



## **DEPARTMENT OF THE TREASURY**

### **2018 Data Call under the Terrorism Risk Insurance Program**

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

**ACTION:** Data Collection.

**SUMMARY:** Pursuant to the Terrorism Risk Insurance Act of 2002 (TRIA),<sup>1</sup> as amended, insurers that participate in the Terrorism Risk Insurance Program (TRIP or Program) are directed to submit information for the 2018 TRIP Data Call for the reporting period from January 1, 2017 to December 31, 2017. Participating insurers are directed to register and report information in a series of forms available on the TRIP website. All insurers writing commercial property and casualty insurance in lines subject to TRIP are required to respond to this data call no later than May 15, 2018, subject to certain exceptions identified in this notice.

**DATES:** Participating insurers must register and submit data no later than May 15, 2018.

**ADDRESSES:** Participating insurers will register through a website that has been established for this data call. After registration, insurers will receive data collection forms through a secure file transfer portal, and they will submit the requested data through the same secure portal.

Participating insurers can register for the 2018 TRIP Data Call at <https://tripsection111data.com/>.

Additional information about the data call, including sample data collection forms and instructions, can be found on the TRIP website at [https://www.treasury.gov/resource-center/fin-mkts/Pages/TRIP\\_data.aspx](https://www.treasury.gov/resource-center/fin-mkts/Pages/TRIP_data.aspx).

**FOR FURTHER INFORMATION CONTACT:** Richard Ifft, Senior Insurance Regulatory Policy Analyst, Federal Insurance Office, Room 1410, Department of the Treasury, 1500

---

<sup>1</sup> Public Law 107–297, 116 Stat. 2322, codified at 15 U.S.C. 6701, note. Because the provisions of TRIA (as amended) appear in a note, instead of particular sections, of the United States Code, the provisions of TRIA are identified by the sections of the law.

Pennsylvania Avenue, NW, Washington, DC 20220, at (202) 622-2922 (this is not a toll-free number), or Lindsey Baldwin, Senior Policy Analyst, Federal Insurance Office, Room 1410, Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, at (202) 622-3220 (this is 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**

TRIA created the Program within the U.S. Department of the Treasury (Treasury) to address disruptions in the market for terrorism risk insurance, to help ensure the continued availability and affordability of commercial property and casualty insurance for terrorism risk, and to allow for the private markets to stabilize and build insurance capacity to absorb any future losses for terrorism events. The Program has been reauthorized on a number of occasions, most recently in the Terrorism Risk Insurance Program Reauthorization Act of 2015 (2015 Reauthorization Act).<sup>2</sup> Section 111 of the 2015 Reauthorization Act<sup>3</sup> (Section 111) requires the Secretary of the Treasury (Secretary) to perform periodic analyses of certain matters concerning the Program. In order to assist the Secretary with this process, Section 111 requires insurers to submit on an annual basis certain insurance data and information regarding their participation in the Program.<sup>4</sup> The Federal Insurance Office (FIO) is authorized to assist the Secretary in the administration of the Program,<sup>5</sup> including conducting the annual data call.

---

<sup>2</sup> Public Law 114-1, 129 Stat. 3.

<sup>3</sup> TRIA sec. 104(h).

<sup>4</sup> Treasury regulations also address the annual data collection requirement. *See* 31 C.F.R. 50.51, 50.54.

<sup>5</sup> 31 U.S.C. 313(c)(1)(D).

On November 28, 2017, Treasury published the data collection forms that it proposed to use for the 2018 TRIP Data Call, and invited the public to provide comments concerning these forms.<sup>6</sup> Treasury received twelve comments.<sup>7</sup> In response, and as discussed further below, Treasury has made a number of modifications to the forms and instructions. The Office of Management and Budget (OMB) has approved the use of these forms under Control Number 1505-0257.

## **II. Changes to 2018 Data Call**

For purposes of the 2018 Data Call, and for the first time, FIO, state insurance regulators, and the National Association of Insurance Commissioners (NAIC) coordinated and developed a consolidated data call mechanism designed to meet the regulatory objectives of both Treasury and state insurance regulators. The approach relies upon joint reporting templates derived from prior reporting templates used by Treasury, which were subject to minor changes based upon experience gained from the 2017 data call, coordination with state insurance regulators and the NAIC, and public comments. Commenters were appreciative of the consolidated data call for 2018, which will allow insurers to satisfy most of their terrorism risk insurance reporting obligations for Treasury and state regulators through submission of the same data to each entity.

### **A. Reporting Process**

Insurers subject to the consolidated data call will report on a group basis, unless they are not part of a group, in which case they will report on an individual company basis. Insurers with

---

<sup>6</sup> 82 Fed. Reg. 56328 (Nov. 28, 2017).

