

Parcel Insurance Coverage Declarations

Inland Marine Coverage

INSURING COMPANY: INTERSTATE FIRE AND CASUALTY COMPANY
CHICAGO, ILLINOIS
A STOCK INSURANCE CO. (53)

INSURED: eBay Inc.
2065 Hamilton Avenue
San Jose, CA 95125

POLICY#: MXI80514264-25
Renewal of: MXI 80514264-24

PRODUCER: Brown & Brown of Missouri, Inc., d/b/a Parcel Insurance Agency
P. O. Box 66708
St Louis, MO 63166-6708

 MONTHLY REPORTING POLICY
 ANNUAL POLICY
X MASTER POLICY

POLICY PERIOD-INCEPTION: 10/01/2025 **EXPIRATION:** 10/01/2026
(BEGINNING AND ENDING AT 12:01 AM STANDARD TIME AT PLACE OF ISSUANCE)

Premium/Rates:

<u>Package Value</u>			<u>Seller</u> <u>Premium/Rate</u> <u>Domestic*</u>	<u>Seller</u> <u>Premium/Rate</u> <u>International*</u>
\$0.01	-	\$100.00	\$1.65	\$2.74
\$100.01	-	\$200.00	\$3.07	\$4.45
\$200.01	-	\$300.00	\$4.11	\$6.27
\$300.01	-	\$400.00	\$5.22	\$7.98
\$400.01	-	\$500.00	\$6.31	\$9.71
\$500.01	-	\$600.00	\$8.58	\$10.75
\$600.01	-	\$700.00	\$10.11	\$12.36
\$700.01	-	\$800.00	\$11.42	\$13.96
\$800.01	-	\$900.00	\$12.73	\$15.56
\$900.01	-	\$1,000.00	\$14.04	\$17.15
\$1,000.01	-	\$1,100.00	\$15.47	\$20.11
\$1,100.01	-	\$1,200.00	\$16.91	\$21.98
\$1,200.01	-	\$1,300.00	\$18.36	\$23.87
\$1,300.01	-	\$1,400.00	\$19.83	\$25.78
\$1,400.01	-	\$1,500.00	\$21.32	\$27.72
\$1,500.01	-	\$1,600.00	\$22.82	\$29.67
\$1,600.01	-	\$1,700.00	\$24.33	\$31.63
\$1,700.01	-	\$1,800.00	\$25.86	\$33.62
\$1,800.01	-	\$1,900.00	\$27.41	\$35.63
\$1,900.01	-	\$2,000.00	\$28.77	\$37.66
\$2,000.01	-	\$2,100.00	\$30.14	\$39.70
\$2,100.01	-	\$2,200.00	\$31.53	\$41.77
\$2,200.01	-	\$2,300.00	\$32.94	\$43.86
\$2,300.01	-	\$2,400.00	\$34.36	\$45.97
\$2,400.01	-	\$2,500.00	\$35.79	\$48.09
\$2,500.01	-	\$2,600.00	\$37.24	\$50.23

