



# The Truck Insurance Group

APPALACHIAN UNDERWRITERS, INC  
P.O. BOX 1017, CLINTON, TN 37717  
PH: 888-376-9633 FAX: 888-871-7644

## COMMERCIAL FLEET UNDERWRITING CHECKLIST

This application cannot be processed unless signed by  
The Broker and an Authorized Officer of the Applicant Organization

**To process this application, the following documents must be provided and attached:**

- \_\_\_\_\_ 1. **LOSS RUNS:** Current year and three prior years of documented loss runs from prior insurance companies for all coverages requested. Losses to be valued within the last 90 days. Details required on all losses in excess of \$50,000.
  
- \_\_\_\_\_ 2. **FINANCIAL STATEMENTS:** Last two years independently prepared financial statements and current interim statement, preferably audited or reviewed statements. Include revenue through trip lease and/or brokerage operations, if any. If the most recent year-end statement is more than 6 months old, an interim statement must be provided. Parent company financials, if applicable, should also be provided.
  
- \_\_\_\_\_ 3. **GROSS RECEIPTS:** Current year and three prior years gross receipts, including breakdown by trucking revenue and brokerage revenue, if any. Also, provide projected gross receipts for upcoming policy period.
  
- \_\_\_\_\_ 4. **MILEAGE:** Current year and three prior years total mileage. Provide fuel tax reports, indicating mileage by state and total mileage for the previous four (4) quarters. Indicate any mileage that may not be reported on fuel tax reports. Also, provide projected mileage for upcoming policy period.
  
- \_\_\_\_\_ 5. **SAFETY:** Provide copy of most recent state or federal compliance review report and current safety rating notice (both sides of document). Also, provide copies of fleet safety and maintenance programs.
  
- \_\_\_\_\_ 6. **DRIVERS LIST:** Provide listing of all drivers: company, owner/operators, service and private passenger units, showing full name, date of birth, state of license, driver's license number, seniority/date of hire and most recent motor vehicle reports (MVRs).
  
- \_\_\_\_\_ 7. **EQUIPMENT LIST:** Provide list identifying company-owned vehicles and owner/operator vehicles. Include year, make, model, VIN (last 5 digits), current market value and garage location. For local and intermediate units (up to 300 mi. radius), please provide Gross Vehicle Weight.
  
- \_\_\_\_\_ 8. **AGREEMENTS:** Provide copies of permanent lease and trip lease agreements. Also, provide copies of hold-harmless, interline, interchange, intermodal and sub-hauler agreements, if any.
  
- \_\_\_\_\_ 9. **OPERATING AUTHORITY:** Provide copies of all operating authorities.

# LARGE FLEET TRUCKERS APPLICATION

## GENERAL INFORMATION

Broker Name \_\_\_\_\_ Producer(s) \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State/Province \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State/Province \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_

Phone ( ) \_\_\_\_\_ (800) \_\_\_\_\_ Fax ( ) \_\_\_\_\_

Are you the incumbent broker?  Yes  No If Yes, for how many years? \_\_\_\_\_

Applicant Name \_\_\_\_\_

Current Expiration \_\_\_\_\_ Proposed Effective Date \_\_\_\_\_ Date Quote Required \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State/Province \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State/Province \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_

Phone ( ) \_\_\_\_\_ (800) \_\_\_\_\_ Fax ( ) \_\_\_\_\_

Authority Name \_\_\_\_\_

Sole Proprietor  Partnership  Corporation Employer Federal ID# \_\_\_\_\_

Identify all other **named insureds** to be included on policy. Add attachment, if necessary.

