

Report on the Effectiveness of the Terrorism Risk Insurance Program

FEDERAL INSURANCE OFFICE, U.S. DEPARTMENT OF THE TREASURY
Completed pursuant to the Terrorism Risk Insurance Act, as amended

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Glossary

2015 Reauthorization Act	Terrorism Risk Insurance Program Reauthorization Act of 2015, Pub. L. No. 114-1, 129 Stat. 3
2019 Reauthorization Act	.....	Terrorism Risk Insurance Program Reauthorization Act of 2019, Pub. L. No. 116-94, 133 Stat. 2534
2024 Effectiveness Report	.....	<i>FIO, Report on the Overall Effectiveness of the Terrorism Risk Insurance Program (2024)</i>
2024-2026 TRIP data calls	.....	TRIP data calls performed in 2024, 2025, and 2026 (collecting data for the years 2023, 2024, and 2025, respectively)
AAL	.....	Average Annual Loss
ACRSM	.....	Advisory Committee on Risk-Sharing Mechanisms
Act of Terrorism	.....	Under TRIA, an act certified as terrorism by the Secretary, in consultation with the Attorney General and the Secretary of Homeland Security
AEP	.....	Average Exceedance Probability
Alien Surplus Lines Insurer	.....	Non-U.S. insurer that is an eligible surplus lines insurer as listed on the NAIC’s Quarterly Listing of Alien Surplus Lines Insurers
Captive Insurer	.....	Insurer formed to insure the risk exposures of its policyholder owner(s) and regulated by the captive insurance laws of a particular state jurisdiction
CMP	.....	Commercial Multi-Peril
Co-Pay Share	.....	Under TRIP, the percentage of losses that an insurer is obligated to pay after meeting its deductible and the Program Trigger is satisfied. The federal government is responsible for the remaining percentage of losses above the insurer’s deductible (i.e., the Federal Share of Compensation). The co-pay share for 2025 was 20 percent.
DEP	.....	Direct earned premiums
Embedded Terrorism Risk Insurance	.....	Terrorism insurance provided within a P&C policy that also covers other risks
Federal Share of Compensation	Under TRIP, the percentage of an insurer’s losses that the federal government will pay after the insurer meets its deductible and the Program Trigger is satisfied. The insurer is responsible for the remaining percentage of losses above its deductible (i.e., the Co-Pay Share). The federal share of compensation for 2025 was 80 percent.
FIO	Federal Insurance Office
IEP	Industry Exposure Database

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IFTRIP	International Forum of Terrorism Risk (Re)Insurance Pools
IMARA	Insurance Marketplace Aggregate Retention Amount
Insurer Deductible	.....	Under TRIP, the amount an individual insurer must pay before receiving the federal share of compensation, after an event is certified as an act of terrorism and the Program Trigger is exceeded. An insurer's deductible is 20 percent of its TRIP-eligible DEP in the prior year.
IUCRC	.....	Industry-University Cooperative Research Center
NAIC	.....	National Association of Insurance Commissioners
NBCR	.....	Nuclear, biological, chemical, or radiological
Non-Small Insurer	.....	Domestic insurers or groups above the small insurer threshold
NSF	.....	National Science Foundation
P&C	.....	Property and casualty
PML	.....	Probable maximum loss
Program	.....	Terrorism Risk Insurance Program (also, TRIP)
Program Cap	.....	Maximum aggregate exposure limit for the federal government and insurers under TRIP in any calendar year. The program cap for 2025 was \$100 billion.
Program Trigger	.....	Minimum amount of insurance industry aggregate insured losses resulting from certified act(s) of terrorism that must occur in a calendar year before any federal payments can be made under TRIP. The program trigger for 2025 was \$200 million.
Report	.....	<i>FIO, Report on the Overall Effectiveness of the Terrorism Risk Insurance Program (June 2026)</i>
Standalone Policy	.....	Insurance policy which provides coverage only for terrorism risk
Secretary	.....	Secretary of the Treasury
September 11 Attacks	.....	Terrorist attacks occurring on September 11, 2001
Small Insurer	.....	An insurer as defined under 31 C.F.R. § 50.4(z)
Take-Up Rate	.....	Extent to which terrorism risk insurance is purchased by policyholders
Treasury	.....	U.S. Department of the Treasury
TRIA	.....	Terrorism Risk Insurance Act of 2002, as amended
TRIP	.....	Terrorism Risk Insurance Program (also, Program)
TRIP-Eligible DEP	.....	DEP earned within the TRIP-eligible lines of insurance
TRIP-Eligible Lines of Insurance	Commercial P&C insurance subject to TRIP pursuant to 31 C.F.R. § 50.4(w)

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I. INTRODUCTION AND EXECUTIVE SUMMARY

The Terrorism Risk Insurance Act of 2002, as amended (TRIA),¹ requires the Secretary of the Treasury (Secretary) to submit a report regarding the effectiveness of the Terrorism Risk Insurance Program (TRIP or Program) to the Committee on Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate.² The Federal Insurance Office (FIO) of the U.S. Department of the Treasury (Treasury) assists the Secretary in the administration of TRIP.³ FIO has prepared this Report which, as required by TRIA, must be submitted no later than June 30, 2026, and must include:

- (1) “an analysis of the overall effectiveness of the Program;”
- (2) “an evaluation of the availability and affordability of terrorism risk insurance, which shall include an analysis of such availability and affordability specifically for places of worship;”
- (3) “an evaluation of any changes or trends in the data collected” by the Secretary;
- (4) “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;”
- (5) “an evaluation of the impact of the Program on workers’ compensation insurers;” and
- (6) “an updated estimate of the total amount” of terrorism risk insurance premiums “earned since January 1, 2003.”⁴

TRIA also requires the Secretary to collect data related to the Program annually.⁵ Since the 2015 Reauthorization Act, FIO has conducted eleven TRIP data calls—a voluntary data call in 2016

¹ Terrorism Risk Insurance Act of 2002, Pub. L. No. 107-297, 116 Stat. 2322 (2002), as amended. The provisions of TRIA appear in a note of the United States Code (15 U.S.C. § 6701 note) and, therefore, references to the provisions of TRIA are identified by the sections of the law (e.g., “TRIA § 102(1) (definition of an ‘act of terrorism’)”).

² Beginning in 2016, the Secretary has been required to submit a report to the Committee of Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate every other year through the Program’s expiration date. Treasury published five effectiveness reports between 2016 and 2024: See FIO, *Report on the Effectiveness of the Terrorism Risk Insurance Program* (2016), https://home.treasury.gov/system/files/311/2016_TRIP_Effectiveness_%20Report_FINAL.pdf; FIO, *Report on the Effectiveness of the Terrorism Risk Insurance Program* (2018), https://home.treasury.gov/system/files/311/2018_TRIP_Effectiveness_Report.pdf (2018 Effectiveness Report); FIO, *Report on the Effectiveness of the Terrorism Risk Insurance Program* (2020), <https://home.treasury.gov/system/files/311/2020-TRIP-Effectiveness-Report.pdf> (2020 Effectiveness Report); FIO, *Report on the Effectiveness of the Terrorism Risk Insurance Program* (2022), <https://home.treasury.gov/system/files/311/2022%20Program%20Effectiveness%20Report%20%28FINAL%29.pdf> (2022 Effectiveness Report); FIO, *Report on the Effectiveness of the Terrorism Risk Insurance Program* (2024), <https://home.treasury.gov/system/files/311/2024ProgramEffectivenessReportFINAL6.28.2024508.pdf> (2024 Effectiveness Report). This Report is the sixth Effectiveness Report published by Treasury.

³ See Federal Insurance Office Act of 2010, 31 U.S.C. § 313(c)(1).

⁴ TRIA § 104(h)(2).

⁵ TRIA § 104(h)(1). This requirement was instituted in the Terrorism Risk Insurance Program Reauthorization Act of 2015, Pub. L. No. 114-1, 129 Stat. 3 (2015 Reauthorization Act).

seeking calendar year 2015 data, and ten mandatory annual TRIP data calls from 2017 through 2026, requiring, respectively, the production of the preceding calendar year's data from 2016 through 2025. This Report (Report) addresses the six statutory considerations identified above and principally relies upon the 2024 through 2026 TRIP data calls (2024-2026 TRIP data calls) to evaluate the issues identified by TRIA.

Based on analysis of the collected information, FIO's administration of the Program, stakeholder input, publicly available information, and FIO research, Treasury has reached the following conclusions respecting the statutory issues:

- (1) The Program generally has been effective in achieving the goals identified by TRIA. Refer to Sections V, VI, and VII of the Report.
- (2) Terrorism risk insurance remains generally available and affordable, and stakeholders attribute this to the impact of the Program on insurance markets. TRIP data calls reflect that places of worship take up terrorism risk insurance at a higher percentage than do businesses in other industry segments, although for a higher percentage amount of the total policy premium. With regards to cyber insurance, the market has responded over time to fluctuations in attritional losses associated with cyber risk, principally ransomware. The Program can respond to cyber losses arising from a certified act of terrorism. However, cyber losses can arise in a variety of circumstances, from attritional to catastrophic losses (which may be subject to exclusions), which can complicate the potential application of Program coverage. Refer to Section V.
- (3) There has been some decline in terrorism risk insurance take up and associated reductions in extended limits; however, some amount of terrorism risk insurance is contained in a substantial majority of policies. These impacts could be the result of general changes in the property and casualty (P&C) insurance and reinsurance markets that are not specific to terrorism risk, or they could be caused by other purchasing decisions by policyholders that cannot be evaluated with the available data. Terrorism risk insurance coverage otherwise continues to be priced at a relatively low and consistent percentage of total P&C premium. Refer to Sections V, VI, and VII.
- (4) Treasury has not observed, nor have stakeholders identified, any aspects of the Program (either based upon the collected data or operation of the Program generally) that have had the effect of discouraging or impeding insurers from providing commercial P&C insurance in general, or coverage for acts of terrorism specifically. Refer to Sections V, VI, and VII.
- (5) The Program continues to serve as an important backstop to workers' compensation insurance given that, under state law, workers' compensation insurance must cover terrorism risk, is not subject to limits of liability, and cannot exclude causes of loss posing extreme aggregation risks. Refer to Sections V and VII.
- (6) Treasury's estimate of total direct earned premiums for terrorism risk insurance from 2003 through 2025 is approximately \$64.1 billion (excluding captive insurers), which is between one and two percent of the total premiums earned in the TRIP-eligible lines of insurance during that period. Refer to Section VIII.

In addition to the collection and analysis of data mandated by TRIA, Treasury has taken additional steps and conducted further engagement designed to assess and evaluate whether the Program is meeting its objectives. These include: (1) the use of modeling tools to evaluate how the Program might respond to a certified act of terrorism, (2) continued engagement with the Advisory Committee on Risk-Sharing Mechanisms (ACRSM), (3) FIO's prior leadership of and continued engagement with the International Forum of Terrorism Risk (Re)Insurance Pools (IFTRIP), and (4) establishing a partnership with the National Science Foundation (NSF) to create an Industry-University Cooperative Research Center (IUCRC) to improve the insurance sector's modeling and underwriting of terrorism and catastrophic cyber risks. Refer to Sections IX-XII. Section XIII discusses legislation that has been introduced to extend the Program for a long-term period.

II. BACKGROUND

Before September 11, 2001, commercial P&C insurance policies generally did not exclude coverage for losses resulting from terrorism.⁶ The events of September 11, 2001 (September 11 Attacks) resulted in approximately \$59 billion of insurance losses in 2024 dollars, about two-thirds of which were reimbursed by reinsurers to insurers.⁷ Following the September 11 Attacks, insurers and reinsurers began to exclude coverage for terrorism risk from commercial P&C policies.

TRIA was enacted in 2002, in part, because the widespread unavailability of terrorism risk insurance “could seriously hamper ongoing and planned construction, property acquisition, and other business projects, generate a dramatic increase in rents, and otherwise suppress economic activity.”⁸ TRIA established TRIP, which requires insurers to make terrorism risk coverage available within certain lines of commercial P&C insurance (TRIP-eligible lines of insurance).⁹ To assist insurers with the resulting potential financial exposure, certain insurance losses are eligible for reimbursement through the Program if they result from an “act of terrorism” as

⁶ See, e.g., Congressional Research Service (CRS), *The Terrorism Risk Insurance Act (TRIA) (2022)*, 1, <https://crsreports.congress.gov/product/pdf/IF/IF11090/5>.

⁷ Insured losses reported in inflation-adjusted 2024 dollars. See “Background on: Terrorism Risk and Insurance,” Insurance Information Institute (III), updated April 18, 2024, <https://www.iii.org/article/background-on-terrorism-risk-and-insurance>.

⁸ TRIA § 101(a)(5).

⁹ See TRIA § 103(c). Treasury has implemented regulations defining the “TRIP-eligible lines of insurance” with reference to certain lines identified for state regulatory purposes as follows: Fire, Allied Lines, Commercial Multiple Peril (non-liability), Commercial Multiple Peril (liability), Ocean Marine, Inland Marine, Workers’ Compensation (including Excess Workers’ Compensation), Other Liability (but not including Professional Liability, which is otherwise within this line for state reporting purposes), Products Liability, Aircraft, and Boiler and Machinery. See Definitions, 31 C.F.R. § 50.4(w)(1). The regulations and Treasury guidance also confirm that commercial cyber insurance written in the TRIP-eligible lines of insurance is subject to TRIP. *Id.*; see also Guidance Concerning Stand-Alone Cyber Liability Insurance Policies Under the Terrorism Risk Insurance Program, 81 Fed. Reg. 95,312 (December 27, 2016). Some of the TRIP-eligible lines of insurance also include, for state reporting purposes, personal P&C premium exposures that are not subject to the Program. There are also certain other defined exclusions within these lines. See 31 C.F.R. § 50.4(w)(2).

defined by TRIA and certified by the Secretary.¹⁰ The Program is housed in Treasury and administered by the Secretary with the assistance of FIO.¹¹

TRIA originally authorized the Program for a three-year period ending December 31, 2005. Congress has since reauthorized TRIP four times, most recently in the Terrorism Risk Insurance Program Reauthorization Act of 2019 (2019 Reauthorization Act), which extended the Program through December 31, 2027.¹² Changes enacted in Program reauthorizations, coupled with increases in the insurance industry premium base over time, have generally reduced potential federal exposure to insured losses and increased private market exposure.

