



**FAQs for NCCI’s Items P-1417 and P-1417(A)—  
Terrorism Risk Insurance Program Reauthorization Act of 2019  
Endorsements—UPDATED 10/13/2020**

The following information is provided to assist in communicating the national item filing changes to NCCI customers.

**General FAQs**

**Q1.** What is the Terrorism Risk Insurance Program Reauthorization Act of 2019 (TRIPRA of 2019)?

**A.** The Terrorism Risk Insurance Act of 2002 (“TRIA” or “Act”) took effect on November 26, 2002. It provided a temporary program under which the federal government would share in the payment of insured losses caused by certain acts of terrorism. It was renewed as the Terrorism Risk Insurance Extension Act (TRIEA) in 2005. Recognizing that terrorism is a catastrophe exposure that continues to be significant for carriers writing workers compensation insurance and other lines of insurance, the United States Congress enacted the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) in 2007, 2015, and 2019. The law extends the Terrorism Insurance Program (Program) for seven years and makes no changes to the key elements of the Program.

**Q2.** When does TRIPRA of 2019 expire?

**A.** TRIPRA of 2019 is due to expire on December 31, 2027.

**Q3.** How has NCCI responded to the recent enactment of TRIPRA?

**A.** NCCI filed countrywide Item P-1417—Terrorism Risk Insurance Program Reauthorization Act of 2019 Endorsements in all NCCI jurisdictions.

**Q4.** What changes were filed in Item P-1417?

**A.** Item P-1417 proposes the following national changes in NCCI’s *Forms Manual*:

- Revise the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B)
- Revise the Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement (WC 00 04 21 D)
- Withdraw the Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2015 (WC 00 01 15)

**Notes:**

- The Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B) was not filed in Florida. Changes to the Florida Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 09 04 03 B) were proposed instead.
- The Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement (WC 00 04 21 D) does not apply in the NCCI states of Florida, Missouri, New Mexico, Texas, and Virginia. The revision to this endorsement will not be filed in these states.

**Q5.** In what jurisdictions was this item filed?

**A.** This item was filed in all NCCI jurisdictions and was recommended to all independent rating bureaus for their consideration.

**Q6.** How much is the terrorism charge? Also, is it a flat charge for all carriers or does it fluctuate?



**FAQs for NCCI’s Items P-1417 and P-1417(A)—  
Terrorism Risk Insurance Program Reauthorization Act of 2019  
Endorsements—UPDATED 10/13/2020**

**A.** The charge could vary by state and by carrier. NCCI files miscellaneous values for terrorism, which are located in the various state advisory loss cost and rate information. For the voluntary market, the miscellaneous value for terrorism is either a loss cost (for loss cost states) or a rate (for rate states). However, in some states, carriers may file to make their own adjustment to the miscellaneous values filed by NCCI and should check state regulatory requirements before making such a filing. For the assigned risk market, the miscellaneous value for terrorism is a rate that carriers may not file to adjust.

**Note:** Premium for Catastrophe (Other Than Certified Acts of Terrorism) is calculated in the same way terrorism is. It does not apply in the NCCI states of Florida, Missouri, New Mexico, Texas, and Virginia.

**Q7.** Are there any changes to the current miscellaneous values?

**A.** The miscellaneous values remain the same for all NCCI jurisdictions.

**Q8.** How is the premium charge for terrorism or Catastrophe (Other Than Certified Acts of Terrorism) reported to NCCI?

**A.** The premium charges for terrorism or Catastrophe (Other Than Certified Acts of Terrorism) must be reported under Statistical Codes 9740 and 9741, respectively. Refer to Data Reporting Circular FYI-DR-2020-03—Data Reporting—Terrorism or Catastrophe Premium Reporting Requirements for details.

**Q9.** When will NCCI issue circulars showing the final disposition status of item filings related to TRIPRA?

**A.** NCCI will issue a circular to notify customers when the item is approved as filed, approved with changes, disapproved, or withdrawn. As with all filings, the approval status by state can be found in the latest **Status of Item Filings** circular.