1. Name \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

Authority Name \_\_\_\_\_ US DOT #/CVOR # \_\_\_\_\_

Relationship to Insured \_\_\_\_\_

Description of Business \_\_\_\_\_

2. Name \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

Authority Name \_\_\_\_\_ US DOT #/CVOR # \_\_\_\_\_

Relationship to Insured \_\_\_\_\_

Description of Business \_\_\_\_\_

3. Name \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

Authority Name \_\_\_\_\_ US DOT #/CVOR # \_\_\_\_\_

Relationship to Insured \_\_\_\_\_

Description of Business \_\_\_\_\_

Do any entities derive revenue from sources other than "for hire" trucking?  Yes  No \$Amount \_\_\_\_\_

If yes, explain: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**PRIMARY CONTACTS**

**PHONE NUMBER**

President \_\_\_\_\_  
VP /Gen. Mgr. /Operations \_\_\_\_\_  
Finance/Accounting \_\_\_\_\_  
Safety Risk Manager \_\_\_\_\_  
Maintenance \_\_\_\_\_  
Other \_\_\_\_\_  
Inspection Contact(s) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Company has been in trucking business since: \_\_\_\_\_ (mo/yr)

Company has been under current ownership/management since: \_\_\_\_\_ (mo/yr)

Has insurance been canceled or non-renewed within the last 5 years?  Yes  No If yes, explain: \_\_\_\_\_

Have you filed for bankruptcy or Chapter 11 within the last 5 years?  Yes  No If yes, explain: \_\_\_\_\_

Are there any operations subject to seasonality?  Yes  No If yes, explain: \_\_\_\_\_

Do you lease property or mobile equipment to others?  Yes  No If yes, explain: \_\_\_\_\_

Do you have tenants?  Yes  No If yes, explain: \_\_\_\_\_

Do you have any fuel storage facilities?  Yes  No If yes, provide capacity: \_\_\_\_\_

Type of products stored and indicate if you have Pollution Liability Insurance (include Company, Policy #, Limits and Expiration Date): \_\_\_\_\_

Do you sell any product on a wholesale or retail basis?  Yes  No If yes, describe: \_\_\_\_\_

Do you derive any revenue from warehousing operations?  Yes  No If yes, explain: \_\_\_\_\_

Please describe operations, including any major changes over the last 5 years or for the upcoming policy period (e.g., territory served, commodities hauled, major customers, mergers/acquisitions, etc.). Attach separate narrative, if necessary.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**OPERATIONS**

<b>TYPE OF CARRIER:</b> % of miles		<b>LENGTH OF HAUL</b> (% of miles)			
_____ % Truckload	_____ % Less than Truckload	0-100	101-300	301-500	500+
<b>Type</b>	<b>Use %</b>	<b>For local-Intermediate Operations (0-300 mi.), Please list top 10 runs:</b>			
Dry Van	_____	FROM	TO	FROM	TO
Refrigerated	_____	_____	_____	_____	_____
Flatbed	_____	_____	_____	_____	_____
Liquid Tank	_____	_____	_____	_____	_____
Dry Bulk	_____	_____	_____	_____	_____
Containerized	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
Total	100%	_____	_____	_____	_____

**EQUIPMENT INFORMATION** – Indicate number of vehicles by vehicle type

VEHICLE TYPE:	Company-Owned or Long Term Lease w/o Driver	Total Company Insured Values	Owner/Operator Equipment	Owner/Operator Insured Values
Straight Trucks				
Road Tractors				
Yard Tractors				
Trailers				
a. Dry Van				
b. Refrigerated				
c. Flatbed				
d. Liquid Tank				
e. Dry Bulk				
f. Container Chassis				
g. Other				
Service Trucks				
Private Pass. Autos				

Do you have any surplus equipment not presently being utilized?  Yes  No If yes, explain: \_\_\_\_\_

Will the maximum values of equipment to be insured exceed \$1,000,000 at any one location?  Yes  No If yes, provide average values and maximum values by location: \_\_\_\_\_

Do you use doubles or triples?  Yes  No If yes, \_\_\_\_\_% of total miles.

Are driver teams utilized?  Yes  No If yes, \_\_\_\_\_% of units seated with teams.