TRIA provides that the Secretary shall annually require participating insurers to provide information and data for the Secretary to analyze the overall effectiveness of the Program.¹³ The information to be provided to the Secretary by participating insurers through TRIP data calls includes information regarding:

- (1) lines of insurance with exposure to terrorism losses;
- (2) premiums earned on coverage offered for terrorism losses;
- (3) geographical location of exposures;
- (4) pricing of terrorism risk coverage offered;
- (5) the take-up rate for terrorism risk coverage;
- (6) the amount of private reinsurance for acts of terrorism purchased; and
- (7) such other matters as the Secretary considers appropriate.¹⁴

The 2024-2026 TRIP data calls are discussed in [Section IV](#).

III. TRIP OVERVIEW

The Program requires that each entity meeting the definition of an insurer make available coverage for insured losses resulting from acts of terrorism.¹⁵ The mandatory offer required from participating insurers must “not differ materially from the terms, amounts, and other

¹⁰ Further details concerning the operation of the Program are provided in [Section III](#).

¹¹ Federal Insurance Office Act of 2010, 31 U.S.C. § 313(c)(1)(D).

¹² See Terrorism Risk Insurance Extension Act of 2005, Pub. L. No. 109-144, 119 Stat. 2660 (2005) (2005 Extension Act); Terrorism Risk Insurance Program Reauthorization Act of 2007, Pub. L. No. 110-160, 121 Stat. 1839 (2007) (2007 Reauthorization Act); 2015 Reauthorization Act; Terrorism Risk Insurance Program Reauthorization Act of 2019, Pub. L. No. 116-94, 133 Stat. 2534 (2019) (2019 Reauthorization Act). Legislation is pending to provide for a further long-term extension of the Program. See [Section XIII](#).

¹³ TRIA § 104(h)(1).

¹⁴ TRIA §§ 104(h)(1)(A)-(G).

¹⁵ TRIA § 103(c). An insurer is defined under TRIA as any entity, including any affiliate thereof, which receives direct earned premiums for TRIP-eligible lines of insurance and is licensed or admitted to engage in the business of insurance in any state; an eligible surplus lines carrier; a federally-approved maritime, energy, or aircraft insurer; a state residual market insurance entity or workers' compensation fund; or, to the extent provided in rules issued by the Secretary, a captive insurer or a self-insurance arrangement. TRIA § 102(6)(A)-(C).

coverage limitations applicable to losses arising from events other than acts of terrorism.”¹⁶ The “make available” requirement applies only to TRIP-eligible lines of insurance.¹⁷ TRIA does not mandate that insurers offer terrorism risk insurance at a particular price,¹⁸ nor does TRIA require any policyholder to purchase insurance for terrorism risk.¹⁹ All commercial P&C insurers writing in TRIP-eligible lines and required to make terrorism risk insurance available under their policies are considered Program participants, regardless of whether their policyholders accept the offer to take up the coverage.

Insurers are eligible for federal payments under the Program only for losses resulting from “acts of terrorism.” An act of terrorism is defined under TRIA as an act certified by the Secretary in consultation with the Attorney General of the United States and the Secretary of Homeland Security:

- to be an act of terrorism;
- to be a violent act or an act that is dangerous to human life, property, or infrastructure;
- to have resulted in damage within the United States;²⁰ and
- to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the U.S. government by coercion.²¹

Additionally, the Secretary may not certify an act that results in P&C insurance losses totaling less than \$5 million,²² or that was committed as part of the course of a war declared by Congress.²³

¹⁶ TRIA § 103(c)(2). If the policyholder does not accept the mandatory offer, the parties may then negotiate a different arrangement that permits terrorism risk coverage to be provided on a different basis than other policy coverage. 31 C.F.R. § 50.21(c).

¹⁷ TRIA § 103(c)(1). Reinsurance is excluded from the TRIP-eligible lines of insurance. TRIA § 102(11)(B)(vii). The availability of private reinsurance for terrorism risk is discussed further in [Section V.G.](#)

¹⁸ State insurance rating laws and regulations may affect the price that can be charged by insurers writing terrorism risk insurance subject to TRIA.

¹⁹ In some circumstances, state law may require the purchase of (or limit the ability to exclude) coverage for terrorism risk, such as in the case of workers’ compensation insurance, as discussed further in [Section VII.](#)

²⁰ TRIA also provides that an act of terrorism may involve damage outside the United States in the case of certain air carriers or vessels, or on the premises of a U.S. mission. TRIA § 102(1)(A)(iii).

²¹ TRIA § 102(1)(A).

²² TRIA § 102(1)(B)(ii). As Treasury confirmed in a clarification to the TRIP rules in 2021, P&C insurance losses for certification purposes include amounts that would be payable under P&C insurance policy obligations, such as on account of exclusions or deductibles, because the certification analysis looks to the size of the event in question. *See* 31 C.F.R. § 50.4(b)(2)(ii); *see also* Terrorism Risk Insurance Program; Updated Regulations in Light of the Terrorism Risk Insurance Program Reauthorization Act of 2019, and for Other Purposes, 86 Fed. Reg. 30,537 (June 9, 2021) (2021 Updated Regulations); Terrorism Risk Insurance Program; Updated Regulations in Light of the Terrorism Risk Insurance Program Reauthorization Act of 2019, and for Other Purposes; Correction, 86 Fed. Reg. 31,620 (June 15, 2021) (2021 Updated Regulations Correction).

²³ This limiting clause regarding an act that is part of a war declared by Congress does not apply to coverage under the Program for workers’ compensation insurance. TRIA § 102(1)(B)(i).

If the Secretary certifies an act of terrorism, participating insurers may submit claims to Treasury based upon their payment of terrorism losses under TRIP-eligible insurance policies. Treasury will then determine whether, and in what amounts, insurers are eligible for payments under the Program.²⁴ Treasury is then required to obtain reimbursement of certain payments of the federal share of compensation through a recoupment process and may obtain reimbursement of additional payments depending on the amount of total losses.

Payment to a participating insurer under the Program is based on a number of factors described below, including the insurer's individual deductible, the Program Trigger, the federal share of compensation of an insurer's losses, and the Program Cap. As also described further below, Treasury may use a recoupment process to recover amounts it expends. The applicable process will vary depending upon the Insurance Marketplace Aggregate Retention Amount (IMARA).

Insurer Deductible

After the Secretary certifies one or more acts of terrorism, two prerequisites must be met before an insurer is eligible for payments from Treasury under the Program: (1) the insurer's "insured losses" subject to the Program²⁵ must exceed its deductible (which is 20 percent of the insurer's direct earned premiums (DEP) in the TRIP-eligible lines for the prior calendar year),²⁶ and (2) the Program Trigger must be satisfied.

Program Trigger

The Program Trigger is the minimum amount of insurance industry aggregate insured losses resulting from a certified act (or acts) of terrorism taking place in a particular calendar year that must be sustained before any federal payments are made. The Program Trigger reached \$200 million in calendar year 2020 and will remain at \$200 million through 2027.²⁷ Once the Program Trigger has been satisfied, Treasury will make payments to individual insurers for the federal share of compensation above their respective deductibles.

²⁴ Any determination by Treasury is made pursuant to the Program regulations. *See* Terrorism Risk Insurance Program, 31 C.F.R. Part 50.

²⁵ In 2021, Treasury issued a final rule clarifying that "insured losses" for purposes of TRIP exclude any amounts for which the policyholder is responsible (whether on account of policy exclusions, deductibles, or retention amounts). The final rule also addresses the calculation of the Program Trigger, the recovery of the Federal Share under TRIP, and the calculation of the Program Cap. 31 C.F.R. § 50.4(n)(3)(iv); *see also* 2021 Updated Regulations, 86 Fed. Reg. 30,537; 2021 Updated Regulations Correction, 86 Fed. Reg. 31,620.

²⁶ TRIA § 102(7).

²⁷ TRIA § 103(e)(1)(B). TRIP did not originally have a Program Trigger. This requirement was introduced in the 2005 Extension Act. It was initially set at \$50 million (for losses occurring in 2006), and it increased to \$100 million for losses occurring in 2007. The 2007 Reauthorization Act did not change the Program Trigger, which remained at \$100 million. The 2015 Reauthorization Act, however, provided for an annual increase in the Program Trigger of \$20 million beginning in 2016, until reaching \$200 million in 2020. Under the 2019 Reauthorization Act, the Program Trigger remains at \$200 million until the current expiration of the Program in 2027.

Federal Share of Compensation

After an insurer meets its deductible and the Program Trigger is satisfied, the federal government will pay a certain percentage of that insurer's losses in excess of the insurer's deductible. For calendar year 2025, the federal share of compensation was 80 percent of an insurer's losses above its deductible; the sharing ratio will remain at this level until 2027, when the Program is currently set to expire.²⁸

Program Cap

TRIA limits the aggregate exposure of both insurers and the federal government arising from insured losses for an act or acts of terrorism. Specifically, TRIA prohibits the Secretary from making payments for any portion of aggregate insured losses (counting amounts paid by Program participants and the federal government) from acts of terrorism that exceed the Program Cap of \$100 billion during any calendar year.²⁹ If the Program Cap is reached, an insurer that has met its insurer deductible by making payments for insured losses subject to the Program is not liable for any portion of losses that exceeds the Program Cap.³⁰

Recoupment

The Secretary will collect "terrorism loss risk-spreading premiums" from insurers if federal payments are made to insurers. Under this mechanism, known as recoupment, Program participants may be required to collect funds from policyholders by placing a surcharge on insurance policies written in TRIP-eligible lines. The surcharges will be set based upon the amount that must be recovered by Treasury and the time within which it must be recovered, as required by TRIA. Insurers must then remit these surcharges to the Secretary.³¹ The requirement to recoup terrorism loss risk-spreading premiums applies to all insurers writing policies in TRIP-eligible lines of insurance, regardless of whether they received federal payments under the Program. Surcharges are placed on all TRIP-eligible insurance policies regardless of whether the policyholder purchased terrorism risk insurance.³²

IMARA

TRIA provides that recoupment under the Program may be mandatory or subject to the Secretary's discretion. This determination depends on how any federal payments under TRIP compare with the total insured losses paid by participating insurers. Mandatory recoupment occurs where total industry payments are below the IMARA. The IMARA, which is calculated annually by Treasury based upon its annual TRIP data calls, is the annual aggregate average of

²⁸ TRIA § 103(e)(1)(A).

²⁹ TRIA § 103(e)(2)(A).

³⁰ TRIA requires the Secretary to notify Congress if insured losses are projected to exceed the Program Cap and in that case the Secretary shall determine the pro rata share of insured losses to be paid by each affected insurer. TRIA §§ 103(e)(2)-(3).

³¹ TRIA §§ 103(e)(7)-(8).

³² TRIA § 103(e)(8).

insurer deductibles over the prior three-year period.³³ The IMARA is \$58.7 billion for calendar year 2026.³⁴ In connection with amounts subject to mandatory recoupment, Treasury must collect 140 percent of total amounts expended within statutorily-defined periods.³⁵

IV. DATA COLLECTION

This Report is based primarily on the results of Treasury’s 2024-2026 TRIP data calls and FIO’s administration of the Program. In addition, Treasury performed qualitative research and sought input from stakeholders through a Federal Register Notice seeking comments.³⁶ Treasury also reviewed publicly available data that insurers reported to state regulators.

This section explains the FIO data collection process, the categories of insurers who responded to the TRIP data call, the response rate, and how FIO evaluated the quality of the data.

A. Data Collection Process

The 2024-2026 TRIP data calls were mandatory for participating insurers, subject to an exception for small insurers that wrote less than \$10 million in TRIP-eligible lines premiums in each reporting year.³⁷

Treasury collected data on a group basis (combining affiliated companies) because TRIP is generally administered on a group basis.³⁸ The information collected included data concerning

³³ See 31 C.F.R. § 50.4(m)(2).

³⁴ See IMARA Calculation for Calendar Year 2026 Under the Terrorism Risk Insurance Program, 90 Fed. Reg. 59,324 (December 18, 2025).

³⁵ See TRIA §§ 103(e)(7)-(8).

³⁶ See 2026 Report on the Effectiveness of the Terrorism Risk Insurance Program, 91 Fed. Reg. 14,632 (March 25, 2026). Treasury received 18 responsive comments addressing the Program from: American Academy of Actuaries (May 8, 2026) (AAA Comments); American Gas Association (May 8, 2026) (AGA Comments); Aon (May 8, 2026) (Aon Comments); American Property Casualty Insurance Association (APCIA) (May 7, 2026) (APCIA Comments); Associated Electric & Gas Insurance Services Limited (AEGIS) (May 8, 2026) (AEGIS Comments); BOMA International (May 8, 2026) (BOMA Comments); Captive Insurance Companies Association, *et al.* (May 6, 2026) (CICA Comments); Centers for Better Insurance, LLC (CBI) (April 28, 2026) (CBI Comments); Coalition to Insure Against Terrorism (CIAT) (May 7, 2026) (CIAT Comments); Edison Electric Institute (EEI) (May 8, 2026) (EEI Comments); Energy Insurance Mutual Ltd. (May 7, 2026) (EIM Comments); Foundation for Defense of Democracies (May 8, 2026) (FDD Comments); Marsh (May 6, 2026) (and also submitting Marsh’s *Global Terrorism Risk Insurance Report 2026*) (Marsh Comments); National Association of Insurance Commissioners (NAIC), May 8, 2026 (NAIC Comments); National Association of Mutual Insurance Companies (NAMIC) (May 8, 2026) (NAMIC Comments); National Council on Compensation Insurance (May 8, 2026) (NCCI Comments); Reinsurance Association of America (RAA) (May 8, 2026) (RAA Comments); and Underwriters at Lloyd’s, London (Lloyd’s) (May 5, 2026) (Lloyd’s Comments). All comments are available at <https://www.regulations.gov/document/TREAS-TRIP-2026-0199-0001/comment>.

