

TERRORISM RISK INSURANCE ACT DISCLOSURE NOTICE

Series E Multi-Peril Policy & Umbrella Liability Policy

The Terrorism Risk Insurance Act established a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from some future terrorist attacks. The Act applies when the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States, certifies that an event meets the definition of an act of terrorism as defined in Section 102(1) of the Act. The Act provides that, to be certified, an act of terrorism must cause losses of at least \$5 million and must 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 certain air carriers or vessels or the premises of a United States mission; 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.

Your policy will contain coverage for certain terrorism losses in compliance with the Federal Terrorism Risk Insurance Act. We are required to notify you of the portion of your current premium, if any, attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The Act also requires us to provide disclosure of federal participation in payment of terrorism losses.

Where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States government generally reimburses **80%** of covered terrorism losses exceeding the statutorily established deductible paid by Church Mutual Insurance Company, S.I. The premium charged for this coverage does not include any charges for the portion of loss that may be covered by the federal government under the Act.

You should know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States government reimbursement, as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The policy premium for terrorism coverage is \$28.00. You have the right to reject this coverage. In this state, a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism--coverage for such fire losses will be provided in your policy. The premium just for such fire coverage is \$13.00. If you reject the offer described for terrorism coverage, this portion of the terrorism coverage premium is still due.

Based on the policy information we have as of this date, the policy premium for terrorism coverage on your umbrella liability policy is approximately \$1.00.

If you choose to reject this offer of terrorism coverage, you must sign the statement below and return it to us. Your policy(ies) will then be adjusted to exclude the described coverage.

Rejection Statement

I hereby reject the offer of terrorism coverage. I understand that an exclusion of certain terrorism losses will be made part of this policy(ies).

Policyholder Signature

Date

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act. The federal program established by the Act is scheduled to terminate December 31, 2027, unless extended by the federal government. If the federal program terminates or if the level or terms of federal participation change, the estimated premium shown may not be appropriate.

March 24, 2022

PROTECTING
THE GREATER
GOOD



COMMUNITY CONGREGATIONAL CHURCH
C/O TINA KOONZ
22 WISCONSIN AVE
RENSSELAER NY 12144-4827

Dear Policyholder:

In December of 2019, the Terrorism Risk Insurance Act was reauthorized under which the federal government shares with the insurance industry the risk of loss from some future terrorism attacks effective December of 2020. You have previously received information from Church Mutual regarding the Terrorism Risk Insurance Act and how it affects your coverage.

Church Mutual is still automatically providing coverage for terrorism risk in our policies. However, we have come to the difficult decision that we must make a charge on certain types of policies due to the risk of terrorist attacks. As the Terrorism Risk Insurance Act requires, we are disclosing to you, for the renewal of the policy(ies) listed above, the portion of your annual premium that is attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act. Please see the disclosure on the back of this letter to determine the charge that now applies to your policy(ies) for this coverage.

As noted in the disclosure, you do have the option to reject this coverage. If you choose to reject this coverage for terrorism risk, your renewal policy(ies) will be endorsed to exclude coverage for terrorist attacks certified by the federal government, and the charge for terrorism coverage will be removed.

If you have purchased an umbrella liability policy from Church Mutual, the decision you make regarding terrorism coverage on your underlying policy will also apply to your umbrella liability policy. Therefore, if you elect to keep terrorism coverage on the underlying policy, you are electing to keep terrorism coverage on your umbrella liability policy. If you reject this offer of terrorism coverage for the underlying policy, you are also rejecting the offer of terrorism coverage for your umbrella liability policy. You will not receive an additional disclosure for your umbrella liability policy.

This letter is not a bill. Under separate cover, you will receive your billing statement for the renewal of the policy(ies) noted above. The amount due on your billing statement includes the terrorism premium shown on the disclosure found on the back of this letter.