Are passengers ever allowed to accompany driver?  Yes  No If yes, describe your authorized passenger policy: \_\_\_\_\_

Do your units have: Satellite/Tracking, Communication or Alarm Devices?  Yes  No If yes, describe: \_\_\_\_\_

**WASTE / HAZARDOUS MATERIAL**

Do you haul any: Hazardous, Medical or Municipal waste?  Yes  No Radioactive material?  Yes  No  
Explosives?  Yes  No Acids?  Yes  No Flammables?  Yes  No If yes, % of revenue: \_\_\_\_\_

**BACKHAUL / TRIP LEASE** (Please provide copy of trip-lease agreement)

What is percentage of deadheading? \_\_\_\_\_%  
Do you backhaul?  Yes  No Any restrictions on backhauling? \_\_\_\_\_

What percentage of gross revenue is obtained from trip leasing your freight to other carriers under your authority? \_\_\_\_\_%  
How do you locate your trip lessors? \_\_\_\_\_

Do you physically inspect the trip lessor's equipment?  Yes  No  
What percentage of revenue is obtained from accepting loads trip leased under another carrier's authority? \_\_\_\_\_%  
Do you require specific authorization before a driver may enter into a trip lease agreement?  Yes  No

**BROKERAGE**

Do you arrange for the transportation of property, by other motor carriers, on the other motor carrier's authority?  
 Yes  No If yes, identify motor carriers utilized: \_\_\_\_\_  
Does the shipper know you are brokering the load at the time you accept the cargo?  Yes  No  
Brokerage is done under what name? \_\_\_\_\_

Licensed?  Yes  No US DOT # \_\_\_\_\_ Are separate accounting records kept?  Yes  No  
What percentage of revenue is obtained from brokerage operations? \_\_\_\_\_%

Do you purchase contingent cargo coverage?  Yes  No  
Do you require the following items before brokering loads:  
a) Certificate of Insurance?  Yes  No Limits required? \_\_\_\_\_  
b) Additional Insured Endorsements?  Yes  No  
c) Who is named on Bill of Lading? \_\_\_\_\_

Are certificates on file and up-to-date on all brokered loads? \_\_\_\_\_

**HOLD HARMLESS, INTERMODAL**

Are any hold harmless, interline, intermodal or interchange agreements in place?  Yes  No If yes, attach copy.

**TRAILER INTERCHANGE** (A copy of the trailer interchange agreement must be included with application.)

Is Trailer Interchange Legal Liability requested?  Yes  No If yes, please answer the following:  
Average number of trailer interchange days per month: \_\_\_\_\_ Average number of units per day: \_\_\_\_\_  
Average value per trailer: \$\_\_\_\_\_ Maximum value per trailer: \$\_\_\_\_\_

**FOR OPERATIONS INVOLVING TANKERS:**

Do you operate a tank wash facility?  Yes  No Is it operated as a separate entity?  Yes  No  
If yes, name of entity: \_\_\_\_\_ Insurance coverage desired:  Yes  No  
Do you wash tanks for other entities?  Yes  No If yes, what percentage of total revenue does this represent? \_\_\_\_\_%  
Is hazardous waste generated from your tank cleaning operation?  Yes  No If yes, explain disposal of hazardous waste: \_\_\_\_\_

Do you have any blending or storage operations?  Yes  No  
If yes, what percentage of total revenue does this represent? \_\_\_\_\_%

## EQUIPMENT AND EXPOSURE BASIS

List below your estimated mileage, gross receipts, average number of revenue-producing units and payroll for the proposed policy period as well as the actual figures for **current and 3 previous policy periods**. Utilize Fuel Tax reports **plus** mileage not otherwise reported.

	PERIOD	TOTAL MILEAGE	GROSS RECEIPTS	AVERAGE NUMBER OF REVENUE UNITS	PAYROLL
Proposed Policy Period (Estimate)	_____ to _____ mo/yr. Mo/yr.				
Current Policy Period (Estimate)	_____ to _____ mo/yr. Mo/yr.				
Previous Policy Periods	_____ to _____ mo/yr. Mo/yr.				
1	_____ to _____ mo/yr. Mo/yr.				
2	_____ to _____ mo/yr. Mo/yr.				
3	_____ to _____ mo/yr. Mo/yr.				

