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DEPARTMENT OF THE TREASURY

Study on the Overall Effectiveness of the Terrorism Risk Insurance Program

AGENCY: Departmental Offices, U.S. Department of the Treasury.

ACTION: Request for data and information.

SUMMARY: Section 111 of the Terrorism Risk Insurance Program Reauthorization Act of 2015 (Reauthorization Act) requires the Secretary of the Treasury (Secretary) to submit a report to the Congress addressing the overall effectiveness of the Terrorism Risk Insurance Program (Program) and trends the Secretary has observed within the Program. In order to assist the Secretary with the required report, Treasury requests that insurers submit certain insurance data and information regarding their participation in the Program.

DATES: Data must be submitted not later than April 30, 2016.

ADDRESSES: Participating insurers may submit the requested data and information after registration at a web portal that has been established for this data collection. A link to the web site where participating insurers can commence the registration process can be found at <https://www.treasury.gov/resource-center/fin-mkts/Pages/program.aspx>.

FOR FURTHER INFORMATION CONTACT: Richard Ifft, Senior Insurance Regulatory Policy Analyst, Federal Insurance Office, Room 1410, Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, at (202) 622-2922 (this is not a toll-free number), or Kevin Meehan, Policy Advisor, Federal Insurance Office, 202-622-7009 (not a toll free number). Persons who have difficulty hearing or speaking may access these numbers via TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

Section 111 directs the Secretary, beginning in calendar year 2016, to “require insurers participating in the Program to submit to the Secretary such information regarding insurance coverage for terrorism losses of such insurers as the Secretary considers appropriate to analyze the effectiveness of the Program[.]” This information and data includes information regarding: (1) lines of insurance with exposure to such losses; (2) premiums earned on such coverage; (3) geographical location of exposures; (4) pricing of such coverage; (5) the take-up rate for such coverage; (6) the amount of private reinsurance for acts of terrorism purchased; and (7) such other matters as the Secretary considers appropriate. Treasury plans to issue a Notice of Proposed Rulemaking proposing rules that expand upon this requirement for the submission of data by participating insurers in the near future.

Section 111 also requires the Secretary to “submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate” that includes: (1) an analysis of the overall effectiveness of the Program; (2) an evaluation of any changes or trends in the data collected by the Secretary; (3) an evaluation of whether any aspects of the Program have the effect of discouraging or impeding insurers from providing commercial property casualty insurance coverage or coverage for acts of terrorism; (4) an evaluation of the impact of the Program on workers’ compensation insurers; and (5) in the case of the data collected by the Secretary regarding premiums earned on insurance coverage for terrorism losses, an estimate of the total amount earned by insurers since January 1, 2003. The initial report under this requirement is to be submitted not later than June 30, 2016.

II. Solicitation for Data

Treasury must start collecting data for the initial report required under section 111 before Treasury is able to review comments on proposed regulations concerning data collection, including whether it has properly estimated the level of burden that this collection imposes. Based on interaction with stakeholders, Treasury anticipates that most participating insurers will be able to respond to this solicitation with all of the requested data in that the data requested, and the form in which the data is requested, conforms to industry's current practice. In order to avoid inadvertently imposing an unanticipated level of burden on participating insurers without due consideration, Treasury is requesting, and not requiring, that participating insurers submit the data enumerated in the section 111 data collection authorized under this emergency approval. Making this collection voluntary also identifies to all participating insurers the types of information that Treasury will likely seek in future collections under section 111 and provides time to the extent necessary for insurers to make any adjustments to ease the burden of compliance with such collections.

Treasury, through an insurance statistical aggregator, has established the web portal identified above, through which insurers will be able to submit the requested data. All information submitted via the web portal is subject to the confidentiality and data protection provisions of section 111 as well as to section 552 of title 5, United States Code, including any exceptions thereunder. In accordance with the Paperwork Reduction Act, (44 U.S.C 3501 et seq.), the information collected through the web portal has been approved by the Office of Management and Budget (OMB) under control number 1505-0253. Treasury does not anticipate further requests for information using this form during the approval period arising from emergency clearance, except as may be necessary to seek clarification respecting any responses

that are provided. An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number.

Michael T. McRaith

Director, Federal Insurance Office

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