³⁷ Treasury estimates that insurers eligible for this reporting exception (between 350 and 400 insurers in each year) represent annually about 0.3 percent of the TRIP-eligible lines premium market for each TRIP data call between 2024 and 2026. See, e.g., S&P Global Market Intelligence (as of April 14, 2026).

³⁸ An “affiliate” under TRIP is “any entity that controls, is controlled by, or is under common control with the insurer.” 31 C.F.R. § 50.4(c). Calculation of the deductible and the submission of claims under TRIP is on a group basis, in light of this “affiliate” definition. Recoupment surcharges, however, are assessed and collected on an

premiums, policy exposures, policyholder take-up rates, and reinsurance.³⁹ Treasury collected information from four insurer categories (described in [Section IV.B](#)), with each insurer category completing a different reporting template that is tailored to that category.

Treasury collected data through a third-party insurance statistical aggregator, as required by TRIA.⁴⁰ The statistical aggregator provided results to Treasury in an aggregated and/or anonymized format. Treasury obtained most of the workers' compensation insurance elements from the National Council on Compensation Insurance (providing data from the states in which it operates as well as on behalf of other independent state workers' compensation rating bureaus), the California Workers' Compensation Insurance Rating Bureau, and the New York Compensation Insurance Rating Board, thereby reducing the burden of the reporting requirements on the insurance industry.

State insurance regulators began annually collecting data relating to terrorism risk insurance in 2016. Because the state insurance regulator data calls sought information similar (but not identical) to that collected by Treasury, beginning in 2018 Treasury and state regulators developed a consolidated data call to satisfy their respective statutory mandates and objectives while permitting reporting insurers to submit, for the most part, the same information.⁴¹ This consolidated collection approach significantly reduces burdens on insurers.

B. Responding Insurer Categories

TRIA and its implementing regulations require insurers to report in one of four insurer categories:

- (1) **Alien Surplus Lines Insurers:** This category includes alien surplus lines insurers that are not affiliated with either a domestic non-small or small insurer. See also [Section VI.C](#).
- (2) **Captive Insurers:** Insurers formed to insure the risk exposures of their policyholder owners and regulated by the captive insurance laws of a particular state jurisdiction. See also [Section VI.B](#).
- (3) **Non-Small Insurers:** Domestic insurers or groups (including affiliated alien surplus lines insurers) with either DEP in TRIP-eligible lines of insurance (TRIP-eligible DEP) above the small insurer threshold or a policyholder surplus above the small insurer threshold.
- (4) **Small Insurers:** Domestic insurers or groups (including affiliated alien surplus lines insurers) with *both* 2024 DEP in TRIP-eligible lines of insurance of less than \$1 billion

individual company basis. See Insurer Responsibility, 31 C.F.R. § 50.96. Insurer groups may include both domestic insurers as well as foreign insurers that write only business in the United States on a surplus lines basis.

³⁹ See Annual Data Reporting, 31 C.F.R. § 50.51(b).

⁴⁰ TRIA § 104(h)(3). The data aggregator for the 2024-2026 TRIP data calls was Insurance Services Office, Inc.

⁴¹ See FIO, *2018 Effectiveness Report*, 10-11.

and a 2024 policyholder surplus of less than \$1 billion (subject to the reporting exception for insurers with less than \$10 million in TRIP-eligible DEP).⁴² See also [Section VI.A](#).

Each of the above four categories include insurers that are “admitted” or licensed to write business in at least one U.S. jurisdiction, and domestic and foreign insurers that have been permitted as a matter of state law to write U.S. business on a surplus lines basis.⁴³

Figure 1 shows insurer participation by category, as indicated by reported TRIP-eligible DEP.

Figure 1: TRIP-Eligible DEP by Insurer Category (\$ billions)⁴⁴

	2024 TRIP data call		2025 TRIP data call		2026 TRIP data call	
	2023 TRIP-Eligible DEP	% of Total	2024 TRIP-Eligible DEP	% of Total	2025 TRIP-Eligible DEP	% of Total
Alien Surplus Lines Insurers	\$ 16.4	6%	\$ 18.9	6%	\$ 19.8	6%
Captive Insurers	14.0	5%	17.5	5%	17.4	5%
Non-Small Insurers	227.2	78%	247.4	78%	254.0	78%
Small Insurers	33.9	12%	35.4	11%	35.7	11%
Total	\$ 291.4	100%	\$ 319.2	100%	\$ 327.0	100%

Source: 2024-2026 TRIP data calls

Figure 2 illustrates the total amount of premiums in the TRIP-eligible lines of insurance reported by non-small and small insurers. For a breakdown of the terrorism risk insurance premium component of these premiums, see Figure 55 ([Section VII](#)).

⁴² Small insurers are defined with reference to the size of the insurer’s policyholder surplus and TRIP-eligible DEP in the immediately preceding year as compared with an amount five times the size of the Program Trigger (which is currently \$200 million). See 31 C.F.R. § 50.4(z); see also FIO, *Study of Small Insurer Competitiveness in the Terrorism Risk Insurance Marketplace* (2025), 8, 10, <https://home.treasury.gov/system/files/311/2025%20Small%20Insurer%20Study%20FINAL%20508.pdf> (2025 *Small Insurer Study*).

⁴³ An admitted insurer is “an insurance company licensed to do business in a state(s), domiciled in an alternative state or country.” See “Glossary of Insurance Terms,” NAIC, http://www.naic.org/consumer_glossary.htm. Non-admitted insurers can write insurance on a surplus lines basis when the desired coverage cannot be obtained from admitted insurers in the jurisdiction in question. See *id.*; 31 C.F.R. § 50.4(o)(1)(i)(B).

⁴⁴ Some totals may not sum, or percentages add to 100 percent, due to rounding.

**Figure 2: TRIP-Eligible DEP by TRIP-Eligible Lines of Insurance
(Non-Small and Small Insurers) (\$ billions)**

	2024 TRIP data call		2025 TRIP data call		2026 TRIP data call	
	2023 TRIP-Eligible DEP	% of Total	2024 TRIP-Eligible DEP	% of Total	2025 TRIP-Eligible DEP	% of Total
Aircraft (all perils)	\$ 2.7	1%	\$ 2.8	1%	\$ 2.8	1%
Allied Lines	18.9	7%	21.4	8%	19.9	7%
Boiler and Machinery	2.3	1%	2.6	1%	2.3	1%
Commercial Multiple Peril (liability)	17.9	7%	19.3	7%	19.4	7%
Commercial Multiple Peril (non-liability)	37.6	14%	41.7	15%	44.0	15%
Excess Workers' Compensation	0.9	0%	1.2	0%	3.2	1%
Fire	18.9	7%	22.0	8%	21.6	7%
Inland Marine	17.1	7%	16.4	6%	17.2	6%
Ocean Marine	4.0	2%	4.3	2%	4.6	2%
Other Liability	73.7	28%	78.3	28%	80.3	28%
Products Liability	4.7	2%	5.0	2%	5.2	2%
Workers' Compensation	62.3	24%	67.8	24%	69.2	24%
Total	\$ 261.1	100%	\$ 282.8	100%	\$ 289.7	100%

Source: 2024-2026 TRIP data calls

C. Response Rate

Treasury estimates that the response rate for domestic insurers in the 2026 TRIP data call (measured by TRIP-eligible DEP) was at least 99.7 percent for non-small insurers, and at least 74.1 percent for small insurers. In comparison, approximately 100 percent of non-small insurers and at least 86.4 percent of small insurers reported in the 2025 TRIP data call, while at least 99.1 percent of non-small insurers and at least 83.3 percent of small insurers reported in the 2024 TRIP data call.⁴⁵ Treasury estimates that between 85 to 95 percent of alien surplus lines insurers responded to the 2024, 2025, and 2026 TRIP data calls.⁴⁶

Determining the response rate for captive insurers under TRIP is complicated because captive insurers typically do not submit publicly available information that could be used by Treasury to independently evaluate their response rate. Therefore, Treasury has engaged with state insurance regulators and brokers that work with captive insurers to confirm that the appropriate number of captive insurers report for the TRIP data calls.⁴⁷ Based upon the available information and the

⁴⁵ Treasury evaluates the response rates to the TRIP data calls by analyzing information reported to state insurance regulators and other independent analyses. Some amount of non-reporting may be attributable to small insurers that are under the reporting threshold. Treasury will continue to analyze the response rates in future reports.

⁴⁶ Alien surplus lines insurers also report certain information to state regulators, and Treasury uses a process to evaluate the response rate for alien surplus lines insurers that is similar to the process it uses for domestic insurers.

⁴⁷ Treasury only requires reporting from captive insurers to the extent that they issue terrorism risk insurance that is subject to the Program. Captive insurers that write policies in the TRIP-eligible lines of insurance but which do not provide any terrorism risk insurance subject to the Program do not have a reporting requirement. See 2026 Terrorism Risk Insurance Program Data Call, 91 Fed. Reg. 14,630, 14,631 (March 25, 2026).

consistency of results year over year, Treasury estimates that the significant majority of captive insurers that write terrorism risk insurance subject to the Program, on either an embedded or standalone basis, have provided information in response to the 2024-2026 TRIP data calls.

D. Data Quality Evaluation

This Report includes analysis of data for 2023 through 2025, relying on the results of the 2024-2026 TRIP data calls, with a particular focus on the 2025 and 2026 TRIP data calls conducted since Treasury's last Effectiveness Report.⁴⁸ Treasury compared the results of its TRIP data calls with state reporting data for the same period to further validate the accuracy of reported data. The comparison between TRIP data calls and state reporting data is relevant because TRIP-eligible lines are defined by regulation with general reference to state insurance reporting lines. The Program uses state-defined insurance lines and reporting data standards to determine the "property and casualty insurance" that is subject to the Program, which promotes efficient Program administration. This process also allows Treasury to determine whether the data reported by non-small and small insurers under TRIP data calls is generally consistent with similar data reported for state regulatory purposes.⁴⁹

Figure 3 compares the premiums reported to Treasury in the 2025 and 2026 TRIP data calls with the premiums reported by non-small and small insurers for state regulatory purposes.⁵⁰ Some adjustments are made to the state data to account for variations between certain state statutory reporting lines and the premiums that are subject to TRIP and collected by Treasury.⁵¹

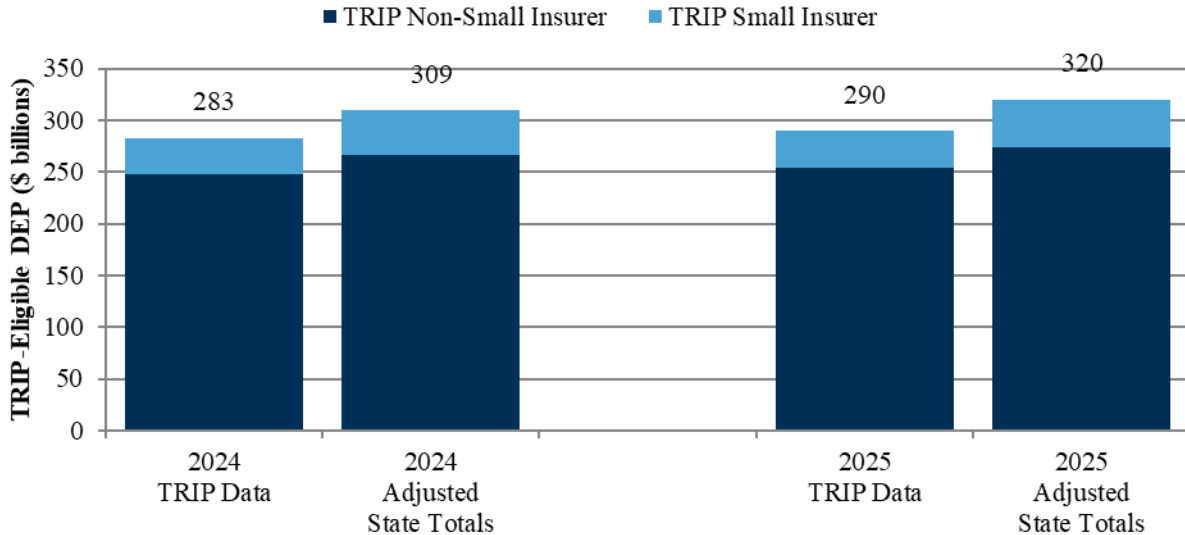
⁴⁸ Some figures in this Report relating to the 2024 and 2025 TRIP data calls may not be identical to similar information previously reported by Treasury because of late-reported or corrected data submitted after publication of prior reports. Similarly, late reported or corrected data received in the future in connection with the 2026 TRIP data call may result in future reporting by Treasury of information different from that reported here.

⁴⁹ For purposes of this Report, Treasury evaluated the data reported by domestic non-small and small insurers that regularly make public statutory insurance filings by comparing the Treasury data with the reporting lines for state insurance regulatory purposes. Treasury has addressed this adjustment process in prior reports. See FIO, *Study of Small Insurer Competitiveness in the Terrorism Risk Insurance Marketplace* (2017), 11, https://home.treasury.gov/system/files/311/Study_of_Small_Insurer_Competitiveness_in_the_Terrorism_Risk_Insurance_Marketplace_%28June_2017%29.pdf (2017 *Small Insurer Study*). Most alien surplus lines and captive insurers do not make such filings; therefore, this analysis does not extend to those Program participants.