## COMMODITIES

Identify the principal types of cargo hauled; avoid listing "General Merchandise". Percentages should total to 100%.

DESCRIPTION	HAZARDOUS YES/NO	PERCENTAGE OF GROSS RECEIPTS OR MILEAGE (CIRCLE ONE)	AVERAGE VALUE PER LOAD	MAXIMUM VALUE PER LOAD	PERCENTAGE OF LOADS AT MAXIMUM VALUE
<b>TOTAL:</b>		<b>100%</b>			

## TERMINAL EXPOSURES

LOCATION	Controlled Entrance?	24 Hour Guard?	Fenced?	Lighted?	Average Dock Values	Maximum Dock Values

Is cargo every left unattended on the road?  Yes  No

If yes, % of time unattended: \_\_\_\_\_%

Is standard Bill of Lading issued?  Yes  No

If no, attach copy of form used.

**PERSONNEL AND SAFETY**

Who is responsible for safety? Name: \_\_\_\_\_ Title: \_\_\_\_\_

Is same person responsible for hiring?  Yes  No Tenure \_\_\_\_\_ Years of safety experience \_\_\_\_\_

Percent of time devoted to safety: \_\_\_\_\_% Other responsibilities: \_\_\_\_\_

To whom does this person report? Name: \_\_\_\_\_ Title: \_\_\_\_\_

Are your drivers represented by a union?  Yes  No

Average Compensation: Company Driver: \_\_\_\_\_ per year/mile Owner/Operators: \_\_\_\_\_ per year/mile

Minimum/maximum driver age allowed: \_\_\_\_\_/\_\_\_\_\_ Minimum over-the-road experience: \_\_\_\_\_years \_\_\_\_\_mileage

How often do drivers get home? \_\_\_\_\_ Is there a Fleet Accident Analysis Program?  Yes  No

Number of drivers: Employees: \_\_\_\_\_ Owner/Operators: \_\_\_\_\_ Subhaulers (CA only): \_\_\_\_\_ Total: \_\_\_\_\_

Past 12 months: Drivers added: \_\_\_\_\_ Drivers replaced: \_\_\_\_\_

Do your driver selection procedures include:

Written application?  Yes  No Reference checks?  Yes  No Written test?  Yes  No

Road Test?  Yes  No Physical exam?  Yes  No Drug testing?  Yes  No

Pre-employment MVR review?  Yes  No Prior employer contact?  Yes  No

Does new driver training include:

Equipment familiarization?  Yes  No Handling commodities?  Yes  No

Route familiarization?  Yes  No Emergency procedures?  Yes  No

Accident report procedures?  Yes  No Required for Owner/Operators?  Yes  No

Length of new hire training program: \_\_\_\_\_

Are new drivers assigned to drive with a senior, experienced driver?  Yes  No If yes, how long will they drive together? \_\_\_\_\_

Do you use drivers from training schools?  Yes  No If yes, describe the on-the-job training program for these drivers.

Attach copies of latest DOT, PUC, or ICC audits. If none, explain: \_\_\_\_\_

**MAINTENANCE**

What is your inspection and preventative maintenance schedule? Intervals: A \_\_\_\_\_ B \_\_\_\_\_ C \_\_\_\_\_

Do you perform your own repairs?  Yes  No To what extent? \_\_\_\_\_

Do you perform service/maintenance work on non-owned equipment?  Yes  No If yes, indicate revenue, number of vehicles at any one time, and describe work performed: \_\_\_\_\_

Do you have a written maintenance program?  Yes  No If yes, include copy.

