

Terrorism Coverage Option

On November 19 2002, congress passed the Terrorism Risk insurance Act of 2002. One provision of the Act mandated that, to participate in the federal reinsurance of terrorism, insurers make available terrorism coverage to property and casualty insureds. "Livestock insurance that is privately issued or reinsured" was specifically exempted from the bill. Livestock policies thus have no coverage under the Federal Act, nor are they required to cover terrorism losses.

As a result, The Hartford is adding a Terrorism Exclusion Form to all existing livestock policies beginning in January 2004. The Livestock Terrorism Exclusion Form excludes coverage for "certified acts of terrorism", defined as: "*An act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002.*"

However, the Livestock Terrorism Exclusion does not exclude coverage for "other acts of terrorism". For example, the Livestock Terrorism Exclusion form would not exclude coverage for acts by a group pursuing anti-meat objectives where the U.S. Government does not declare the act a "certified act of terrorism." Depending upon the act, other exclusions may become applicable, but the livestock Terrorism Exclusion would not exclude coverage.

As the insured, you have the option to purchase the terrorism coverage back for approximately 2% of their final premium. For all pasture, feedlot, dairy, transit, and swine confinement policies the charge will be as close to 2% of the current rate as possible, \$.01 per head minimum charge.

Policy # **87LST** _____

Livestock Terrorism Exclusion Form Option (check one):

- I have elected to **not purchase** terrorism coverage and understand that the Livestock Terrorism Exclusion Form **will** be added to my livestock policy on the anniversary date. I understand that I can request to purchase terrorism coverage at any time for an additional premium charge.
- I have elected to **purchase** terrorism coverage and understand that the Livestock Terrorism Exclusion Form **will not** be added to my livestock policy. I understand that I will be billed for an additional premium beginning charge on the anniversary date of my policy.

Signature: _____
First Named Insured

Date: _____

Please return this form with the signed application.