



## **FAQs Regarding the Terrorism Risk Insurance Act (TRIA)—February 2015**

### **1 Q: What is the status of the Terrorism Risk Insurance Act (TRIA)?**

**A:** On January 12, 2015, President Obama signed into law H.R. 26 (Neugebauer, R-TX), the Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA of 2015).

The key provisions of H.R. 26 are as follows:

- TRIA is extended for six years until December 31, 2020
- An act of terrorism must be certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the U.S. Attorney General
- Beginning on January 1, 2016:
  - The current 85% Federal share of compensation under the Terrorism Insurance Program (Program) decreases by one percentage point per calendar year until it is equal to 80%
  - The current Program trigger for aggregate industry insured losses to exceed \$100 million increases by \$20 million per calendar year until it is equal to \$200 million
- The current \$27.5 billion insurance marketplace aggregate retention amount increases by \$2 billion per calendar year, beginning in 2015, until it is equal to \$37.5 billion, and is subject to further revision thereafter

### **2 Q: What is NCCI doing?**

**A:** NCCI is taking the following steps to update its infrastructure in response to the reauthorization of TRIA:

- Revising the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 A) to update the TRIPRA references to TRIPRA of 2015, revise the definitions to conform to TRIPRA of 2015, revise the insurer deductible provisions, and revise the Program trigger amounts and the Federal share of compensation provisions.
- Revising the Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement (WC 00 04 21 C) to update the references to the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement.
- Revising the Florida Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 09 04 03 A) to update the TRIPRA references to TRIPRA of 2015, revise the definitions to conform to



TRIPRA of 2015, revise the insurer deductible provisions, and revise the Program trigger amounts and the Federal share of compensation provisions.

- Withdrawing NCCI's Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2007 (WC 00 01 14) and Texas Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2007 (WC 42 01 01). The purpose of these endorsements was to notify policyholders of the impending expiration of TRIPRA. However, with the enactment of TRIPRA of 2015, these endorsements are no longer needed. Form 09 – Notice—Florida Notice of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2007 will also be removed from NCCI's **Forms Manual**.
- Revising language on assigned risk deposit premium worksheets and binders that reference TRIA

NCCI is working with NCCI states, the National Association of Insurance Commissioners (NAIC) and the Independent Bureaus to coordinate all filing activity.

Additionally, NCCI is updating information on the Terrorism Risk Insurance page on [ncci.com](http://ncci.com).

### **3 Q: What is the NAIC doing?**

**A:** The NAIC Terrorism Insurance Implementation Working Group is charged with addressing issues related to insurance coverage for acts of terrorism. The NAIC Working Group has prepared a model bulletin and updated guidance for states outlining expedited review procedures for policy forms and samples of disclosure forms. The model bulletin is available on the NAIC website at [www.naic.org](http://www.naic.org).

### **4 Q: What is the Federal Insurance Office doing?**

**A:** The Federal Insurance Office has released an Interim Guidance Concerning TRIPRA of 2015 (Interim Guidance). The Interim Guidance states that an insurer should provide disclosures and offers that comply with the Program regulations and TRIPRA of 2015 no later than April 13, 2015. The Interim Guidance is available on the Terrorism Risk Insurance Resources page on [ncci.com](http://ncci.com).

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