⁵⁰ Treasury performed this analysis in connection with the data collected in the 2023 and 2024 TRIP data calls and concluded that the data reported to Treasury was consistent with the more general information reported by those insurers for state regulatory purposes. FIO, *2024 Effectiveness Report*, 12-13.

⁵¹ The principal differences between state reporting lines and TRIP-eligible lines are: (1) certain lines of insurance (principally Fire and Allied Lines, but also other lines) encompass policies written to cover personal, and not commercial, exposures, which are not subject to TRIP; and (2) Professional Liability insurance is not subject to TRIP, even though it is reported for state purposes under the Other Liability line of insurance, which is otherwise a TRIP-eligible line of insurance. See 31 C.F.R. § 50.4(w). Other small (and offsetting) differences arise from the manner in which Treasury collects data, which Treasury has addressed in prior reports. See FIO, *2018 Effectiveness Report*, 14 n.53.

Figure 3: Comparison of TRIP-Eligible DEP Reported in Treasury Data Calls to TRIP-Eligible DEP Reported to State Regulators



Source: 2025-2026 TRIP data calls; S&P Global Market Intelligence (as of April 14, 2026)

The data provided by reporting insurers in the 2025 and 2026 TRIP data calls is consistent with the data that insurers reported for state regulatory purposes. Therefore, the reported data is sufficient for the purpose of analyzing the effectiveness of the Program.

V. ANALYSIS OF THE OVERALL EFFECTIVENESS OF THE PROGRAM

TRIA was established to “protect consumers by addressing market disruptions and ensure the continued widespread availability and affordability of P&C insurance for terrorism risk,” and to permit private markets to stabilize, resume pricing, and build capacity.⁵² Based on Treasury’s analysis, the Program has been largely effective in meeting these statutory objectives. Stakeholders—representing the interests of insurers, reinsurers, and commercial policyholders—generally agree that the Program has been effective in achieving its statutory objectives.⁵³

The 2024-2026 TRIP data calls indicate that the market for commercial P&C insurance in general and terrorism risk insurance in particular remains relatively stable. There has been an overall reduction in take up of terrorism risk insurance, as measured by premium. This reduction in take up is more significant when measured by policy limits. Nevertheless, terrorism risk insurance remains available in the market for a relatively low cost and continues to appear in a significant majority of TRIP-eligible lines policies issued in the United States, including those obtained by places of worship. Private reinsurance capacity for terrorism risk insurance has increased since the creation of the Program, although the data continues to reflect that reinsurance for terrorism risk has not increased at the same rate as natural catastrophe

⁵² TRIA §101(b).

⁵³ See “2026 Report on the Effectiveness of the Terrorism Risk Insurance Program,” Regulations.gov, March 25, 2026, <https://www.regulations.gov/document/TREAS-TRIP-2026-0199-0001/comment> (collecting and providing links to comments).

reinsurance. The Report addresses each of these observations in more detail below, relying principally upon the 2024-2026 TRIP data calls. The Report then addresses terrorism risk insurance for nuclear, biological, chemical, or radiological (NBCR) attacks and for cyber losses.

A. General Program Observations

Several commenters cited the Program as the principal mechanism that has made terrorism risk insurance available and affordable since the inception of the Program in 2002, and observed that the Program has had a stabilizing effect on commercial P&C insurance generally and terrorism risk insurance in particular.⁵⁴ Similarly, commenters state that absent the Program the market would not provide sufficient capacity on its own.⁵⁵ Market fluctuations have occurred when the Program has lapsed or when there has been uncertainty over whether it would be reauthorized.⁵⁶

⁵⁴ See Aon Comments, 1 (“Since its inception, TRIP has delivered measurable and enduring market benefits, including an approximately 80 percent reduction in property terrorism pricing and a corresponding increase in take-up rates of roughly 130 percent, with consistent participation of 60-70 percent among complex commercial property insureds. As a result, this has enabled insurers to deploy capacity with greater confidence, manage aggregate exposures and avoid market withdrawal, even as terrorism risk has become more complex, capital intensive and increasingly difficult to absorb on a stand-alone basis.”); NCCI Comments, 4 (“Given the challenges presented by the terrorism peril, Congress determined a workable solution was needed that provides primary insurance carriers with a mechanism to manage the impact of the terrorism peril. That solution was the creation of TRIP and it appears it may have contributed to a relatively stable workers compensation market.”); APCIA Comments, 1 (“TRIP continues to provide stability and enable insurers to offer terrorism coverage broadly and at sustainable prices.”); Marsh Comments, 13 (“After 24 years, TRIPRA continues to provide critical stability and protection for the (re)insurance market, the federal government, and US taxpayers It also has been successful in aiding the return of more property and casualty (re)insurance capacity to the US market.”); RAA Comments, 2 (“By limiting insurers’ exposure to catastrophic terrorism losses, TRIA has enhanced the private market for such coverage and has had a stabilizing influence on the economy.”); Lloyd’s Comments, 1 (“TRIP has been and remains quite effective and successful since its enactment. It serves its purpose of stabilizing the insurance market and the economy in times of uncertainty and provides for a smooth recovery in the event of a future terrorist attack.”); CIAT Comments, 1 (“Maintaining a stable and competitive terrorism insurance marketplace is critical to America’s economic national security. For more than twenty years, the Program has ensured this important marketplace has remained intact, and the economy protected as a result.”); AEGIS Comments, 1 (“[T]he Program remains an essential backstop for loss exposures that are inherently difficult or impossible for the private market to absorb on an unsupported basis.”); EIM Comments, 1 (“TRIP continues to play a critical, stabilizing role in the terrorism insurance market, particularly for low-frequency, high-severity risks where market capacity alone may be insufficient.”); BOMA Comments, 2 (“In an insurance market already strained by inflationary pressures, constrained capacity, and elevated catastrophe losses, TRIP remains a vital stabilizer for terrorism risk insurance and commercial real estate investment.”).

⁵⁵ NAIC Comments, 2 (“Absent TRIA or some comparable solution, private insurance carriers would not provide meaningful capacity for commercial terrorism coverage on a consistent basis.”); CIAT Comments, 1 (“While private capacity for terrorism risk and private industry’s retention under TRIA have grown over time, CIAT is unconvinced that the private market would be able to devote the necessary capacity to terrorism risk absent the TRIA backstop.”); CRS, *The Terrorism Risk Insurance Act (2026)*, 2, <https://www.congress.gov/crs-product/IF11090> (“Whether private coverage would remain available and affordable without TRIA is uncertain.”).

⁵⁶ See, e.g., CIAT Comments, 2 (“Previously, when reauthorization of the program has extended into the final year of an existing authorization, CIAT members have seen policy renewals issued containing ‘springing exclusions’ that would void terrorism cover if TRIA were to expire during the policy term.”). See also CRS, *Terrorism Risk Insurance: Overview and Issue Analysis (2022)*, 1, <https://crsreports.congress.gov/product/pdf/R/R47042> (“It is unclear how the insurance market would react to the expiration of the federal program, although at least some instability might be expected were this to occur.”).

Program mechanics—i.e., the amount of the Program Trigger, the individual insurer deductibles, and the co-pay shares—also affect how the market for terrorism risk insurance now operates. The 2015 Reauthorization Act prescribed changes to the Program mechanics that would occur over time, which have caused a continued shift of exposure from the federal government to the private market for terrorism risk insurance. Treasury has not observed any market disruption or impediments to participation caused by these changes. Although the 2019 Reauthorization Act did not modify any of the Program mechanics from those in place during 2020, increases in industry premiums over time have resulted in a corresponding increase in industry and policyholder exposure, which has been observed by Treasury in insurer deductibles and corresponding calculation of the IMARA.⁵⁷

B. Availability of Terrorism Risk Insurance and Corresponding Impact on Provision of Coverage

The availability of insurance for terrorism risk refers to whether insurers offer coverage for losses arising from an act of terrorism. Even when insurers “make available” terrorism risk coverage as required by TRIA, they retain the ability to limit their terrorism risk exposure in various ways. For example, insurers can limit their exposure to terrorism risk through pricing, by declining to underwrite particular risks, or by excluding coverage for certain forms of terrorism loss (where permitted by state law) such as for NBCR attacks.⁵⁸ Insurers may also decline to write a particular line of insurance entirely if that line presents too great a risk of loss on account of terrorism.

In assessing whether participating insurers are complying with the “make available” requirement, this Report considers the specific experience indicated by the TRIP data calls for commercial multi-peril (CMP) insurance. CMP insurance is a type of commercial package policy that contains coverage for more than one peril in a single policy. Such insurance products are more likely to be purchased by smaller or medium-sized businesses.⁵⁹ The TRIP data calls indicate CMP products produced a significant proportion (29 percent in 2025) of all policy premiums reported by non-small and small insurers in the TRIP-eligible lines of insurance, excluding workers’ compensation. CMP policies have a high take-up rate for terrorism coverage, which indicates that participating insurers are regularly “making available” terrorism risk insurance to their policyholders. In the 2024-2026 TRIP data calls, approximately 78 percent of CMP

⁵⁷ The IMARA increased from \$48.5 billion in 2024 to \$58.7 billion in 2026 because of the growth in annual industry premium in the TRIP-eligible lines of insurance. Since the IMARA is the average of aggregate insurer deductibles under TRIP, the increase in the IMARA signals a similar increase in the individual deductibles of individual insurers before they are entitled to make a claim for the federal share under TRIP.

⁵⁸ The extent of terrorism risk insurance for NBCR losses is addressed further in [Section V.H.](#)

⁵⁹ Policies that package together multiple lines typically needed by small businesses are generally more cost effective for such businesses than purchasing separate policies for each line of insurance. *See generally* “Understanding Business Owners Policies (BOPs),” III, <https://www.iii.org/article/understanding-business-owners-policies-bops>.

policies (as measured by TRIP-eligible DEP) included coverage for terrorism risk, with high percentages observed in all geographic areas of the United States.⁶⁰

Treasury uses a different method to assess program effectiveness in the workers' compensation line of insurance business. This is because all jurisdictions require that terrorism risk coverage be included in all workers' compensation policies and the take-up rate is 100 percent. So instead of focusing on the take-up rate, Treasury assesses availability based on whether businesses purchase terrorism insurance coverage in the standard "voluntary" market in comparison to the residual market or whether businesses elect to self-insure.

The standard or voluntary market refers to insurance provided by a state licensed and supervised insurance company through market-negotiated terms. If any business cannot find an insurance company to provide needed insurance, then it can obtain that coverage in the residual market. State insurance laws require licensed insurance companies to participate in residual insurance markets through risk-sharing arrangements that vary from state to state. In the residual market, also known as the assigned market, a market manager or other mechanism allocates these higher risk customers to participating insurance companies. Insurance premiums in this part of the market are higher and thus reflect that they are businesses' second rather than first choice for coverage. Businesses that self-insure must comply with strict financial responsibility rules. A residual market share that is large or growing may indicate market stress or inefficiency. Also, expansion of the residual market can put pressure on the voluntary market through the requirement for insurance companies to assume these higher residual risks in proportion to their share of the voluntary market.⁶¹

Available industry data indicates that the market share of the residual market based upon total workers' compensation premiums has been stable since the enactment of TRIA. That share has ranged from four to six percent of total workers' compensation premiums between 2007 and 2024.⁶² Similarly, the industry data indicates that the percentage of businesses self-insuring has remained relatively steady at between 23.9 percent in 2007 and 26.1 percent in 2022.⁶³ Accordingly, in the specific context of workers' compensation insurance, terrorism risk insurance is generally available in the marketplace. The general availability of terrorism risk insurance in the marketplace does not appear to be discouraging or impeding insurers from providing commercial P&C insurance in general, or coverage for acts of terrorism specifically. Treasury has not observed that Program requirements limit the acquisition of terrorism risk insurance specifically or P&C insurance more generally. Stakeholders report that they have not

⁶⁰ Using policy count data reported by non-small insurers (such information is not collected from small insurers), the take-up rate for terrorism risk insurance in CMP lines measured 92 percent in the 2024 TRIP data call, 91 percent in the 2025 TRIP data call, and 90 percent in the 2026 TRIP data call. *See also* [Section V.D.](#)

⁶¹ *See* NCCI Comments, 2-3 (noting impact of the September 11 Attacks on the increase in the share of the residual market for workers' compensation risks and follow-on impact on insurers in the voluntary market). Workers' compensation issues under TRIA are discussed in [Section VII.](#)

⁶² NCCI Comments, 3.

⁶³ *See* Tyler Welch, *et al.*, *Workers' Compensation: Benefits, Coverage, and Costs* (November 2024), 24, <https://archive.nasi.org/wp-content/uploads/2024/11/2024-WC-Report-2022-Data-Final.pdf> (analysis from the National Academy of Social Insurance, using 2022 data) (*November 2024 NASI Workers' Compensation Report*). Self-insurance estimates from the National Academy of Social Insurance after 2022 are currently unavailable.

observed that the Program discourages the provision of insurance,⁶⁴ although some noted that this could change if changes to the Program mechanics materially increase insurer exposure to terrorism risk.⁶⁵

C. Affordability of Terrorism Risk Insurance

Terrorism risk coverage provided under TRIP is generally “embedded” in policies that also cover other risks. Coverage also may be provided on a “standalone” basis where the policy provides coverage only for terrorism risk. Such standalone policies are often used when properties or operations present heightened exposure to terrorism risk.

TRIP data calls indicate that between 80 to 85 percent of the U.S. terrorism risk insurance market (as measured by terrorism risk insurance premium) is provided through embedded policies, with the remaining 15 to 20 percent attributable to standalone terrorism policies. When measured by policy limits instead of premiums, the market share of standalone policies is much smaller, due to the higher risk and higher premiums under standalone policies. Each type of policy is examined in greater detail below.

