

**STATUS
NCCI ITEM B-1383
CATASTROPHIC PROVISION
CERTIFIED TERRORISM LOSSES
(As Defined in Terrorism Risk Insurance Act of 2002)**

Pursuant to section 106(a)(2)(B) of the federal Terrorism Risk Insurance Act of 2002 (“TRIA”), rates and forms filed for terrorism risk insurance coverage are not subject to *prior* approval or a waiting period under any state law that would otherwise be applicable. Insurers can immediately implement rate changes for coverage of insured losses related to acts of terrorism as defined in TRIA. However, insurers are cautioned that loss cost/rate and form filings are subject to *subsequent* state regulatory review based upon all applicable laws and regulations not specifically preempted by TRIA. At least one state (Florida) has communicated that it may disapprove NCCI’s filing as “excessive” under Florida law. Affiliates are advised to consult the matrix on this web page often for updates on the status of voluntary and residual market filings in the various states, including independent bureau states.

Note: To quickly search for text that has been added or changed to the below matrix since it's last publication, scroll through the far left hand column for dates in red indicating a recent update.

	NCCI FILING IS IN EFFECT PURSUANT TO TRIA?		VOLUNTARY MARKET NOTES	RESIDUAL MARKET NOTES	LINKS TO STATE BULLETINS
	VOL.	RM			
AK	Y	Y			<u>AK</u>
AL	Y	Y			<u>AL</u>
AR	Y	Y			<u>AR</u>
AZ	Y	Y	Rates, rules and forms will be implemented effective 12:01 a.m. on 12/20/02, applicable to new and renewal voluntary policies only. However, carriers with systems or operations that do not permit them to adopt the 12/20/02 date may choose an effective date after 12/20/02, but no later than 2/24/03. The originally proposed 1/1/03 effective date for AR will remain unchanged.		<u>AZ</u>
CO	Y	N/A	For carriers with a built in terrorism LCM, rates became effective 1/20/03. For all others, effective date is 12/20/02.		<u>CO</u>
CT	Y	Y			<u>CT</u>

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	NCCI FILING IS IN EFFECT PURSUANT TO TRIA?		VOLUNTARY MARKET NOTES	RESIDUAL MARKET NOTES	LINKS TO STATE BULLETINS
	VOL.	RM			
DC	Y	Y	After a series of teleconferences and meetings with the DC Department of Insurance and Securities Regulation, the Department has accepted revised loss cost and assigned risk terrorism provisions. The adjusted provisions are .05 in the voluntary market and .07 in the residual market.	After a series of teleconferences and meetings with the DC Department of Insurance and Securities Regulation, the Department has accepted revised loss cost and assigned risk terrorism provisions. The adjusted provisions are .05 in the voluntary market and .07 in the residual market.	<u>DC</u>
FL	*	N/A	*The FL DOI has indicated it is considering disapproval of the filing as excessive under Florida law. NCCI is working with FL DOI on its review of the filing – decision will be posted to this matrix as soon as available.		<u>FL</u>
GA	Y	Y			<u>GA</u>
HI	Y	N/A			<u>HI</u>
IA	Y	Y			<u>IA</u>
ID	Y	Y	Insurers can opt to delay or not charge terrorism premium in CY 2003 by notifying DOI.	Rates are the same as voluntary market but effective 1/1/03 (no opt out allowed).	<u>ID</u>
IL	Y	Y			
KS	Y	Y			<u>KS</u>
KY	Y	N/A			<u>KY</u>
LA	Y	N/A			<u>LA 02-03</u> <u>LA 03-01</u>

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MD	Y	N/A			
ME	Y	N/A			ME
MO Updated 02/04/03	Y	N/A	The terrorism surcharge rate that the company is using should be specifically and separately set forth in the cover letter that accompanies the next rate filing to the DOI. An individual filing to specifically add the terrorism surcharge will not be necessary.		
MS	Y	N/A		Non-NCCI application processing state, but Assigned Risk rate filings were made.	MS
MT	Y	N/A			
NE	Y	N/A			NE
NH	Y	Y	NCCI is responding to a series of questions from NH DOI.		NH
NM	Y	Y			NM
NV Updated 2/10/03	*	**	*NV has adopted the filing but amended the effective date for both the vol. and RM to 3/1/03.	**NV has adopted the filing but amended the effective date for both the vol. and RM to 3/1/03.	NV
OK	Y	N/A			OK
OR	Y	N		OR amended the effective date of the RM filing to 7/1/03.	OR
RI	Y	N/A			RI
SC	Y	Y		Non-NCCI application processing state, but Assigned Risk rate filings were made.	
SD	Y	Y			SD
TN	Y	N/A	NCCI addressed the TN Advisory Council on 1/30/03.	Non-NCCI application processing state, but Assigned Risk rate filings were made.	
UT	Y	N/A			
VA	Y	Y		RM filing number in VA only is "RM-01-VA-03."	VA
VT	Y	Y	VT acknowledges receipt of the filing – new Commissioner is reviewing.		