Additionally, NCCI will make downloadable forms available in the **Status of Item Filings** circular or on **nci.com** under **Industry Information/Terrorism Risk Insurance Act/Frequently Accessed Forms** for your use as appropriate.

**Impact FAQs**

**Q10.** What is the overall impact of the filing?

**A.** There will be no premium impact as a result of the changes proposed in this item.

**Application FAQs**

**Q11.** Who can the policyholder contact regarding the application of these endorsements?

**A.** A policyholder can contact its insurance carrier, producer, or representative. Also, NCCI’s Customer Service Center is available at 800-NCCI-123 (800-622-4123) for clarification on the application of these endorsements.



**FAQs for NCCI’s Items P-1417 and P-1417(A)—  
Terrorism Risk Insurance Program Reauthorization Act of 2019  
Endorsements—UPDATED 10/13/2020**

**Q12.** Why is NCCI filing Item P-1417(A)?—*Updated 10/13*

**A.** NCCI is clarifying that Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 C) also is available for use on any in-force policy in effect on and after January 1, 2021 to fulfill the policyholder disclosure requirements for the federal share of reimbursement for eligible Insured Losses as provided in the Terrorism Risk Insurance Act of 2002 and subsequent amendments, including the Terrorism Risk Insurance Program Reauthorization Act of 2019 (TRIPRA).

Upon approval of Item P-1417(A), the chart below describes the effect of the revised effective date change.

<b>P-1417 (Filed in most states on 3/23/2020)</b>	<b>P-1417(A) (Filed in most states on 10/13/2020)</b>
<b>This item is to become effective for new and renewal policies effective on and after 12:01 a.m. on January 1, 2021.</b>	<b>This item is to become effective for:</b> <ul style="list-style-type: none"> <li>• <b>New and renewal policies with effective dates on and after 12:01 a.m. on January 1, 2021</b></li> <li>• <b>Any in-force policy in effect on and after January 1, 2021</b></li> </ul>
<b>Example 1 Policy Term 1/1/2020–1/1/2021</b>	
From 1/1/2020 to 12/31/2020 (2015 endorsement applies)	From 1/1/2020 to 12/31/2020 (2015 endorsement applies)
Fulfills the policyholder disclosure requirements for the federal share of reimbursement for eligible Insured Losses occurring in Calendar Year 2020 that exceed \$200,000,000, subject to TRIPRA’s Insurer Deductible	Fulfills the policyholder disclosure requirements for the federal share of reimbursement for eligible Insured Losses occurring in Calendar Year 2020 that exceed \$200,000,000, subject to TRIPRA’s Insurer Deductible
<b>Example 2 Policy Term 2/1/2020–2/1/2021</b>	
From 2/1/2020 to 12/31/2020 (2015 endorsement applies)	From 2/1/2020 to 12/31/2020 (2015 endorsement applies)
The 2015 endorsement provides, in part, that the federal share for reimbursement applies to aggregate industry Insured Losses (Insured Losses) occurring in Calendar Year 2020	From 1/1/2021 to 2/1/2021 (2021 endorsement is approved and available for use on any in-force policy in effect on and after 1/1/2021)
From 1/1/2021 to 2/1/2021, the policyholder disclosure requirements are not completely fulfilled, as the federal share for reimbursement is not available for any Insured Losses occurring in Calendar Year 2021 under the 2015 endorsement	



**FAQs for NCCI’s Items P-1417 and P-1417(A)—  
Terrorism Risk Insurance Program Reauthorization Act of 2019  
Endorsements—UPDATED 10/13/2020**