<sup>7</sup> Treasury received comments from Marsh Captive Solutions (Marsh), Lloyd's of London (Lloyd's), Aon Insurance Managers (Aon), Artex Risk Solutions (Artex), and a joint letter from the American Insurance Association, the Property Casualty Insurers Association of American, and the National Association of Mutual Insurance Companies (AIA/PCI/NAMIC). In addition, Treasury received one duplicate comment, and six comments unrelated to TRIP or the 2018 TRIP Data Call. The comments are available at <https://www.regulations.gov/docketBrowser?rpp=25&so=DESC&sb=commentDueDate&po=0&dct=PS&D=TREA S-TRIP-2017-0015>. References to these comments are incorporated below where appropriate.

property exposures will also be required to submit to state insurance regulators, on an individual company basis, an additional supplement focusing on the property lines of insurance subject to the Program. This supplement calls for data with respect to geographic exposures by ZIP code. Questions about the submission of data to state regulators or the property supplement should be directed to the appropriate state insurance regulator or the NAIC.

For the 2018 data call, Treasury will again work with the National Council on Compensation Insurance (NCCI) and the California Workers' Compensation Insurance Rating Bureau (California WCIRB) to provide (either directly or through other workers' compensation rating bureaus), on behalf of participating insurers, the workers' compensation insurance elements of the data call relating to premium and payroll information. The data aggregator used by Treasury will provide such insurers with reporting templates that do not require them to report this workers' compensation data. Reporting insurers that only write workers' compensation policies are still required to register for the data call, provide general company information, and provide data related to private reinsurance. The remaining data received from NCCI and/or the California WCIRB will be merged with the information provided by the insurers.

## **B. Reporting Templates**

Commenters primarily provided specific suggestions concerning individual data elements and/or the instructions concerning those elements. In response to these comments, Treasury has revised the data collection forms and/or instructions with respect to the following : the treatment of policyholder deductibles;<sup>8</sup> the aggregation of premium and exposure data, and treatment of risks that cannot be otherwise allocated to a specific geographic area (e.g., aviation, ocean

---

<sup>8</sup> See AIA/NAMIC/PCI Comments at 4-5.

marine, etc.);<sup>9</sup> the treatment of deductible reimbursement policies issued by captive insurers;<sup>10</sup> the reporting of insurance information concerning cyber risks and standalone terrorism risks;<sup>11</sup> the standardization of language across worksheets;<sup>12</sup> and several other minor technical changes.

One commenter urged FIO and state regulators to adopt a single reporting template for alien surplus lines insurers.<sup>13</sup> For the 2018 data call, Treasury and the state regulators will accept the same data collection template for alien surplus lines insurers. However, for purposes of the Treasury data call, alien surplus lines insurers that are part of a group are required to submit their data as part of the group. By contrast, for purposes of the state data call, alien surplus lines insurers will be required to submit this information on an individual company basis.

In summary, Treasury is making five changes that will affect all categories of insurers. First, all reporting templates will now include a standalone cyber insurance worksheet. Second, the reinsurance worksheet that is required for non-small insurers, alien surplus lines insurers, and captive insurers will also include a new modeled loss question.<sup>14</sup> Third, the exposures worksheet will also request information concerning policyholder deductibles and retention amounts, in addition to the insurer exposure under policies subject to the Program. Fourth, the reporting templates no longer seek information on terrorism risk insurance premiums for years prior to the reporting period, because Treasury has already collected this information.<sup>15</sup> Fifth, insurers are required to separately report on the Premium (Jurisdiction) and Exposure (Jurisdiction)

---

<sup>9</sup> See AIA/NAMIC/PCI Comments at 5; Marsh Comments at 1-2.

<sup>10</sup> See Artex Comments at 1; Aon Comments at 1; Marsh Comments at 2.

<sup>11</sup> See Marsh Comments at 2; Lloyd's Comments at 2-3.

<sup>12</sup> See Lloyd's Comments at 2-3.

<sup>13</sup> See Lloyd's Comments at 1. For 2017, state insurance regulators collected terrorism risk insurance data from alien surplus lines insurers through the NAIC's International Insurers Department (IID).

<sup>14</sup> Small insurers will complete a separate reinsurance worksheet that does not contain the modeled loss question.

<sup>15</sup> For purposes of future reports, Treasury will use the information received during the 2017 data call, and continue to update this information over time as subsequent data calls are completed.

spreadsheets any premium and exposure information that cannot be otherwise allocated to a specific jurisdiction.