145502 DEC 08 23

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
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\$2,600.01	-	\$2,700.00	\$38.71	\$52.40
\$2,700.01	-	\$2,800.00	\$40.19	\$54.59
\$2,800.01	-	\$2,900.00	\$41.68	\$56.78
\$2,900.01	-	\$3,000.00	\$43.09	\$59.01
\$3,000.01	-	\$3,100.00	\$44.52	\$61.26
\$3,100.01	-	\$3,200.00	\$45.96	\$63.52
\$3,200.01	-	\$3,300.00	\$47.41	\$65.79
\$3,300.01	-	\$3,400.00	\$48.88	\$68.09
\$3,400.01	-	\$3,500.00	\$50.26	\$70.41
\$3,500.01	-	\$3,600.00	\$51.66	\$72.75
\$3,600.01	-	\$3,700.00	\$53.08	\$75.11
\$3,700.01	-	\$3,800.00	\$54.51	\$77.49
\$3,800.01	-	\$3,900.00	\$55.95	\$79.89
\$3,900.01	-	\$4,000.00	\$57.41	\$82.30
\$4,000.01	-	\$4,100.00	\$58.89	\$84.75
\$4,100.01	-	\$4,200.00	\$60.38	\$87.20
\$4,200.01	-	\$4,300.00	\$61.78	\$89.67
\$4,300.01	-	\$4,400.00	\$63.20	\$92.17
\$4,400.01	-	\$4,500.00	\$64.64	\$94.69
\$4,500.01	-	\$4,600.00	\$66.09	\$97.23
\$4,600.01	-	\$4,700.00	\$67.55	\$99.78
\$4,700.01	-	\$4,800.00	\$69.03	\$102.35
\$4,800.01	-	\$4,900.00	\$70.53	\$104.95
\$4,900.01	-	\$5,000.00	\$72.04	\$107.56
\$5,000.01	-	\$5,100.00	\$77.77	\$122.39
\$5,100.01	-	\$5,200.00	\$79.80	\$125.28
\$5,200.01	-	\$5,300.00	\$81.87	\$128.20
\$5,300.01	-	\$5,400.00	\$83.93	\$131.14
\$5,400.01	-	\$5,500.00	\$86.02	\$134.09
\$5,500.01	-	\$5,600.00	\$88.12	\$137.06
\$5,600.01	-	\$5,700.00	\$90.23	\$140.07
\$5,700.01	-	\$5,800.00	\$92.37	\$143.09
\$5,800.01	-	\$5,900.00	\$94.52	\$146.14
\$5,900.01	-	\$6,000.00	\$96.67	\$149.20
\$6,000.01	-	\$6,100.00	\$98.83	\$152.28
\$6,100.01	-	\$6,200.00	\$101.03	\$155.39
\$6,200.01	-	\$6,300.00	\$103.23	\$158.52
\$6,300.01	-	\$6,400.00	\$105.47	\$161.67
\$6,400.01	-	\$6,500.00	\$107.68	\$164.84
\$6,500.01	-	\$6,600.00	\$109.93	\$168.02
\$6,600.01	-	\$6,700.00	\$112.22	\$171.24
\$6,700.01	-	\$6,800.00	\$114.48	\$174.48
\$6,800.01	-	\$6,900.00	\$116.78	\$177.72
\$6,900.01	-	\$7,000.00	\$119.08	\$181.00
\$7,000.01	-	\$7,100.00	\$121.42	\$184.31
\$7,100.01	-	\$7,200.00	\$123.77	\$187.62
\$7,200.01	-	\$7,300.00	\$126.12	\$190.95
\$7,300.01	-	\$7,400.00	\$128.48	\$194.31
\$7,400.01	-	\$7,500.00	\$130.87	\$197.71
\$7,500.01	-	\$7,600.00	\$133.27	\$201.11
\$7,600.01	-	\$7,700.00	\$135.68	\$204.53
\$7,700.01	-	\$7,800.00	\$138.12	\$207.97
\$7,800.01	-	\$7,900.00	\$140.57	\$211.45
\$7,900.01	-	\$8,000.00	\$143.02	\$214.94
\$8,000.01	-	\$8,100.00	\$145.48	\$218.44

