

COMMERCIAL PROPERTY
POLICYHOLDER NOTICE
for IL 09 95 05 04

TERRORISM RISK INSURANCE PROGRAM
Conditional Exclusion of Terrorism Coverage

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The Terrorism Risk Insurance Program (TRIP) established in 2002 by the Department of the Treasury set up a mechanism whereby the federal government shares with the insurance industry the risk of loss from future terrorist attacks. This program is scheduled to terminate on December 31, 2005 unless extended by the federal government. Your policy will become effective while the federal program is still in effect but prior to a decision by the government on an extension beyond the December 31, 2005 date. If the federal program terminates, or is extended with certain changes during the term of your policy, then the treatment of terrorism under your policy will change.

Your current policy does not contain a terrorism exclusion, however, it does contain an endorsement, IL 09 52, which provides coverage for certified acts of terrorism that are subject to a limit of liability in accordance with the Terrorism Risk Insurance Act of 2002. In addition, the absence of a terrorism exclusion does not create coverage for any loss that would otherwise be excluded under the policy, such as losses from nuclear hazard or war.

To address the uncertain disposition of the Terrorism Risk Insurance Program, your policy has a new endorsement, IL 09 95 05 04, Conditional Exclusion of Terrorism Relating to Disposition of the Terrorism Act of 2002. The provisions of this endorsement will be activated only if certain events occur. These events include TRIP's expiration or its extension with changes that redefine terrorism or other changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and The FAIR PLAN is not required to make such revised coverage available to you.

This notice does not form part of your policy. It is being sent to you to alert you to potential coverage restrictions or provisions in the endorsements attached to your policy. We encourage you to carefully read your policy and the attached endorsements. If there is any conflict between this notice and the policy including its endorsements, the provisions of the policy and endorsements prevail.