

Countrywide Information

Countrywide–Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA)–Informational Update

This circular provides additional information regarding NCCI's evaluation of its current filings for domestic terrorism, earthquake, and catastrophic industrial accidents (DTEC) and foreign terrorism.

Since TRIPRA does not distinguish between domestic and foreign terrorism, NCCI will eliminate this distinction in its manual rules, statistical code labels, miscellaneous values, and endorsements by submitting new filings to state regulators by June 1, 2008. These filings will have a proposed effective date of September 1, 2008.

As part of these filings, NCCI will be proposing a combined miscellaneous value for foreign and domestic terrorism, which will define coverage for terrorism acts above \$50 million. We are in the process of determining the amount of this miscellaneous value for the individual states.

NCCI will also amend the current DTEC catastrophe provision to reflect the definitions and values of catastrophe (other than certified acts of terrorism), which will continue to include earthquake, industrial accidents, and any other catastrophe above \$50 million.

The filings will relabel the references to terrorism in the endorsements, statistical codes, premium algorithms, and miscellaneous values for foreign terrorism and DTEC. NCCI will not be proposing new statistical codes in these filings; however, code labels will be appropriately modified. In addition, Statistical Code 9752 will be withdrawn and replaced with Statistical Code 9740, which will now encompass premium collected for foreign and domestic terrorism as one terrorism premium value. The endorsements will be revised, so that carriers will be able to disclose one terrorism premium on a single endorsement as opposed to separate premiums for foreign and domestic terrorism on different endorsements.

Additional Information

The Terrorism and Workers Compensation section of ncci.com includes a resource library with all of NCCI's recent terrorism risk insurance circulars and documents. The library will be updated with information on NCCI's terrorism filings as it becomes available. In the meantime, our Affiliate Services team is available to answer any additional questions you may have. Call 800-NCCI-123 (800-622-4123), and our Customer Service team will put you in touch with your Affiliate Services representative.