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INDEPENDENT BUREAUS	NOTES	LINK TO STATE BULLETINS
CA	The Workers Compensation Insurance Rating Bureau of California (WCIRB) has filed several forms with the CA Department of Insurance related to the Terrorism Risk Insurance Act. Please see the WCIRB's Bulletin No. 2003-03 at www.wcirbonline.org for copies of the forms and additional information related to rating and data reporting. The WCIRB will be updating the <i>WCIRB Wire</i> section of its web site to reflect subsequent activity related to the Terrorism Risk Insurance Act.	CA
DE	Contact Delaware Compensation Rating Bureau at 215-568-2371.	
IN	Item B-1383 filed on December 20, 2002 effective for new and renewal business at 12:01 a.m. on <ul style="list-style-type: none"> • December 20, 2002 for voluntary policies • January 1, 2003 for assigned risk policies See Indiana Compensation Rating Bureau's web site for further information at www.icrb.net/help/fun_facts_frames.htm .	IN
MA	Please see the Workers Compensation Rating and Inspection Bureau of Massachusetts' Circular Letter No. 1908 titled "Anticipation of Bureau Filing Under the Terrorism Risk Insurance Act of 2002" at http://www.wcribma.org/images/images_documents/cl1908(1).pdf . MA servicing carriers and voluntary direct assignment carriers also see Special Bulletin No. 01-03 at http://www.wcribma.org/images/images_documents/sb01-03(1).pdf .	MA
MI	Please see the Compensation Advisory Organization of Michigan's Circular Letter #182 at http://www.caom.com/ .	MI
MN	The Minnesota Department of Commerce has approved two filings made by the Minnesota Workers' Compensation Insurers Association (MWCIA) regarding the Terrorism Act of 2002. Refer to Circular Letters 03-1397 and 03-1398 on MWCIA's web site at www.mwcia.org for information on these filings. The MN Department of Commerce has released Bulletin 2003-1, regarding the Terrorism Act, and that Bulletin is also available on MWCIA's web site.	MN 03-1397 MN 03-1398
NC	Item B-1383 filed on December 31, 2002 effective 12:01 a.m. on January 1, 2003, applicable to new and renewal voluntary and assigned risk policies only. Please see North Carolina Rate Bureau's Circular C-03-3 at www.ncrb.org for complete information.	NC
NJ	Filing made 1/9/03. Advisory Bulletin #1 issued 1/6/03. Manual Amendment Bulletin #418 and Statistical Circular #100 issued 1/22/03. See www.nicrib.com for complete information.	NJ

<p align="center">NY</p>	<p>NY State Insurance Department has approved revised class rates, a separately identified terrorism insurance rate, a terrorism coverage endorsement and revised manual rules enabling workers compensation insurance writers in NY to comply with the requirements of the Terrorism Risk Insurance Act. The changes are effective for policies with rating anniversary dates on or after 2/24/03. The separate rate for terrorism subject to the Act is \$.034 per \$100 of the total policy payroll for the payroll based classes and 2.1% of the policy manual premium for non-payroll classes. See NY Compensation Insurance Rating Board Bulletin R.C. 2023, R.C. 2024, and R.C. 2025 at www.nycirb.org for complete information.</p>	<p align="center"><u>NY</u></p>
<p align="center">PA</p>	<p>The Pennsylvania Compensation Rating Bureau (PCRB) has adopted a loss cost charge of \$0.03 per \$100 of payroll pertaining to certified terrorism losses under the Terrorism Risk Insurance Act 2002, effective on a new and renewal basis for policies with normal anniversary rating dates on or after 4/1/03. The PCRB also filed, and the Pennsylvania Insurance Department approved, adopting WC 00-04-20 and a version of the NAIC model notice as alternative means of complying with interim notification requirements under the Terrorism Risk Insurance Act, effective 11/26/02. Please see PCRB's Circular No. 1452 for further information at http://www.pcrb.com/.</p>	<p align="center"><u>PA</u></p>
<p align="center">WI Updated 02/03/03</p>	<p>Item B-1383 was filed by the Wisconsin Compensation Rating Bureau (WCRB) on December 30, 2002, and has been approved by the Office of the Commissioner of Insurance. See WCRB's Circular Letters 2913 and 2914 at www.wcrb.org for complete details.</p>	<p align="center"><u>WI</u></p>

<p align="center">OTHER STATES</p>	<p align="center">NOTES</p>	
<p align="center">ND</p>		<p align="center"><u>ND</u></p>
<p align="center">OH</p>		<p align="center"><u>OH</u></p>
<p align="center">TX</p>	<p>Contact, Nancy Moore, Deputy Commissioner, Workers' Compensation, nancy.moore@tdi.state.tx.us.</p>	<p align="center"><u>TX</u></p>
<p align="center">WA</p>		<p align="center"><u>WA</u></p>
<p align="center">WY</p>		<p align="center"><u>WY</u></p>

End.