



ASSOCIATED MUTUAL INSURANCE COOPERATIVE

WOODRIDGE, NEW YORK 12789

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E-MAIL INSURIT@ASSOCIATEDMUTUAL.COM

To: All Agents
Re: Terrorism Charge
Date: September 27, 2004

We have received approval from the State of New York Insurance Department to charge for Terrorism Coverage on all Commercial Lines Policies including Landlord's Packages and tenant occupied Dwelling Fire Policies. This change will be effective November 1, 2004 for new business and January 1, 2005 for renewals.

Manual pages and updated rating disks will be produced shortly. Until then, rates and territories for Terrorism Coverage are as follows:

New York City: Bronx Co., Kings Co., New York Co., Queens County and Richmond County	5% of annual premium
Suburban: Nassau Co., Rockland Co., Suffolk Co., and Westchester Co. except Cities of Mt. Vernon, New Rochelle and Yonkers.	3% of annual premium
Upstate and Upstate Cities: All other counties plus the cities of Albany, Binghamton, Buffalo, Mt. Vernon, New Rochelle, Niagara Falls, Rochester, Schenectady, Syracuse, Troy, Utica and Yonkers.	1% of annual premium

Enclosed is our Terrorism Disclosure form TERR-DISC (Ed. 11/02). Please fill in the Terrorism Premium Charge and obtain the insured signature. We must receive a signed Terrorism Disclosure form along with the application and deposit when a risk is bound if the insured does not want this coverage.

Please note that in the interest of expediency, we have already started to send the disclosure forms to the insureds for our January renewals.

We would appreciate your assistance in explaining to your insureds that, if we do not receive a signed Terrorism Disclosure form, we will have no option, under Federal Law, but to issue their policy with Terrorism Coverage and charge them accordingly.



DISCLOSURE NOTICE Terrorism Insurance Provisions

Your policy includes important coverage changes. Please review this important notice and retain it with your insurance policy.

This disclosure notice provides information on the Terrorism Risk Insurance Act of 2002. You should review your policy carefully. Conflicts between this disclosure notice and the policy shall be resolved by the terms of your policy.

Coverage for acts of terrorism may already be included in your current policy. You should know that, effective November 26, 2002, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$ _____.
An additional premium of \$ _____ is added for policies in force prior to November 26, 2002. If the required premium is not received by _____ the offer of coverage terminates and the failure to pay constitutes a rejection.

I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT OF 2002, ANY LOSSES CAUSED BY A CERTIFIED ACT OF TERRORISM UNDER MY POLICY COVERAGE WILL BE PARTIALLY REIMBURSED BY THE UNITED STATES AND I HAVE BEEN NOTIFIED OF THE AMOUNT OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.

I ACKNOWLEDGE THAT I HAVE THE RIGHT TO REJECT THE OFFER OF COVERAGE UNDER THE TERRORISM RISK INSURANCE ACT OF 2002. BY ELECTING TO DO SO, AS INDICATED BELOW, I UNDERSTAND THAT I AM NOT REQUIRED TO PAY THE ADDITIONAL PREMIUM QUOTED ABOVE. I UNDERSTAND THAT BY REJECTING THE OFFER OF TERRORISM COVERAGE, I WILL NOT BE COMPENSATED BY THE UNITED STATES OR BY THIS POLICY, FOR LOSSES ATTRIBUTABLE TO CERTIFIED ACTS OF TERRORISM.

NO TERRORISM EXCLUSION OR LIMITATION IS PERMITTED TO THE EXTENT THAT COVERAGE IS OTHERWISE REQUIRED UNDER THE INSURANCE LAW.

ACCEPTANCE OF TERMS

REJECTION OF TERMS

Policyholder/Applicant's Signature

Policyholder/Applicant's Signature

Print Name

Print Name

Date

Date

Name of Insurer: Associated Mutual Insurance Cooperative

Policy Number: _____