143643DEC 08 23

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\$8,100.01	-	\$8,200.00	\$147.98	\$221.97
\$8,200.01	-	\$8,300.00	\$150.48	\$225.53
\$8,300.01	-	\$8,400.00	\$153.02	\$229.11
\$8,400.01	-	\$8,500.00	\$155.53	\$232.69
\$8,500.01	-	\$8,600.00	\$158.08	\$236.31
\$8,600.01	-	\$8,700.00	\$160.67	\$239.96
\$8,700.01	-	\$8,800.00	\$163.23	\$243.61
\$8,800.01	-	\$8,900.00	\$165.83	\$247.29
\$8,900.01	-	\$9,000.00	\$168.43	\$250.98
\$9,000.01	-	\$9,100.00	\$171.07	\$254.71
\$9,100.01	-	\$9,200.00	\$173.72	\$258.46
\$9,200.01	-	\$9,300.00	\$176.37	\$262.22
\$9,300.01	-	\$9,400.00	\$179.03	\$266.00
\$9,400.01	-	\$9,500.00	\$181.72	\$269.82
\$9,500.01	-	\$9,600.00	\$184.42	\$273.65
\$9,600.01	-	\$9,700.00	\$187.13	\$277.49
\$9,700.01	-	\$9,800.00	\$189.87	\$281.37
\$9,800.01	-	\$9,900.00	\$192.42	\$285.26
\$9,900.01	-	\$10,000.00	\$195.37	\$289.18
\$10,000.01	-	\$10,100.00	\$198.15	
\$10,100.01	-	\$10,200.00	\$200.97	
\$10,200.01	-	\$10,300.00	\$203.80	
\$10,300.01	-	\$10,400.00	\$206.67	
\$10,400.01	-	\$10,500.00	\$209.53	
\$10,500.01	-	\$10,600.00	\$212.45	
\$10,600.01	-	\$10,700.00	\$215.38	
\$10,700.01	-	\$10,800.00	\$218.35	
\$10,800.01	-	\$10,900.00	\$221.33	
\$10,900.01	-	\$11,000.00	\$224.33	
\$11,000.01	-	\$11,100.00	\$227.38	
\$11,100.01	-	\$11,200.00	\$230.43	
\$11,200.01	-	\$11,300.00	\$233.52	
\$11,300.01	-	\$11,400.00	\$236.63	
\$11,400.01	-	\$11,500.00	\$239.77	
\$11,500.01	-	\$11,600.00	\$242.93	
\$11,600.01	-	\$11,700.00	\$246.12	
\$11,700.01	-	\$11,800.00	\$249.32	
\$11,800.01	-	\$11,900.00	\$252.57	
\$11,900.01	-	\$12,000.00	\$255.82	
\$12,000.01	-	\$12,100.00	\$259.10	
\$12,100.01	-	\$12,200.00	\$262.42	
\$12,200.01	-	\$12,300.00	\$265.75	
\$12,300.01	-	\$12,400.00	\$269.12	
\$12,400.01	-	\$12,500.00	\$272.48	
\$12,500.01	-	\$12,600.00	\$275.90	
\$12,600.01	-	\$12,700.00	\$279.33	
\$12,700.01	-	\$12,800.00	\$282.80	
\$12,800.01	-	\$12,900.00	\$286.28	
\$12,900.01	-	\$13,000.00	\$289.78	

143643DEC 08 23

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\$13,000.01	-	\$13,100.00	\$293.33
\$13,100.01	-	\$13,200.00	\$296.88
\$13,200.01	-	\$13,300.00	\$300.47
\$13,300.01	-	\$13,400.00	\$304.08
\$13,400.01	-	\$13,500.00	\$307.72
\$13,500.01	-	\$13,600.00	\$311.38
\$13,600.01	-	\$13,700.00	\$315.07
\$13,700.01	-	\$13,800.00	\$318.77
\$13,800.01	-	\$13,900.00	\$322.52
\$13,900.01	-	\$14,000.00	\$326.27
\$14,000.01	-	\$14,100.00	\$330.05
\$14,100.01	-	\$14,200.00	\$333.87
\$14,200.01	-	\$14,300.00	\$337.70
\$14,300.01	-	\$14,400.00	\$341.57
\$14,400.01	-	\$14,500.00	\$345.43
\$14,500.01	-	\$14,600.00	\$349.35
\$14,600.01	-	\$14,700.00	\$353.28
\$14,700.01	-	\$14,800.00	\$357.25
\$14,800.01	-	\$14,900.00	\$361.23
\$14,900.01	-	\$15,000.00	\$365.23