There are also a number of template changes that are specific to individual insurer categories. For the 2018 data call, an insurer will qualify as a small insurer if it had both *2016* policyholder surplus and *2016* direct earned premium in TRIP-eligible lines of insurance of less than \$700 million.<sup>16</sup> Of this group, small insurers with TRIP-eligible direct earned premium of less than \$10 million in *2017* will be exempt from the 2018 consolidated TRIP data call.<sup>17</sup>

Neither captive insurers nor alien surplus lines insurers are eligible for this reporting exemption.

In addition to the changes applicable to all insurers, small insurers will be required to report additional information on standalone terrorism policies. Small insurers will also be required to report on the reinsurance worksheet their largest estimated probable maximum loss at a single location and the ZIP code of that location. Insurers defined as small insurers for the 2018 data call will report the same information to Treasury (on a group basis) and state insurance regulators (also on a group basis), except with respect to property coverages. For property coverages, small insurers will also provide additional reporting on an individual company basis in the property supplement submitted solely to state insurance regulators.

Non-small insurers will no longer be required to complete a separate worksheet on package/multiline policies. The non-small insurer template will be completed by insurance groups (or individual insurers not affiliated with a group) that had either a 2016 policyholder

---

<sup>16</sup> Small insurers are defined in 31 C.F.R. 50.4(z) as insurers (or an affiliated group of insurers) whose policyholder surplus for the immediately preceding year is less than five times the Program Trigger for the current year, and whose TRIP-eligible lines direct earned premium for the previous year is also five times less than the Program Trigger. Accordingly, for the 2018 data call, an insurer qualifies as a small insurer if its 2016 policyholder surplus and 2016 direct earned premium are less than five times the 2017 Program Trigger of \$140 million.

<sup>17</sup> Individual insurers with less than \$10 million in TRIP-eligible lines direct earned premium that are part of a larger group must still report as part of the group as a whole, if the group's TRIP-eligible lines direct earned premium is over \$10 million.

surplus or 2016 direct earned premium in TRIP-eligible lines of insurance equal to or greater than \$700 million, and that are not subject to reporting on the captive insurer or alien surplus lines insurer reporting templates. Otherwise, insurers defined as non-small insurers for the 2018 data call will report the same information to Treasury (on a group basis) and state insurance regulators (also on a group basis), except with respect to property coverages. For property coverages, non-small insurers will also provide additional reporting on an individual company basis in a property supplement submitted solely to state insurance regulators.<sup>18</sup>

Captive insurers will no longer be required to complete a separate worksheet for workers' compensation deductible policies, as this information will now be collected on the general premium worksheet. Captive insurers are defined in 31 CFR 50.4(g) as insurers licensed under the captive insurance laws or regulations of any state. Captive insurers that wrote policies in TRIP-eligible lines of insurance during the reporting period are required to register and submit data to Treasury, unless they did not provide their insureds with any terrorism risk insurance subject to the Program.

The reporting template for alien surplus lines insurers does not contain additional changes specific to those insurers. Alien surplus lines insurers are defined in 31 C.F.R. 50.4(o)(1)(i)(B) as insurers not licensed or admitted to engage in the business of providing primary or excess insurance in any state, but that are eligible surplus line insurers listed on the NAIC Quarterly Listing of Alien Insurers. Alien surplus lines insurers that are part of a larger group classified as a non-small insurer or a small insurer should report to Treasury as part of the group, using the appropriate template. Therefore, the alien surplus lines insurer template should only be used by

---

<sup>18</sup> For more information about the property supplement, visit the NAIC's Terrorism Risk Insurance Data Call webpage, [http://www.naic.org/industry\\_terrorism\\_risk\\_data\\_call.htm](http://www.naic.org/industry_terrorism_risk_data_call.htm).

an alien surplus lines insurer that is not part of a larger group subject to the 2018 data call. As noted above, insurers defined as alien surplus lines insurers for the 2018 data call will continue to be required to submit data to state insurance regulators on an individual basis, even if part of a larger group.<sup>19</sup>

### **C. Modeled Loss Scenario**

One commenter appreciated the inclusion of a new modeled loss scenario, and encouraged FIO to consider a scenario in the future that involves locations that are not located in urban areas, but nonetheless benefit from TRIA (e.g., rural infrastructure hubs and transportation networks).<sup>20</sup> FIO will continue to vary the modeled scenario on an annual basis, and FIO will coordinate with stakeholders to obtain feedback on potential scenarios before they are used in any future data calls.

### **D. Supplemental Reference Documents**

Several commenters also requested that Treasury issue certain supplemental materials to assist in the data submission process, such as the inclusion of a comprehensive list of ZIP codes that define the areas identified on the Geographic Exposures (Nationwide) worksheet<sup>21</sup> and hypothetical policy scenarios to assist insurers in understanding how to enter data in certain situations where the relevant policy spans multiple calendar years. In response to these comments, Treasury will post reference documents on its data collection website ([https://www.treasury.gov/resource-center/fin-mkts/Pages/TRIP\\_data.aspx](https://www.treasury.gov/resource-center/fin-mkts/Pages/TRIP_data.aspx)) providing a complete

---

<sup>19</sup> For more information about the NAIC's Terrorism Risk Insurance Data Call webpage [http://www.naic.org/industry\\_terrorism\\_risk\\_data\\_call.htm](http://www.naic.org/industry_terrorism_risk_data_call.htm).

