Do you choose to pay the premium for Terrorism Coverage stated in this offer of coverage, or do you reject this offer of coverage and not pay premium?" You may accept or reject this offer. **(See the box below)**

SELECTION or REJECTION of TERRORISM INSURANCE COVERAGE

	I hereby elect to purchase Terrorism Coverage for a prospective premium of $150.00.
	I hereby reject the offer of Terrorism Coverage. I understand that an **exclusion** of certain terrorism losses will be made part of this Policy.

_____ _____

Policyholder/Applicant's Signature **Policy Number**

Print Name: _____ Date: _____