Seller Premium/Rate Domestic and Seller Premium/Rate International referenced above includes the Premium Rate applicable to Certified Acts of Terrorism:

\$0.02 per \$100 of Package value (\$0.01 per \$100 of Package value in Florida and \$0.015 per \$100 of Package value in Georgia)

***The following State Tax and Stamping Fees apply in addition to the above referenced rates:**

3.00% State Tax

0.18% Stamping Fee

REPORTING BASIS: Value of goods shipped

Information required above, if not shown above, will be shown in the Declarations applicable to this Policy.

Date of Issue:

09/22/2025

Countersignature of Authorized Agent:

This declarations page is issued in conjunction with and forms a part of the following Policy form 145502 08 23.

143643DEC 08 23

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Parcel Insurance Coverage Declarations continued

FORMS ATTACHED AT INCEPTION:

145502 07 23 Parcel Insurance Coverage Form

145503 08 23 Limited Power of Attorney Endorsement

145504 08 23 Insured as Attorney in Fact Endorsement

145916 01 17 Certified Acts of Terrorism Coverage

145927 01 15 Disclosure of Premium and Estimated Premium For Certified Acts Of Terrorism Coverage (Pursuant To Terrorism Risk Insurance Act)

386359 01 15 Important Disclosure Notice Regarding Terrorism Coverage

01-GE 0005 (04/22) Service of Suit

145990 08 17 Signature Page

PARCEL INSURANCE COVERAGE FORM – 145502 07 23

The words “we”, “us” and “our” refer to the insurance company named in the Declarations to this Policy which is providing the coverage under this Policy.

The words “you” and “your” refer to the Insured shown in the Declarations to this Policy.

The words “Certificate Holder” refer to your customers/sellers who purchase parcel insurance through this Policy covering items sold on the www.eBay.com website.

I. INSURING AGREEMENT

- A. Certificate Holders are insured as provided herein and are responsible for submitting claims and otherwise acting in accordance with the terms herein.
- B. This policy insures a Certificate Holder’s **Package** against damage or loss from any external cause while in the care, custody or control of **Carrier(s)** listed in the Declarations to this Policy.
- C. Subject to the terms and conditions of this Policy, the **Package** is insured only during transit from a Certificate Holder’s stated premises within the United States of America.
- D. We will not be liable for more than the declared value, actual cash value, cost to repair or replace, or Per Package Liability Limit shown in Declarations to this Policy, whichever is less.

II. EXCLUSIONS

This Policy does not insure the following:

- A. Coins, bullion, loose diamonds or stones, stocks, bonds, currency, deeds, evidences of debt, travelers checks, money orders, gift certificates, gift cards, calling cards, lottery tickets, admission tickets, or any other negotiable documents.
- B. Loss from delay, deterioration, spoilage or contamination of perishable merchandise except when resulting from fire.
- C. Merchandise shipped on consignment, memorandum or approval unless shipped in fulfillment of an order or request.
- D. Plasma televisions or monitors.
- E. Loss, damage or non-arrival of any **Package** which:
 - 1. Is addressed, wrapped or packed insufficiently, incorrectly or contrary to **Carrier’s** packaging requirements; or
 - 2. Bears a descriptive label or packaging which tends to describe nature of contents EXCEPT if shipped via Parcel Post and required by Postal Law and Regulations.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman’s Fund Insurance Companies** as named in the policy.