1. Embedded Terrorism Risk Insurance

Embedded terrorism risk insurance is provided within P&C policies that also cover other risks. TRIA requires that insurers disclose to policyholders the amount of premium charged for embedded terrorism risk insurance.⁶⁶ This premium cost is often disclosed to the policyholder as a percentage of the total premium charged for the policy.⁶⁷

Although about 69 percent of insurers charge a premium for terrorism risk insurance within embedded policies, approximately 31 percent (based upon the 2026 TRIP data call) provide terrorism risk coverage for no additional charge. Figure 4 illustrates premium charges in the

⁶⁴ See NAIC Comments, 3 (“TRIP does not discourage or impede insurers from providing covered commercial property and casualty lines or terrorism coverage. To the contrary, the program encourages participation by reducing the otherwise unmanageable tail risk associated with catastrophic terrorism losses.”); NAMIC Comments, 2 (“NAMIC is unaware of any aspect of TRIP that has the effect of discouraging or impeding insurers from providing one or more lines of commercial property and casualty insurance coverage, or coverage for acts of terrorism specifically.”); APCIA Comments, 1 (“APCIA and its members do not believe that TRIP has discouraged or impeded insurers from providing coverage for any casualty lines and if anything, it serves as a catalyst for insurers offering coverage to insureds that might have exposure to terrorism events, which is its intended goal.”).

⁶⁵ See NAMIC Comments, 2 (“We would caution that if the threshold for federal involvement, or those deductibles, are increased significantly, offering terrorism coverage would become a ‘bet the company’ risk for all but the largest insurers and would force small, midsize and many other companies, out of the marketplace, negatively impacting policyholders who may not have access to the largest of insurers.”).

⁶⁶ See General Disclosure Requirements, 31 C.F.R. § 50.10; Clear and Conspicuous Disclosures, 31 C.F.R. § 50.12.

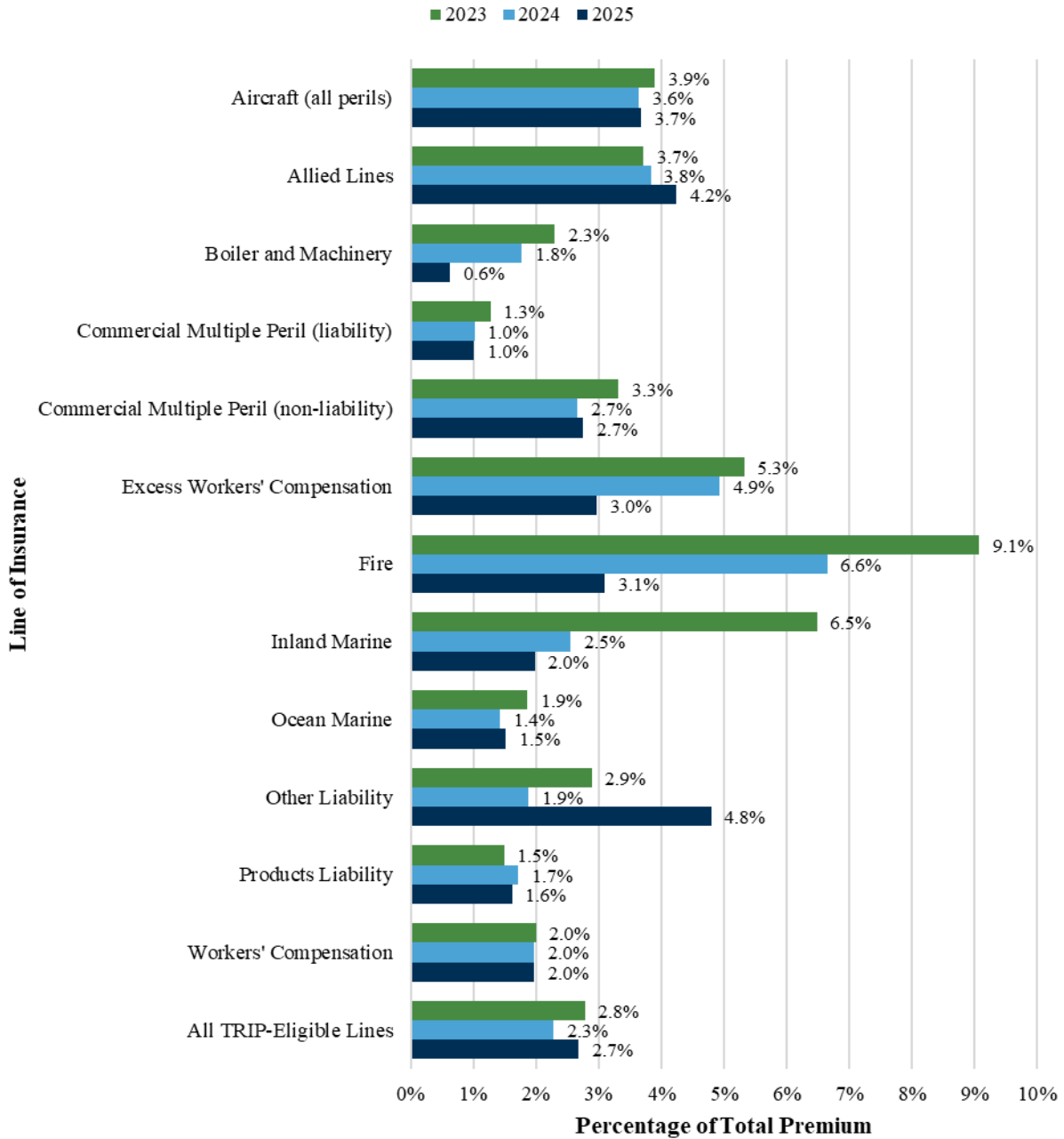
⁶⁷ See Clear and Conspicuous Disclosure, 31 C.F.R. § 50.12(b); see also Marsh Comment, 16 (“TRIPRA coverage often adds a small percentage to overall property premiums (sometimes 2% to 4%) . . .”).

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terrorism risk insurance marketplace for embedded terrorism risk insurance coverage, broken out by insurance line and in total, in cases where an additional charge is made for the insurance.⁶⁸

⁶⁸ The figures in this section are based upon the information reported to Treasury by non-small and small insurers. Similar information for captive and alien surplus lines insurers is reported in [Sections VI.B](#) and [VI.C](#), respectively.

Figure 4: Percentage of Total Policy DEP Allocated to Terrorism Risk⁶⁹

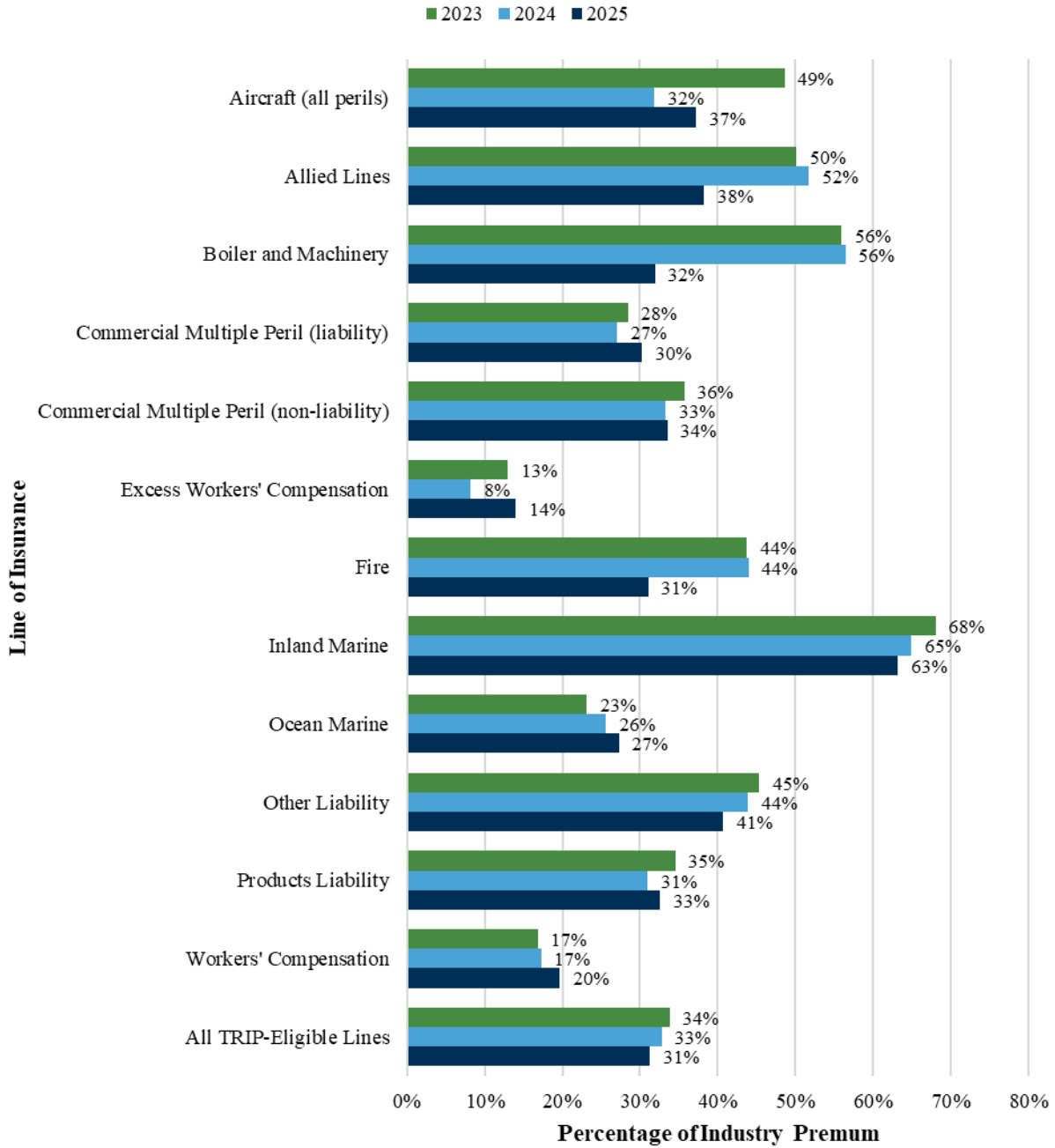


Source: 2024-2026 TRIP data calls

Figure 5 identifies policies where terrorism risk coverage is provided for no additional charge.

⁶⁹ The premiums for embedded terrorism risk insurance are slightly overstated because total premiums contain a small amount of non-small insurer premium for standalone policies that cannot be removed on a line-by-line basis. When removed from the total figures, however, the total premiums decline slightly to 2.6 percent in 2025.

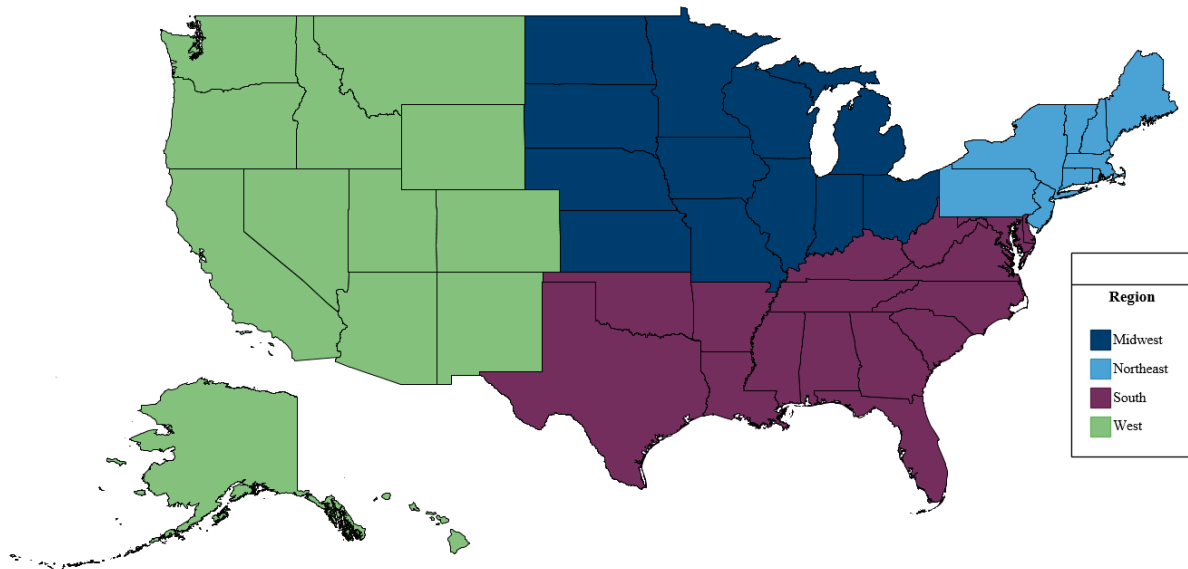
Figure 5: Percentage of DEP Where Policies Include Terrorism Coverage at No Additional Charge



Source: 2024-2026 TRIP data calls

Charges for terrorism risk coverage vary not only by line of insurance but also by geographic area. For purposes of analysis by geographic area, Treasury generally uses either the four U.S. Census Regions (shown in Figure 6) or individual state jurisdictions.

