

REINSURANCE FACILITY INSURANCE GUARANTY ASSOCIATION

September 8, 2016

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Workers Compensation Insurance

Re: Data Reporting – NAIC Data Call Related to Terrorism Risk Insurance Coverage

The National Association of Insurance Commissioners (NAIC) issued a data call related to terrorism risk insurance coverage. The NAIC Data Call is separate and distinct from the Federal Insurance Office (FIO) initiative to collect data elements in compliance with Section 111 of the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2015. This Data Call is intended to serve multiple regulatory and oversight objectives with respect to the affordability and availability of insurance coverage for acts of terrorism and to monitor insurers' financial exposure to terrorism risk.

The NAIC Data Call was implemented in two phases, neither of which requires our member companies to take action. NAIC requested that NCCI coordinate this effort to provide aggregate workers compensation data by carrier.

The 2016 Data Call was implemented as follows:

- In Phase one, 11 states were included (California, Connecticut, District of Columbia, Florida, Illinois, Louisiana, Missouri, New York, Pennsylvania, Rhode Island, and Texas). NCCI coordinated and facilitated the pass-through of the data in April 2016, for all participating states except California.
- In Phase two, NCCI will facilitate the pass-through of the data for the remaining NCCI states and independent state rating bureaus in September 2016.

For both phases, the NAIC Data Call includes Unit Statistical data that was reported for policy years 2011, 2012, and 2013. The data for these years is aggregated by carrier to represent total payroll, premium, and counts for policies that include an additional charge for terrorism coverage and for policies that do not include an additional terrorism charge as reported under Statistical Code 9740—Catastrophe Provisions for Terrorism.

In 2017, it is expected that all states will be required to report terrorism risk insurance coverage data annually to NAIC.

If you have questions regarding this data request, contact NCRB Information Center at 919-582-1056 or via email at <u>wcinfo@ncrb.org</u>.

Sincerely,

Joanna Biliouris

Chief Operating Officer

JB:dms C-16-20