- F. Against loss or damage arising out of dishonesty on the part of you, your employees, a Certificate Holder or a Certificate Holder's employees.
- G. Against loss or damage caused by or resulting from:
 - 1. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by:
 - i. Any government or sovereign power (de jure or de facto);
 - ii. Any authority maintaining or using military, naval or air forces;
 - iii. Military, naval or air forces; or
 - iv. An agent of any such government power, authority or forces;
- H. Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
- I. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence;
- J. Seizure or destruction under quarantine or Customs regulations;
- K. Confiscation by order of any government or public authority or risks of contraband or illegal transportation or trade; or
- L. Nuclear reaction or radiation, or radioactive contamination, however caused. But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

III. CONDITIONS:

- A. Coverage is contingent on the **Carrier** being liable for any loss, damage or shortage relating to a **Package**.
- B. We will not be liable if **Packages** are not reported to PIP and related premiums not remitted, even if the **Carrier** is a covered **Carrier**.
- C. The "DEDUCTIBLE" shown in the Declarations to this Policy will be deducted from the amount of claim or Liability Limit, whichever is less, on a "PER PACKAGE" basis. Certificate Holder is entitled to and responsible for collecting from the **Carrier** any part of the deductible for which the **Carrier** is liable.

D. REPORTING

- 1. You shall be responsible for remitting the shipment information and premiums due on behalf of such Certificate Holders.
- 2. The Report of Shipments must include the information described under "Reporting Basis" on the face of this Policy, the applicable rate and earned premium due.
- 3. If this Policy is written on a monthly reporting basis, you must send the monthly Report of Shipments to PIP, along with payment for the earned premium, within ten (10) days following the end of each month.
- 4. If the monthly Report and premium payment are not received by the 15th of the month, all coverage and pending claim payments under this Policy will be suspended until reinstated by us.

5. If the monthly Report does not reflect:

- a. The current rate;
- b. The stated Reporting Basis; and
- c. All **Packages** whose values are covered under this Policy;

then all coverage and pending claim payments under this Policy will be suspended until reinstated by us, subject to receipt and acceptance of any requested information and premium.

- 6. We reserve the right to refuse reinstatement and to audit your books and records at any time (including 3 years following policy termination) during your normal working hours to verify the accuracy of the monthly reports submitted.
- 7. Your or Certificate Holder's failure to cooperate with all reasonable requests will result in suspension of coverage and denial of outstanding claims, as applicable.
- 8. PIP has the right to refuse any late premiums, and if it does so, coverage is excluded for the related period.

E. CLAIMS

- 1. Certificate Holders will electronically file claims with PIP via the www.eBay.com website within 90 days of the **Effective Date** of coverage purchased by the Certificate Holder.
- 2. Claims may not be submitted earlier than:
 - a. 30 days after the **Effective Date** of coverage purchased by the Certificate Holder for lost claims; and
 - b. 7 days after the **Effective Date** of coverage purchased by the Certificate Holder for damage claims.
- 3. All damaged property for which payment (not repaid costs) or replacement has been requested or made must on request be returned to PIP.
- 4. A covered loss will be paid to Certificate Holder or its Assignee's PayPal account within 7 business days of PIP's receipt of all required claim documentation and requested damaged goods.
- 5. Upon payment or replacement for loss or damage, all Certificate Holder's rights to recover from the **Carrier**, excluding amount equal to Certificate Holder's deductible, are transferred to us. Certificate Holder will assist us in every reasonable manner to secure recovery.

F. No suit or action for recovery of any claim under this Policy shall be sustainable in any court of law or equity unless commenced within twelve (12) months after you or the Certificate Holder discovers the occurrence which gives rise to the claim. However, if by the laws of the State within which this Policy is issued, such limitation is invalid, then any such claim shall be void unless such action or suit commences within the shortest limit of time permitted by the laws of that State.

G. This Policy may be canceled at any time by your written request. We may cancel this policy upon thirty (30) days written notice, or the number of days, if greater, required by the laws in your State. Cancellation will not affect coverage for any shipments already made if you have reported them to us and the premium has been tendered by the Certificate Holder and accepted by PIP.

H. The yearly anniversary of the Policy inception date shall be regarded as the annual renewal date.

I. Policy changes can only be effected by PIP or Company issued endorsements.

- J. If a part of a pair or set is lost or damaged, then we will only pay Certificate Holder a reasonable and fair portion of the total value of the pair or set and NOT the total value.
- K. This insurance does not apply to the extent that economic or trade sanctions or other laws or regulations prohibit us from providing insurance.
- L. This Policy is voidable if you or a Certificate Holder has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.