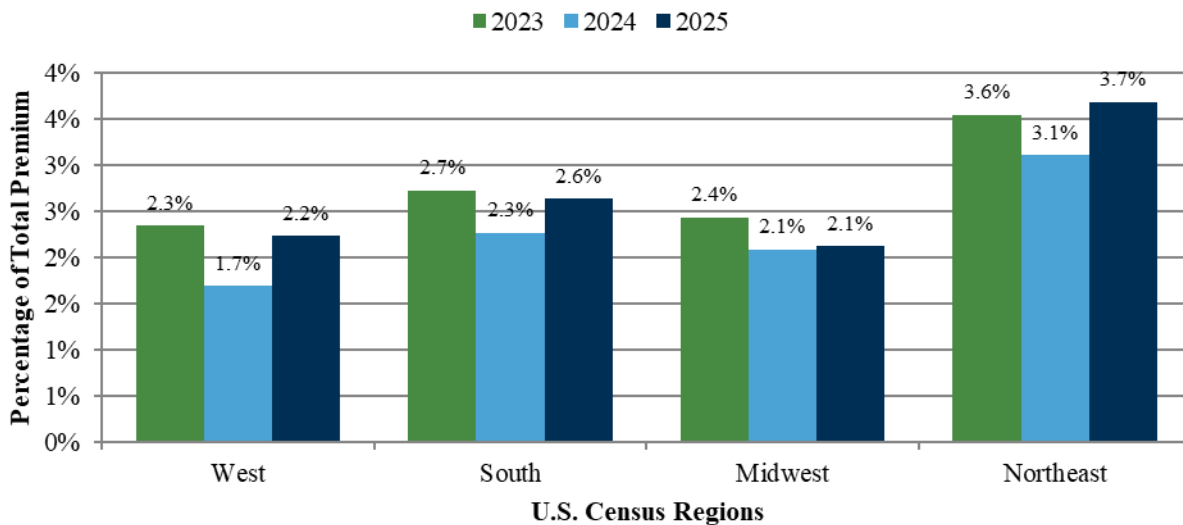
Figure 6: U.S. Census Regions



Source: U.S. Census Bureau

Figure 7 illustrates the percentage of total premiums charged for terrorism risk insurance by region.

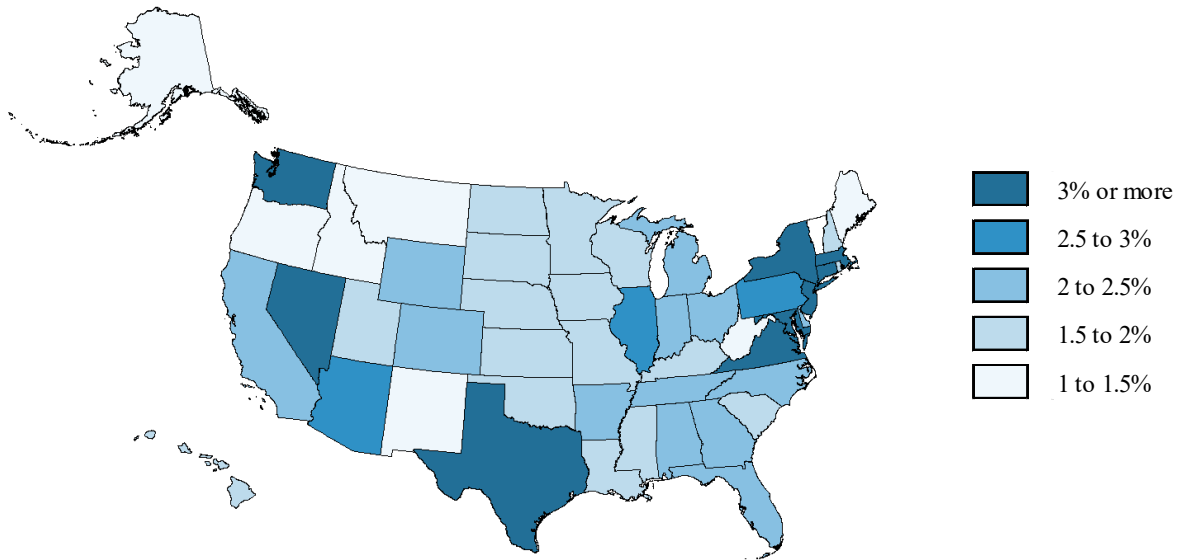
Figure 7: Percentage of Total Policy DEP Allocated to Terrorism Risk (By Region)



Source: 2024-2026 TRIP data calls

Figure 8 illustrates the percentage of total direct earned premiums for terrorism risk insurance by state.

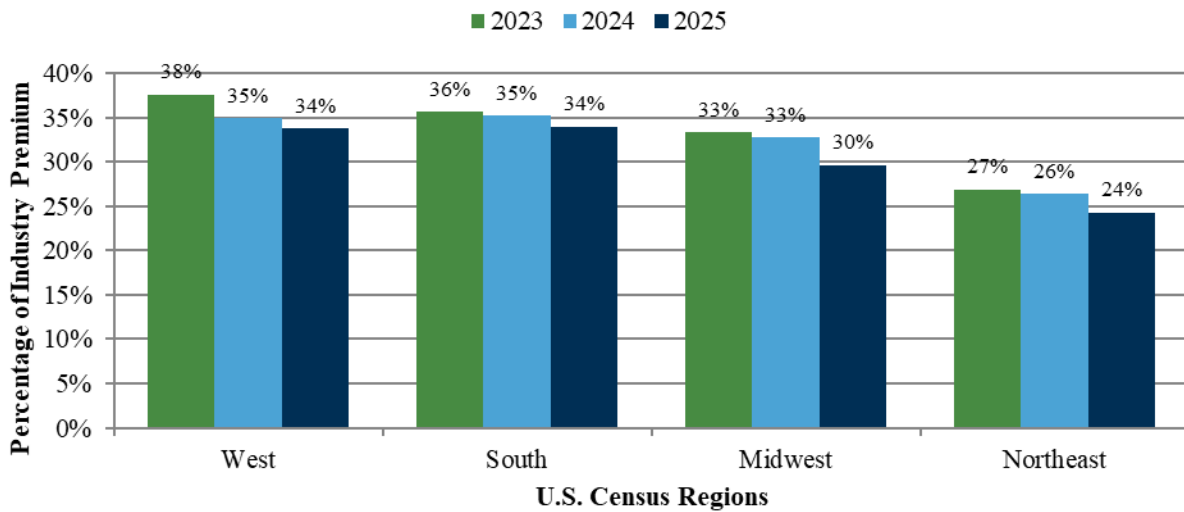
Figure 8: 2025 Percentage of Total Policy DEP Allocated to Terrorism Risk (By State)



Source: 2026 TRIP data call

Figure 9 illustrates, by region, where terrorism risk insurance was provided for no additional charge.

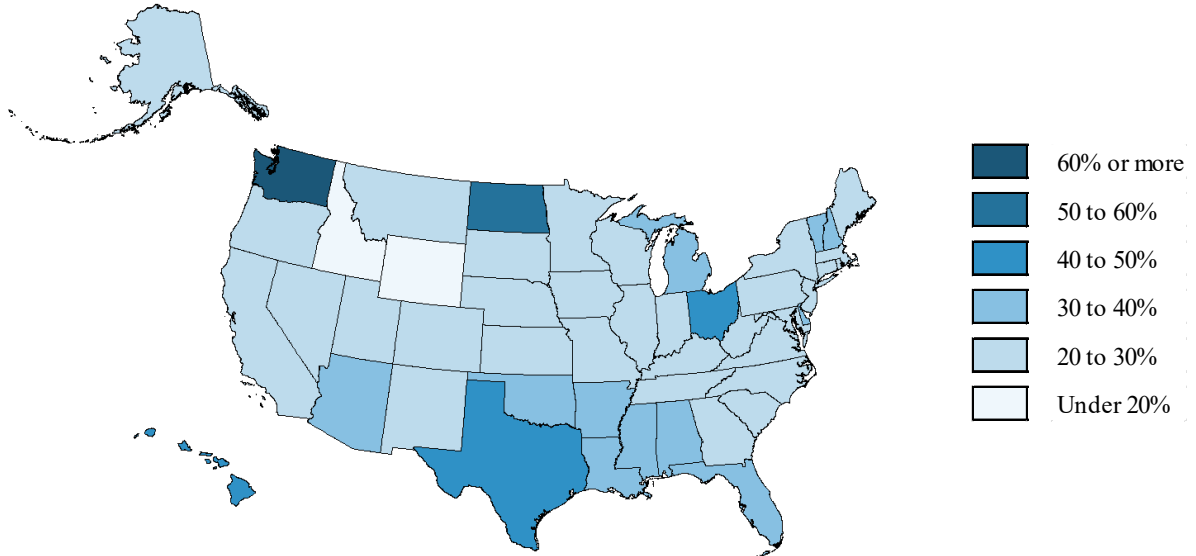
Figure 9: Percentage of DEP Where Policies Include Terrorism Coverage at No Additional Charge (By Region)



Source: 2024-2026 TRIP data calls

Figure 10 illustrates, by state, where terrorism risk insurance was provided for no additional charge.

Figure 10: 2025 Percentage of DEP Where Policies Include Terrorism Coverage at No Additional Charge (By State)

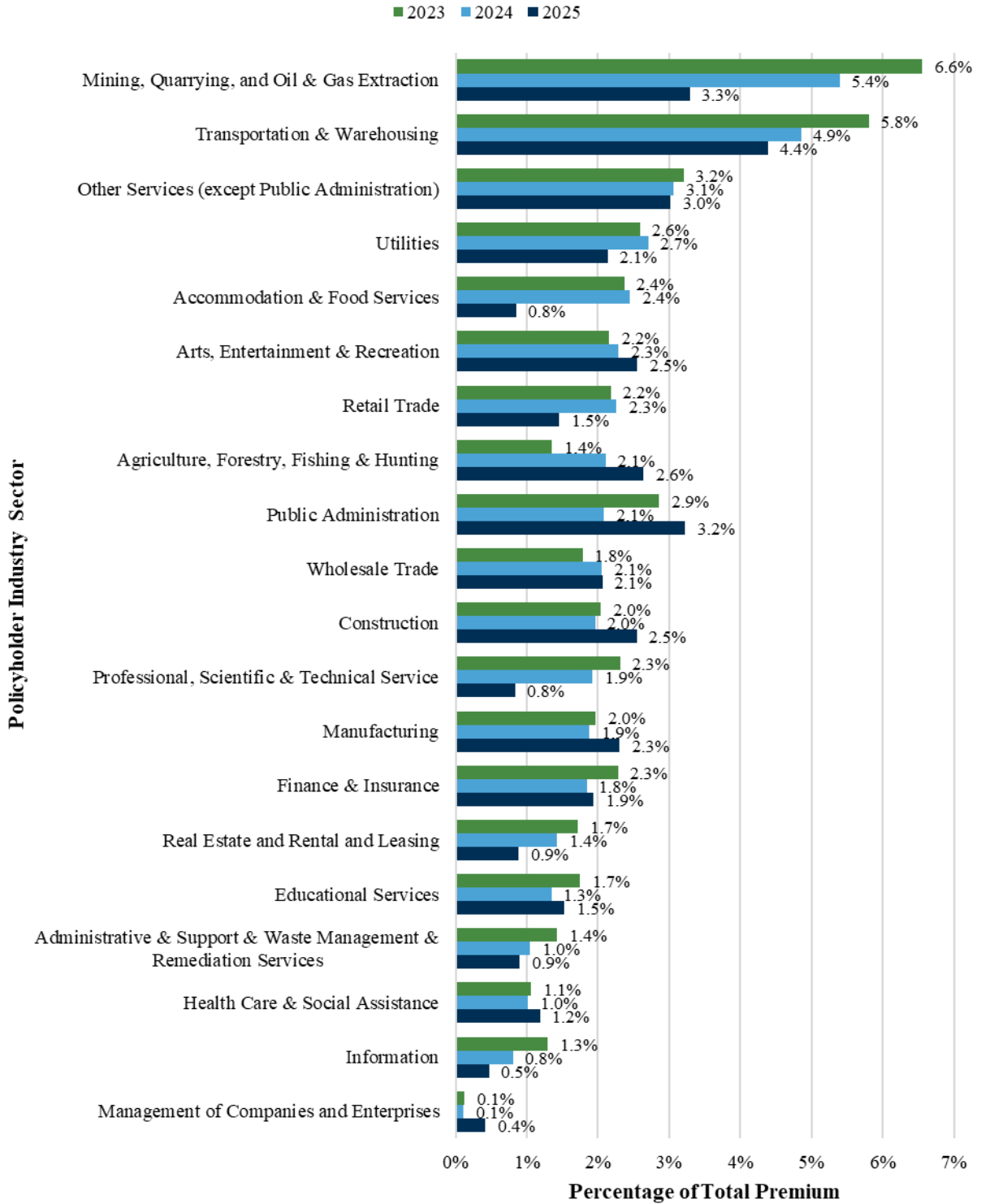


Source: 2026 TRIP data call

Charges for terrorism risk insurance also vary by the policyholder’s industry sector. Figure 11 illustrates the policyholder industry sectors of terrorism risk insurance premiums as a percentage of total insurance premiums, as reported by non-small and alien surplus line insurers.⁷⁰

⁷⁰ Policyholder industry code data was not requested from small insurers. Industry code data for policyholders insured by captive insurers is provided in [Section VI.B](#).

Figure 11: Percentage of Total Policy DEP Allocated to Terrorism Risk for Non-Small and Alien Surplus Lines Insurers (By Policyholder Industry Sector)



Source: 2024-2026 TRIP data calls

The data from the 2024-2026 TRIP data calls demonstrate that terrorism risk insurance provided on an embedded basis continues to be priced at a relatively small percentage of the total premiums charged for policies—ranging between 2.3 percent and 2.8 percent on average during 2023 to 2025. These figures are generally consistent with what Treasury observed in past reports, with some small differences depending upon the year.⁷¹ Additionally, in approximately 31 percent of policies, as measured by DEP, terrorism risk insurance is provided for no additional charge. Charges for terrorism risk insurance also vary to some extent by line of insurance, geographic area, and the policyholder’s industry sector.