<b>Example 3 Policy Term 1/1/2021–1/1/2022</b>	
From 1/1/2021 to 12/31/2021 (2021 endorsement applies)	From 1/1/2021 to 12/31/2021 (2021 endorsement applies)
Fulfills the policyholder disclosure requirements for the federal share of reimbursement for eligible Insured Losses occurring in any calendar year that exceed \$200,000,000, subject to TRIPRA’s Insurer Deductible	Fulfills the policyholder disclosure requirements for the federal share of reimbursement for eligible Insured Losses occurring in any calendar year that exceed \$200,000,000, subject to TRIPRA’s Insurer Deductible

Upon approval of Item P-1417(A) and assuming a 12-month policy applying NCCI’s disclosure endorsements, as applicable, the chart below describes the actions that a carrier can take\*:

If a carrier ...	Then a carrier can ...
Issues a policy with an effective date on or before 1/1/2020 and an expiration date on or before 12/31/2020	Apply the 2015 endorsement because the policy does not extend into 2021
Issues a policy with an effective date between 1/1/2020 and 12/31/2020 with an expiration date extending into 2021	Apply both the 2015 endorsement and the 2021 endorsement because the policy has an effective date in 2020 (2015 endorsement) and extends into 2021 (2021 endorsement)
Issues a policy with an effective date on or after 1/1/2021	Apply the 2021 endorsement because the policy begins on 1/1/2021

**Notes:**

- “2015 endorsement” refers to the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B), Item P-1412
- “2021 endorsement” refers to the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 C), Item P-1417/Item P-1417(A)

\*For other options for policyholder disclosures, see Q15 below.

**Q13.** Why do the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 C) and the Florida Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 09 04 03 C) apply to any in-force policy in effect on and after January 1, 2021, as well as to new and renewal policies with effective dates on and after 12:01 a.m. January 1, 2021?—*Updated 10/13*

**A.** The 2021 TRIPRA endorsements (WC 00 04 22 C and WC 09 04 03 C) fulfill the policyholder disclosure requirements for the federal share of reimbursement for aggregate industry Insured Losses occurring in any calendar year as provided in the Terrorism Risk Insurance Act of 2002 and subsequent amendments, including the Terrorism Risk Insurance Program Reauthorization Act of 2019. The 2015 TRIPRA endorsements (WC 00 04 22 B and



**FAQs for NCCI's Items P-1417 and P-1417(A)—  
Terrorism Risk Insurance Program Reauthorization Act of 2019  
Endorsements—UPDATED 10/13/2020**

---

WC 09 04 03 B) fulfill the policyholder disclosure requirements only for Insured Losses occurring in Calendar Year 2020.

**Q14.** Is the carrier required to use NCCI's 2015 and 2021 disclosure endorsements to comply with the policyholder disclosure requirements in the Terrorism Risk Insurance Act of 2002 and subsequent amendments, including the Terrorism Risk Insurance Program Reauthorization Act of 2019 (TRIPRA)?—*Updated 10/13*

**A.** No, the following options are available to carriers for purposes of policyholder disclosure under TRIPRA:

- A carrier's response to NCCI filings varies by the designation determined by state statutes and regulations. For example, in a number of states, carriers can make modifications to NCCI's filings of policy forms and endorsements by filing the modification for approval with the state regulator. Refer to NCCI's ***Filing Guide for Rates and Forms*** for state-specific requirements.
- Carriers may use and/or modify the NAIC Model Disclosure Forms as posted on the website of the United States Department of the Treasury, subject to any state filing requirements.
- Carriers may use a carrier-developed policyholder disclosure notice, subject to any state filing requirements.

**Q15.** Does the Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement (WC 00 04 21 E) also apply to any in-force policy in effect on and after January 1, 2021?—*Updated 10/13*

**A.** No. The Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement only applies to new and renewal policies with effective dates on and after 12:01 a.m. on January 1, 2021. This endorsement addresses catastrophes (other than certified acts of terrorism) which are not subject to the Terrorism Risk Insurance Act of 2002, and any subsequent amendments, including the Terrorism Risk Insurance Program Reauthorization Act of 2019 (TRIPRA).