IV. DEFINITIONS

Words and phrases contained within this Coverage Form that appear in bold face have special meaning. When words or phrases that appear below in bold face do not appear in bold face in this Coverage Form, then those words or phrases are to be interpreted using their common meaning. The section below defines the following terms appearing in bold face which are used in this Coverage Form or in the Declarations applicable to this Coverage Form:

- A. “**Carrier**” means the company or organization that a Certificate Holder selects on the www.ebay.com website to deliver a **Package** to a purchaser.
- B. “**Effective Date**” refers to the date a Certificate Holder ships a **Package** insured by this Policy.
- C. “**Package**” refers to a single shipping unit bearing a single **Carrier** identification number and the contents therein. Banded boxes and pallets of boxes are considered one single **Package**.
- D. “**PIP**” refers to our agent for this Policy, Parcel Insurance Plan.

All other terms and conditions of the Policy apply.

Limited Power of Attorney Endorsement – 145503 08 23

The policy to which this endorsement is attached is amended to include the following:

Certificate Holder hereby irrevocably appoints the Insured named in the Declarations as its attorney in fact, but only for the limited purpose of making a claim on the Certificate Holders' behalf when an insured shipment is lost or damaged.

The Insured is authorized to remit any funds that are paid by the insurer under this Policy for loss or damage of such insured shipment to the purchaser of the shipment that has been insured or to the Certificate Holder, as interests appear.

This Limited Power of Attorney shall only apply if the Insured named in the Declarations has first attempted to contact the Certificate Holder using the Certificate Holder's last contact information on file with the Insured named in the Declarations and has received no response from the Certificate Holder after 48 hours. So long as the Insured named in the Declarations follows this process, the insurer and the Insured named in the Declarations will have no further liability to the Certificate Holder arising from exercising the authority granted under this provision.

All other terms and conditions of the Policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Allianz insurance companies** as named in the policy.

Insured as Attorney in Fact Endorsement – 145504 08 23

The policy to which this endorsement is attached is amended to include the following:

By acceptance of this Policy by payment of premium, Certificate Holders agree that the Insured named in the Declarations shall act on their behalf with respect to the giving and receiving of notice of any cancellation, non-renewal, the payment of premiums, the receiving of any return premiums that may become due under this Policy, or any other notices or offers regarding coverage or other matters

All other terms and conditions of the Policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Allianz insurance companies** as named in the policy.

Certified Acts of Terrorism Coverage - 145916 01 15

Policy Amendment(s) Commercial Property Coverage

This endorsement modifies insurance provided under the following:

Commercial Crime Coverage Part(s)
Commercial Inland marine Coverage Part(s)
Commercial Property Coverage Part(s)
Farm Coverage Part(s)
Standard Property Policy
American Business Coverage Policy - Section I

I. Certified Acts of Terrorism Coverage

In recognition of your decision to purchase coverage required to be offered to you pursuant to the Terrorism Risk Insurance Act, as amended, and subject to paragraph II below, this endorsement confirms that this Coverage Part, Coverage Section, or Policy provides such coverage as mandated by The Terrorism Risk Insurance Act, as amended, with respect to losses caused by a **Certified Act of Terrorism**.

II. Cap on Insurer Participation in Payment of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

III. Application of Other Exclusions

This endorsement does not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, Coverage Section, or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

IV. Definitions

The following definition is added with respect to the provisions of this endorsement:

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, as amended, to be an act of terrorism pursuant to such Act, as amended. The criteria contained in that Act for a **certified act of terrorism** include the following:

- A. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended; and
- B. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

All other terms and conditions of the policy remain unchanged.