2. Standalone Terrorism Risk Insurance

Standalone terrorism risk insurance policies provide coverage only for losses arising from terrorism, unlike policies providing terrorism risk insurance on an embedded basis. As reported by industry sources, standalone coverage is purchased primarily by organizations that are viewed by insurers as being at relatively high risk of loss due to terrorism in the following situations: when terrorism coverage is not available as part of the commercial property policy, when the price of terrorism coverage from the insurer providing the commercial property policy is too high, or when the terrorism coverage offered by the insurer providing the commercial property policy is too narrow.⁷²

Standalone terrorism coverage can be provided either through “certified” standalone terrorism risk policies that are written subject to the terms and conditions of TRIP or through “non-certified” standalone terrorism policies that do not meet the terms and conditions of TRIP. Non-certified standalone terrorism policies therefore insure terrorism-related losses (as defined in the specific policy) regardless of whether the Secretary has certified an act of terrorism under TRIA. Any losses paid by insurers under non-certified standalone terrorism risk policies would not be eligible for reimbursement under TRIP.

As shown in Figure 12, DEP under certified standalone terrorism risk insurance policies accounted for a higher percentage than total DEP earned under non-certified standalone policies.⁷³

⁷¹ Compare FIO, *2024 Effectiveness Report*, Figure 4 (reflecting average premium ranging from 2.4 percent to 3.0 percent between 2021 and 2023) with FIO, *2022 Effectiveness Report*, Figure 4 (reflecting average premium ranging from 2.6 percent to 3.0 percent between 2019 and 2021).

⁷² “Stand Alone Terrorism Coverage,” International Risk Management Institute (IRMI), <https://www.irmi.com/term/insurance-definitions/stand-alone-terrorism-coverage>.

⁷³ Small insurers have not reported any meaningful amount of terrorism risk insurance identified as standalone terrorism coverage for the last three reporting periods and are accordingly omitted from the analyses in this section.

Figure 12: Percentage of Standalone Policies that are Certified Versus Non-Certified (By DEP)

	Certified Policies			Non-Certified Policies		
	2023	2024	2025	2023	2024	2025
Alien Surplus Lines Insurers	58.3%	69.3%	71.3%	41.7%	30.7%	28.7%
Captive Insurers	87.9%	89.1%	86.8%	12.1%	10.9%	13.2%
Non-Small Insurers	55.4%	37.2%	33.6%	44.6%	62.8%	66.4%
All Insurer Categories	75.4%	76.7%	74.6%	24.6%	23.3%	25.4%

Source: 2024-2026 TRIP data calls

The data also suggests that standalone terrorism policies in each insurer category can vary significantly in terms of cost and whether they provide coverage under TRIA. Figure 13 illustrates the average cost for standalone terrorism policies, by insurer category, depending upon whether certified or non-certified coverage is provided.

Figure 13: 2025 Certified Standalone Versus Non-Certified Standalone Policies by Policy Count and DEP

	Certified Standalone Policies			Non-Certified Standalone Policies		
	# of Policies	Total DEP	Average Policy Cost	# of Policies	Total DEP	Average Policy Cost
Alien Surplus Lines Insurers	10,981	\$ 134,265,011	\$ 12,227	1,697	\$ 54,140,998	\$ 31,904
Captive Insurers	280	441,354,180	1,576,265	6	67,393,227	11,232,205
Non-Small Insurers	2,531	45,621,324	18,025	2,162	90,001,386	41,629
All Insurer Categories	13,792	\$ 621,240,515	\$ 45,044	3,865	\$ 211,535,611	\$ 54,731

Source: 2026 TRIP data call

The TRIP data calls do not request information on the total coverage (i.e., policy limits) provided under non-certified standalone policies, and the disparity in average policy cost between certified and non-certified policies may be due to differences in the relative size or nature of exposures covered under each type of policy. However, the disparity could also indicate a higher cost associated with non-certified standalone policies compared to certified standalone policies. Treasury cannot determine the extent to which the cost difference is due to the lack of federal support for non-certified policies, higher policy limits under non-certified policies, a combination of these factors, or other considerations. The data for 2025 reflects that all three insurer categories reported a higher cost for non-certified standalone policies than for certified policies (and, in the case of captive insurers, a significantly higher total average cost for non-certified standalone policies).

Certified standalone terrorism risk insurance policies, which do provide TRIA coverage, account for under one-fifth of all terrorism risk insurance DEP subject to the Program (13.1 percent in 2025), with the balance of almost 87 percent earned through embedded policies. However, the cost of coverage under certified standalone policies is significantly higher than the cost of coverage under embedded policies. Measured by policy limits of all policies insuring terrorism risk under the Program, certified standalone policies accounted for no more than about 1 percent of total property limits in 2025, and about 0.5 percent of total liability limits.

Figure 14 shows the amount of premium charged per \$1 million in coverage under embedded policies compared to standalone policies covering TRIA-certified events.

Figure 14: Embedded Policies Versus Certified Standalone Policies: Premium Charged Per \$1 Million in Policy Limits

	Embedded Terrorism			Standalone Terrorism		
	2023	2024	2025	2023	2024	2025
Alien Surplus Lines Insurers	\$ 338	\$ 280	\$ 112	\$ 198	\$ 271	\$ 252
Captive Insurers	773	513	565	879	737	892
Non-Small Insurers	15	16	20	842	515	484
All Insurer Categories	23	25	27	582	533	554

Source: 2024-2026 TRIP data calls

As noted above, the data indicates that the rate charged for terrorism coverage under embedded policies is typically lower than the rate charged for standalone policies. This indicates that standalone policies are more likely to be issued to policyholders viewed as presenting exposures subject to a higher risk of terrorism attack.

D. Take-Up Rates for Terrorism Risk Insurance

TRIA requires an offer—but does not mandate the purchase—of terrorism risk insurance.⁷⁴ Therefore, the extent to which terrorism risk insurance is purchased by policyholders (the take-up rate) may approximate the distribution of insured payments in the event of a terrorist attack. A higher take-up rate means that the losses arising from a terrorist attack will be more likely to be covered by private insurers.

A take-up rate based on the number of policies is likely influenced by the large number of small policies covering risks with lower insured values. Alternatively, a take-up rate measured by DEP or policy limits will be more influenced by policies covering larger businesses with more insured property and liability exposure. The latter comes closer to reflecting the amount of insured business activity in the economy.

Analyses by Treasury between 2005 and 2014 found that the take-up rate, when measured by the percentage of policies containing terrorism coverage, increased from 27 percent in 2003 (the first full year of the Program) to approximately 60 percent by 2006.⁷⁵ In the 2024 Effectiveness

⁷⁴ The take-up rate data discussed in this section do not consider workers' compensation, which has a 100 percent take-up rate as a matter of state law. [Section VII](#) discusses the impact of the Program on workers' compensation insurers.

⁷⁵ Treasury Office of Economic Policy, *Assessment: The Terrorism Risk Insurance Act of 2002* (2005), 3, 84, <https://home.treasury.gov/system/files/136/archive-documents/063005-tria-study.pdf>; President's Working Group on Financial Markets (PWG), *Terrorism Risk Insurance: Report of the President's Working Group on Financial Markets* (2006), 42-44, <https://home.treasury.gov/system/files/311/report.pdf> (2006 *Terrorism Risk Insurance Report*); PWG, *Market Conditions for Terrorism Risk Insurance 2010* (2010), 23, <https://home.treasury.gov/system/files/311/PWG-Report-Final-January-13.pdf> (2010 *Market Conditions Report*); PWG, *The Long-Term Availability and Affordability of Insurance for Terrorism Risk* (2014), 30, https://home.treasury.gov/system/files/311/PWG_TerrorismRiskInsuranceReport_2014.pdf (2014 *Availability and Affordability Report*).

Report, Treasury found the take-up rates to range from 39 percent to 78 percent depending upon the year, and whether take up was measured by policy count, DEP, or some measure of insured values or limits.⁷⁶

Figure 15 illustrates the take-up rates in 2024 by policy count, DEP, and property and liability policy limits, excluding captive data.⁷⁷

Figure 15: 2024 Terrorism Risk Insurance Take-Up Rates by Policy Count, DEP, and Policy Limits (by Insurer Category)

	Policy Count	DEP	Property Limits	Liability Limits
Alien Surplus Lines Insurers	12%	37%	59%	39%
Non-Small Insurers	80%	62%	51%	60%
Small Insurers ⁷⁸	N/A	50%	40%	59%
All Insurer Categories	79%	58%	51%	59%

Source: 2025 TRIP data call

Figure 16 illustrates the take-up rates in 2025 by the same measures and shows a similar pattern between the various insurer categories.

Figure 16: 2025 Terrorism Risk Insurance Take-Up Rates by Policy Count, DEP, and Policy Limits (by Insurer Category)

	Policy Count	DEP	Property Limits	Liability Limits
Alien Surplus Lines Insurers	19%	41%	48%	72%
Non-Small Insurers	77%	58%	40%	79%
Small Insurers ⁷⁹	N/A	53%	56%	58%
All Insurer Categories	76%	56%	41%	77%

Source: 2026 TRIP data call

Similar to the price of terrorism risk insurance, the take-up rate of terrorism risk insurance also varies by the geographic region of the United States, and by state. Figures 17 and 18 show the 2024 and 2025 take-up rates by region, using the benchmarks of policy count, DEP, and insured value. The information generally reflects that take up is somewhat higher in the Northeast and Midwest regions versus the South and West regions.

⁷⁶ FIO, *2024 Effectiveness Report*, 27.

⁷⁷ Captive insurers do not present similar issues to admitted insurers with respect to take-up rates, because the decision of a captive owner to insure its terrorism risk exposure with a captive insurer is a self-insurance decision as opposed to a market decision (although the cost of terrorism risk insurance in the marketplace at large may influence the decision). The captive insurance market for terrorism risk insurance is addressed in [Section VI.B](#).

⁷⁸ Treasury did not require small insurers to provide policy count information in the 2025 TRIP data call.

⁷⁹ Treasury did not require small insurers to provide policy count information in the 2026 TRIP data call.

Figure 17: 2024 Terrorism Risk Insurance Take-Up Rates by Policy Count, DEP, and Insured Value (by Region)

	Policy Count	DEP	Property Limits	Liability Limits
Northeast	73%	62%	56%	63%
Midwest	82%	65%	50%	57%
South	76%	55%	46%	57%
West	82%	57%	41%	62%
All Regions	79%	59%	47%	60%

Source: 2025 TRIP data call

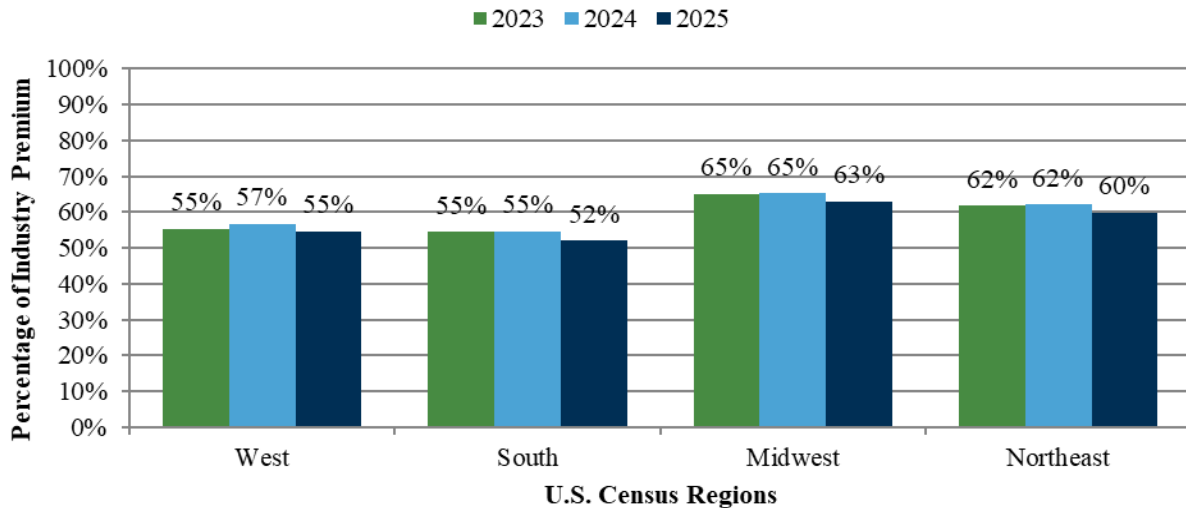
Figure 18: 2025 Terrorism Risk Insurance Take-Up Rates by Policy Count, DEP, and Insured Value (by Region)

	Policy Count	DEP	Property Limits	Liability Limits
Northeast	70%	60%	52%	71%
Midwest	81%	63%	49%	63%
South	73%	52%	35%	68%
West	79%	55%	35%	88%
All Regions	76%	56%	41%	77%

Source: 2026 TRIP data call

Figure 19 illustrates take-up rates, based upon DEP, by region, again showing the small differential between the Northeast and Midwest versus the South and West.⁸⁰

Figure 19: Terrorism Risk Insurance Take-Up Rates By DEP (by Region)

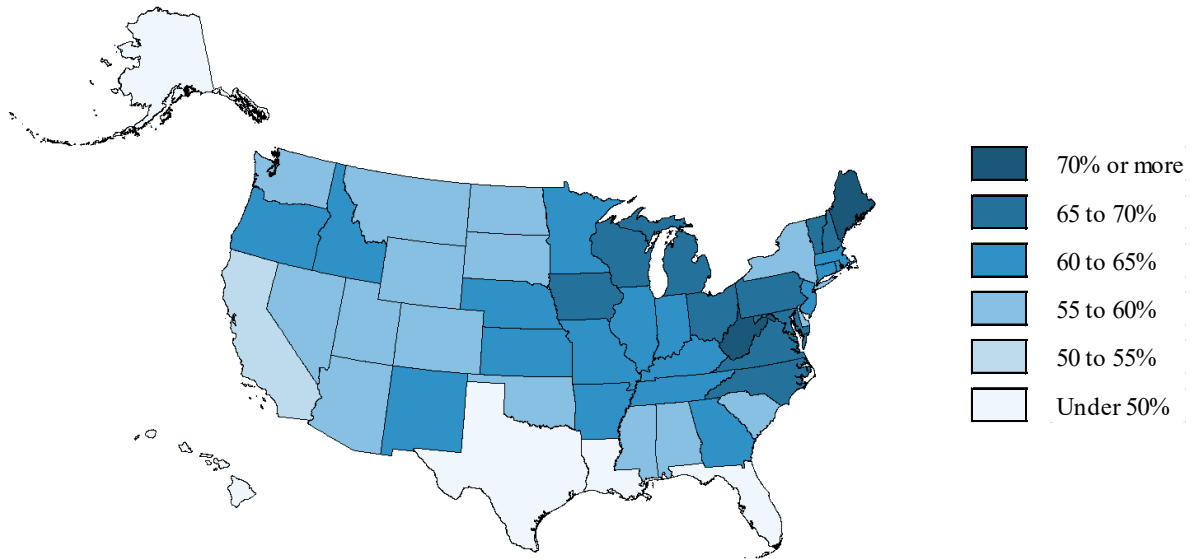


Source: 2024-2026 TRIP data calls

Figure 20 illustrates take-up rates, based upon DEP, by state (for 2025 only).