Are Owner/Operators subject to the same maintenance requirements as owned equipment?  Yes  No

Number of full-time maintenance personnel: \_\_\_\_\_ Are pre/post trip inspections performed?  Yes  No

How often do you replace or upgrade your equipment? \_\_\_\_\_





# UNINSURED (UM) AND UNDERINSURED MOTORISTS (UIM) INSURANCE

Indicate Selections Using Authorized Person's Initials

## TRUCKERS PART I Select One Option:

- 1. Reject coverage where permitted by law; statutory minimum limits where rejection is not permissible.
- 2. Select statutory minimum limits.
- 3. Select policy limits.
- 4. Select other limits, up to policy limits (\$\_\_\_\_\_)

## TRUCKERS PART II UM and UIM Agreement:

- 1. The undersigned Applicant has the authority to make the UM and UIM elections required by this form.
- 2. The undersigned Applicant understands the UM and UIM elections made on behalf of the Company will be binding upon all Insured Entities.
- 3. The undersigned Applicant understands the Insured will be required to sign state specific form(s) for the UM and UIM elections made when the policy is issued

Company: \_\_\_\_\_

(Signature Required) By: \_\_\_\_\_

Date: \_\_\_\_\_

## PRIVATE PASSENGER AUTO PART I

Select One Option:

- 1. Reject coverage where permitted by law, statutory minimum limits where rejection is not permissible.
- 2. Select statutory minimum limits.
- 3. Select policy limits.
- 4. Select other limits, up to policy limits (\$\_\_\_\_\_)

## PRIVATE PASSENGER AUTO PART II

UM and UIM Agreement:

- 1. The undersigned Applicant has the authority to make the UM and UIM elections required by this form.
- 2. The undersigned Applicant understands the UM and UIM elections made on behalf of the Company will be binding upon all Insured.
- 3. The undersigned Applicant understands the Insured will be required to sign state specific form(s) for the UM and UIM elections made when the policy is issued.

Company: \_\_\_\_\_

(Signature Required) By: \_\_\_\_\_

Date: \_\_\_\_\_

**THIS APPLICATION CANNOT BE PROCESSED UNLESS AN AUTHORIZED OFFICER OF THE APPLICANT ORGANIZATION SIGNS THE ABOVE TWO AGREEMENTS.**

**THIS APPLICATION CANNOT BE PROCESSED UNLESS SIGNED BY THE BROKER AND AN AUTHORIZED OFFICER OF THE APPLICANT ORGANIZATION.**

The Applicant hereby applies to the Company for a policy of insurance as set forth in this application on the basis of statements contained here. Applicant agrees that such policy shall be null and void if such information is materially false or misleading so that the Company would have rejected the risk, prior to inception. Applicant understands that an inquiry may be made which will provide applicable information concerning character, general reputation, financial stability and other pertinent financial data, personal characteristics, mode of living or other background information the Company deems necessary in order to determine whether the Company will accept or reject applicant for coverage. Upon written request, additional information as to the nature and scope, if one is made, will be provided. The Applicant understands this application is a request for quotation and no information provided herein shall be construed by either party as creating a binding contract for insurance.

The undersigned authorized officer of the Applicant declares that the statements set forth herein are true. The undersigned authorized officer agrees that if the information supplied on this application changes between the date of this application and the effective date of the insurance, he/she (undersigned) will, in order for the information to be accurate on the effective date of the insurance, immediately notify the Company of such changes, and the Company may withdraw or modify any outstanding quotations and/or authorizations or agreements to bind the insurance.

Signing of this application does not bind the Applicant or the Company to complete the insurance, but it is agreed that this application shall be the basis of the contract should a policy be issued, and it will be attached to and become part of the policy.

All written statements and materials furnished to the Company in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_

at \_\_\_\_\_  
(City/State)

By \_\_\_\_\_  
Named Insured (representing ALL Insureds)  
(If a partnership or corporation, signatory must be empowered by Articles of Incorporation, etc. to bind to insurance agreements.)