Disclosure of Premium and Estimated Premium for Certified Acts of Terrorism Coverage (Pursuant to Terrorism Risk Insurance Act) 145927 01 15

This Endorsement is attached to and made part of your policy in response to the disclosure requirements of the Terrorism Risk Insurance Act.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act, as amended ("**certified acts of terrorism**"). The portion of your premium attributable to such coverage is shown in the policy Declarations. This premium is based on the rates in effect at the time of policy issuance or policy anniversary and was calculated for the full term of the current policy period.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceed \$100 billion.

C. Cap on Insurer Participation in Payment of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Possibility of Additional or Return Premium

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, as amended. If the federal program terminates or if the level or terms of federal participation change, the premium charge for acts of terrorism as shown in the Declarations of this policy may also change. If this policy contains a Conditional Exclusion, continuation of coverage for **certified acts of terrorism**, or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of the Conditional Exclusion. If this policy does not contain a Conditional Exclusion, coverage for **certified acts of terrorism** will continue. In either case, when disposition of the federal program is determined, we will recalculate the premium charge made for those acts of terrorism covered by the Terrorism Risk Insurance Act, as amended, that remain covered by this policy after the disposition of the federal program. We will calculate the premium charge as follows:

1. We will calculate the pro-rated premium shown in the Declarations for **certified acts of terrorism** from the effective date of your policy to the date of expiration or change of the federal program.
2. We will calculate the pro-rated premium charge for acts of terrorism that remain covered for the policy period that remains in effect from the expiration or change of the federal Program to the anniversary or expiration date of your policy.

3. We will add the amount determined in D.1. above to the amount determined in D.2. above. Such premium will be your revised annual premium for coverage for acts of terrorism.

a. If the revised annual premium determined above is an additional premium, this additional premium may be waived by us for the remainder of the policy term.

b. If the revised annual premium determined above is a return premium, we will refund this amount to you.

All other terms and conditions of the policy remain unchanged.

Important Disclosure Notice Regarding Terrorism Coverage - 386359 01 15

This notice applies to the type(s) of insurance provided under this policy that are subject to the Terrorism Risk Insurance Act, as amended ("The Act"). You are hereby notified that under The Act, you have a right to purchase insurance coverage for losses arising out of **certified acts of terrorism**, as defined in Section 102(1) of The Act: The term **certified act of terrorism** means any act or acts that are certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, as amended, to be an act of terrorism; to 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 an air carrier or vessel 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.

YOU SHOULD KNOW THAT WHEN 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 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER'S 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 EXCEEDS \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Our records indicate that you previously accepted our offer of terrorism coverage, which was made at the time we issued our quote. Accordingly, the policy referenced above includes coverage for **certified acts of terrorism**, as defined in The Act. If your policy provides workers compensation coverage, you cannot reject that coverage because applicable workers compensation laws in your state mandate that this coverage be included. No additional action on your part is required at this time.

If you have any questions about this or any other insurance matter, please contact your agent or broker representing the Allianz Global Risks US Companies.

Service of Suit

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In the event of our failure to pay any amount claimed to be due under this policy, we agree to submit to the jurisdiction of any court of competent jurisdiction within the United States in which a suit for those amounts may be brought. Nothing in this condition constitutes or should be understood to constitute a waiver of our right to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States.

Service of process in such suit may be made upon:

William Fawcett
Senior Vice President/Secretary
Interstate Fire & Casualty Company
225 W. Washington Street, Suite 1800
Chicago, Illinois 60606

or a representative, and in any suit instituted against us with respect to this policy, we will abide by the final decision of such court or of any Appellate Court in the event of an appeal.

To the extent required by the express provision of any statute of any state, territory, or district of the United States, we hereby designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office as our true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by you or on your behalf or any beneficiary hereunder arising out of this policy, and we hereby designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

All other terms and conditions of the policy remain unchanged.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Company indicated on the Declarations Page of the policy has caused the policy to be signed by its President and Secretary.



Secretary



President