<sup>20</sup> See AIA/NAMIC/PCI Comments at 6.

<sup>21</sup> See AIA/NAMIC/PCI Comments at 4; Marsh Comments at 2.

ZIP code listing for areas subject to reporting on the Geographic Exposures (Nationwide) worksheet, as well as several hypothetical policy reporting scenarios.

One commenter asked Treasury to consider eliminating from the data call the lines of coverage that are less likely to be triggered in the event of an act of terrorism, noting that Treasury is not obligated to collect data on all TRIP-eligible lines.<sup>22</sup> Treasury is not making this change. Treasury notes that the types of insurance subject to the Program are set forth in the statute,<sup>23</sup> and in order to obtain a comprehensive understanding of the Program's effectiveness, it is necessary to collect data on all TRIP-eligible lines to achieve a complete view of Program participation. In addition, the information concerning these lines would also be relevant for assessing any risk-spreading policyholder surcharges levied by Treasury,<sup>24</sup> and in connection with the calculation of the insurance marketplace aggregate retention for calendar year 2020.<sup>25</sup>

#### **E. Training Webinar**

One commenter requested that Treasury hold training for the 2018 data call within two (2) weeks following the issuance of the templates, and recommended holding four (4) separate training sessions corresponding to the four (4) reporting templates that will be used by insurers (Alien Surplus Lines Insurers, Captive Insurers, Insurer (Non-Small) Groups or Companies, and Small Insurers).<sup>26</sup> In response to this comment, Treasury will hold four webinars on April 10 and April 11, 2018 to assist reporting insurers in responding to the proposed collection, with each webinar focusing on a specific reporting template. Specific times and details concerning participation in the webinar will be made available on the TRIP data collection website, and

---

<sup>22</sup> See AIA/NAMIC/PCI Comments at 5-6.

<sup>23</sup> See TRIA sec. 102(6),(11); TRIA sec. (103)(a)(3).

<sup>24</sup> See TRIA sec. 103(e)(8)(A)(i).

<sup>25</sup> See 31 C.F.R. 50.4(m).

<sup>26</sup> See Marsh Comments at 1.

recordings of each webinar will be made available on the website following each training session.

### **III. 2018 Data Call**

For the 2018 TRIP Data Call, which covers the reporting period of January 1, 2017 to December 31, 2017, Treasury will continue to use four different data collection templates.<sup>27</sup> Insurers will fill out the template for “Insurer (Non-Small) Groups or Companies,” unless the insurer meets the definition of a small insurer, captive insurer, or alien surplus insurer, as set forth in 31 C.F.R. 50.4. Such small insurers, captive insurers, and alien surplus lines insurers are required to complete an alternate template.

Similar to last year, Treasury, through an insurance statistical aggregator, will accept group or insurer registration forms through <https://tripsection111data.com/>. Upon registration, the aggregator will transmit individualized data collection forms (in Excel format) to the reporting group or insurer via a secure file transfer portal. The reporting group or insurer may transmit a complete data submission using either the provided Excel forms, or (for the first time this year) in a .csv file.<sup>28</sup>

Copies of the instructions and data collection forms are available on Treasury’s website in read-only format. Reporting insurers will obtain the fillable reporting forms directly from the data aggregator after registering for the data collection process.

Reporting insurers are required to register and submit complete data to Treasury no later than May 15, 2018. Because of the timing and content of Treasury’s 2018 report to Congress, no extensions will be granted. Reporting insurers can ask the data aggregator questions about

---

<sup>27</sup> See 31 C.F.R. 50.51(c).

<sup>28</sup> Specifications for submission of data using a .csv file will be provided to the insurer by the aggregator.

registration, form completion, and submission through tripsection111data@iso.com. Treasury, as identified above, may also be contacted directly with questions. Questions regarding submission of data to state insurance regulators or the property supplement should be directed to the appropriate state insurance regulator or the NAIC.

All data submitted to the aggregator is subject to the confidentiality and data protection provisions of TRIA and the Program Rules, 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 OMB under Control Number 1505-0257. 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.

Dated: March 30, 2018.

---

**Steven E. Seitz,**

Deputy Director,

Federal Insurance Office.

[FR Doc. 2018-06996 Filed: 4/4/2018 8:45 am; Publication Date: 4/5/2018]