For \_\_\_\_\_  
(If Named Insured is other than an individual)

**NOTICE TO NEW YORK APPLICANTS:**  
“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.”

**NOTICE TO OHIO APPLICANTS:**  
“Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.”

**NOTICE TO KENTUCKY APPLICANTS:**  
“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.”

**NOTICE TO PENNSYLVANIA APPLICANTS:**  
“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.”

**NOTICE TO NEW JERSEY APPLICANTS:**  
“Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.”

**NOTICE TO FLORIDA APPLICANTS:**  
“Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony in the third degree.”

**NOTICE TO COLORADO APPLICANTS:**  
“It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.”

**NOTICE TO MINNESOTA APPLICANTS:**

"A Person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime."

**NOTICE TO ARKANSAS APPLICANTS:**

"Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

**PLEASE INDICATE, BY STATE OR PROVINCE, REQUIRED FILINGS.**

**FILING INFORMATION – US DOT AND PUC**

	A	C		A	C		A	C		A	C		A	C
AI			HI			MI			NC			UT		
AK			ID			MN			ND			VT		
AZ			IL			MS			OH			VA		
AR			IN			MO			OK			WA		
CA			IA			MT			OR			WV		
CO			KS			NE			PA			WI		
CT			KY			NV			RI			WY		
DE			LA			NH			SC					
DC			ME			NJ			SD					
FL			MD			NM			TN					
GA			MA			NY			TX					

**FILING INFORMATION – CVOR**

	A	C		A	C		A	C		A	C
AB			NB			NS			PQ		
BC			NF			ON			SK		
MB			NT			PE			TY		

A = Automobile    C = Cargo    US DOT # \_\_\_\_\_    CVOR # \_\_\_\_\_

**Special Filings (List state and number):** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Operating Rights:     Interstate Only     Intrastate Only     Both

Type of Authority:     Common Carrier     Contract Carrier     Private     Exempt     Regular Route     Irregular Route

**TO BE COMPLETED BY THE PRODUCER**

Producer(s) \_\_\_\_\_

Is the Applicant's business new business to your office?     Yes     No

Is the business of the Applicant direct business of your office?     Yes     No    If no, explain: \_\_\_\_\_

Have you read the answers given by the Applicant above?     Yes     No

Are the answers given by the Applicant above correct to the best of your knowledge?     Yes     No

How long have you know the Applicant or, if the Applicant is a corporation, the officers and directors of Applicant? \_\_\_\_\_

POLICYHOLDER DISCLOSURE STATEMENT  
UNDER  
TERRORISM RISK INSURANCE ACT OF 2002

You are hereby notified that under the federal Terrorism Risk Insurance Act of 2002 (the "Act") effective November 26, 2002, you now have a right to purchase insurance coverage for losses arising out of an Act of Terrorism, which is defined in the Act as an act certified by the Secretary of the Treasury (i) to be an act of terrorism, (ii) to be a violent act or an act that is dangerous to (A) human life; (B) property or (C) infrastructure, (iii) to have resulted in damage within the United States, or outside of the United States in case of an air carrier or vessel or the premises of a U.S. 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. You should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism and thus covered by this law is final and not subject to review. There is a \$100 billion dollar annual cap on all losses resulting from Acts of Terrorism above which no coverage will be provided under this policy and under the Act unless Congress makes some other determination.

For your information, coverage provided by this policy for losses caused by an Act of Terrorism may be partially reimbursed by the United States under a formula established by the Act. Under this formula the United States pays 90% of terrorism losses covered by this law exceeding a statutorily established deductible that must be met by the insurer, and which deductible is based on a percentage of the insurer's direct earned premiums for the year preceeding the Act of Terrorism.

Unless you sign this form and return it to us rejecting Terrorism Coverage under the Federal Act, you will be covered for Terrorism as defined in the Act and your premium for that coverage is \$\_\_\_\_\_.

\_\_\_\_\_ I hereby reject coverage in accordance with the Act.

\_\_\_\_\_  
Signature of Insured

\_\_\_\_\_  
Print Name/Title

\_\_\_\_\_  
Date