⁸⁰ Similar to the other analyses by region, the figure is based upon non-small and small insurer reporting only.

Figure 20: 2025 Terrorism Risk Insurance Take-Up Rates by DEP (By State)

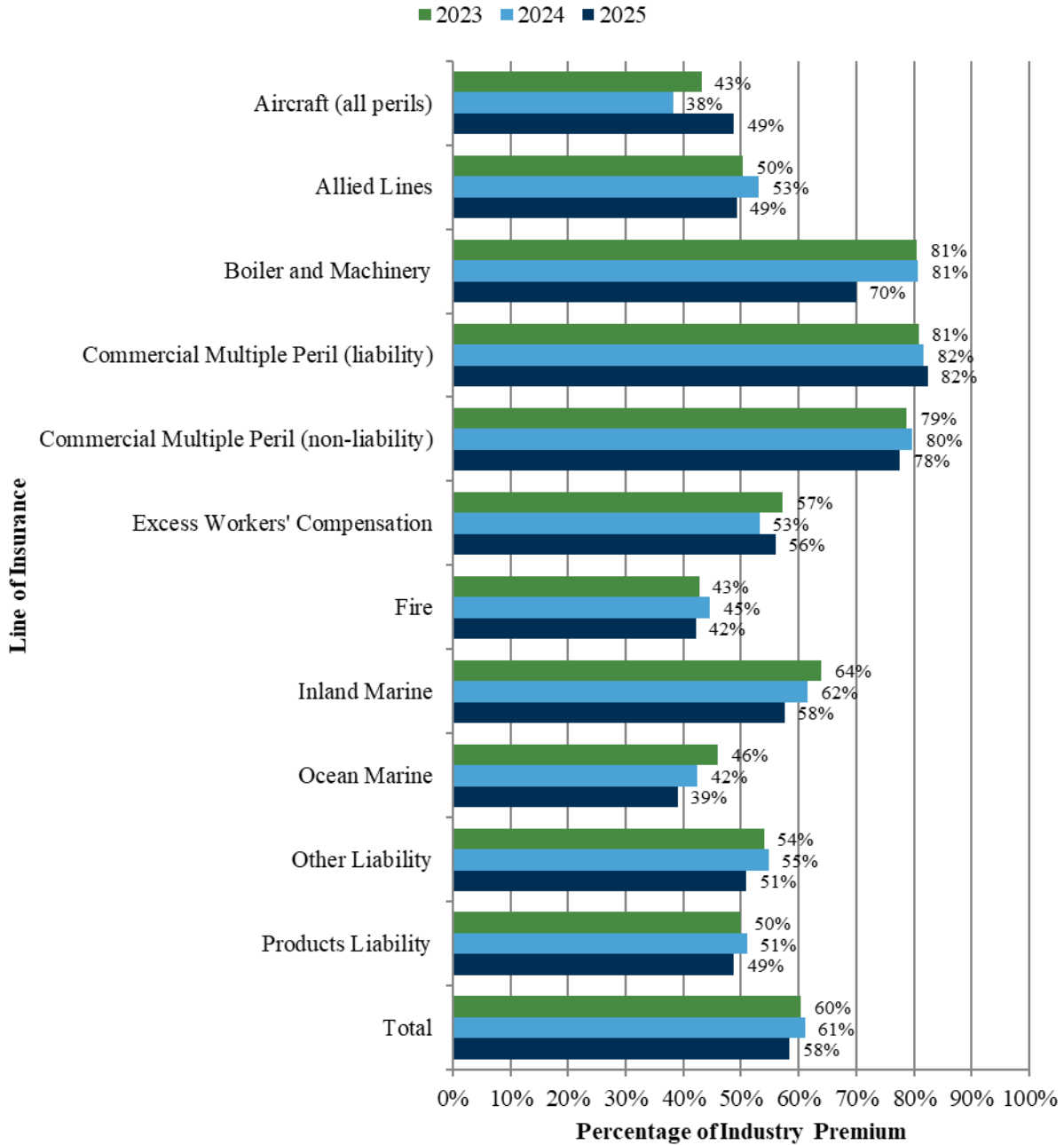


Source: 2026 TRIP data call

The Appendices provide further detail on how take up may vary by state, type of insurance, and small versus non-small insurers. [Appendix 1](#) sets forth the 2025 take-up rates presented in Figure 20 by state for both small and non-small insurers combined, as well as additional detail on small and non-small insurers. [Appendix 2](#) provides more detailed take-up information for small and non-small insurers, by state and by groups of TRIP-eligible lines of insurance.

Take-up rates also vary by individual line of insurance. Figure 21 shows the take-up rate within each TRIP-eligible line of insurance (excluding workers' compensation), by DEP.

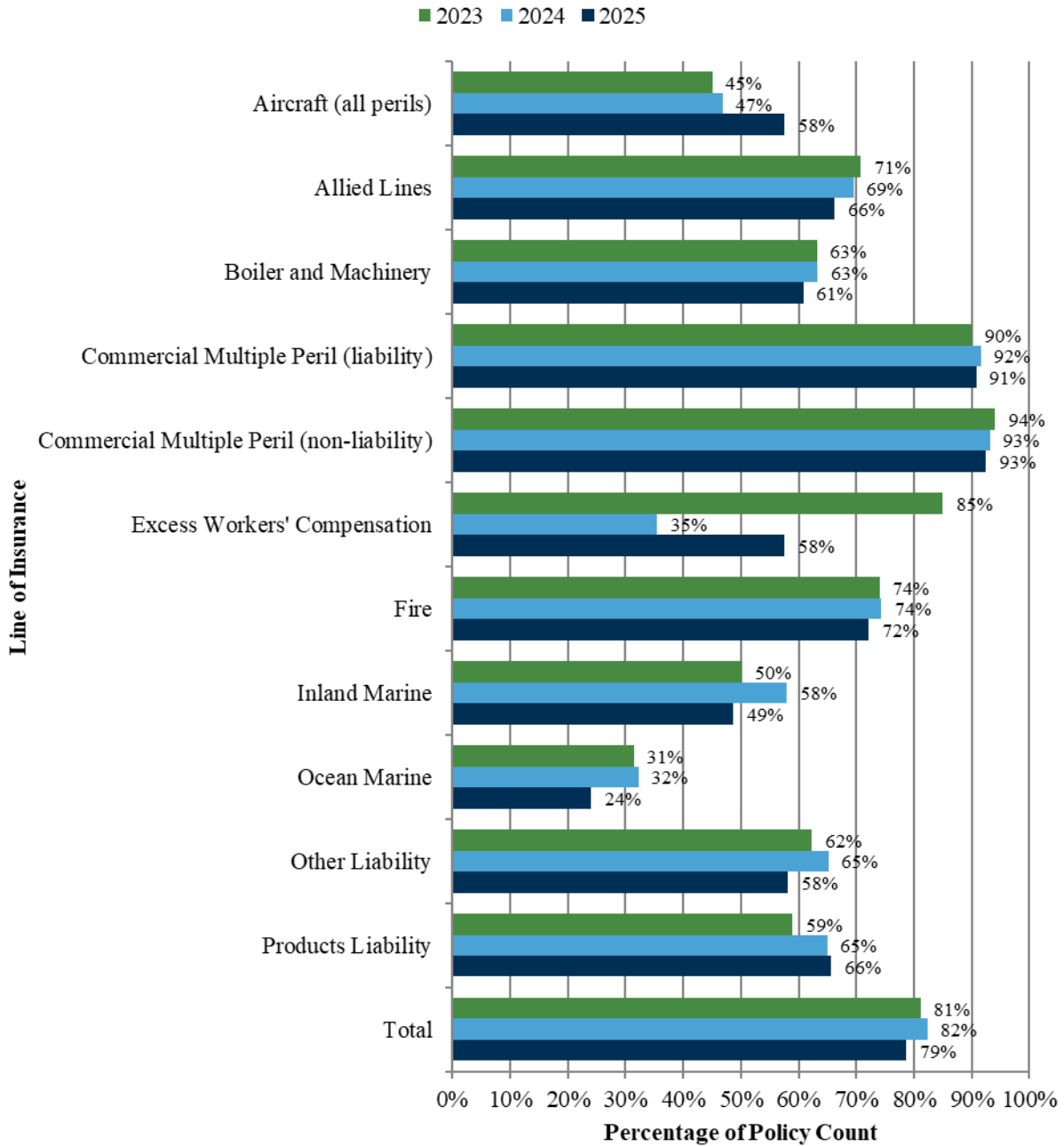
Figure 21: Terrorism Risk Insurance Take-Up Rates in TRIP-Eligible Lines (by DEP)



Source: 2024-2026 TRIP data calls

Figure 22 shows the take-up rate by policy count.

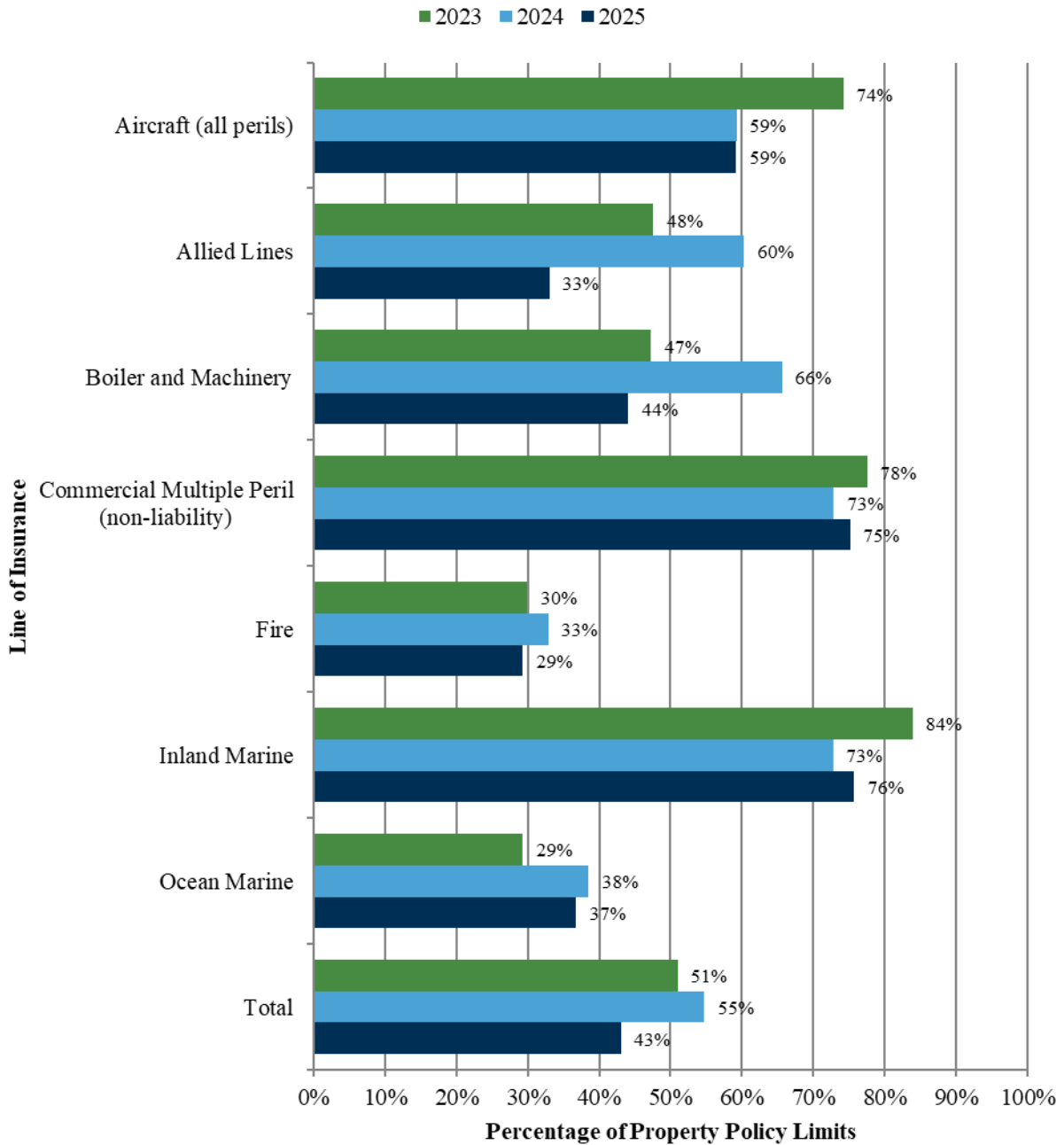
Figure 22: Terrorism Risk Insurance Take-Up Rates in TRIP-Eligible Lines (by Policy Count)



Source: 2024-2026 TRIP data calls

Figure 23 shows the take-up rate in TRIP-eligible property lines by property policy limits.

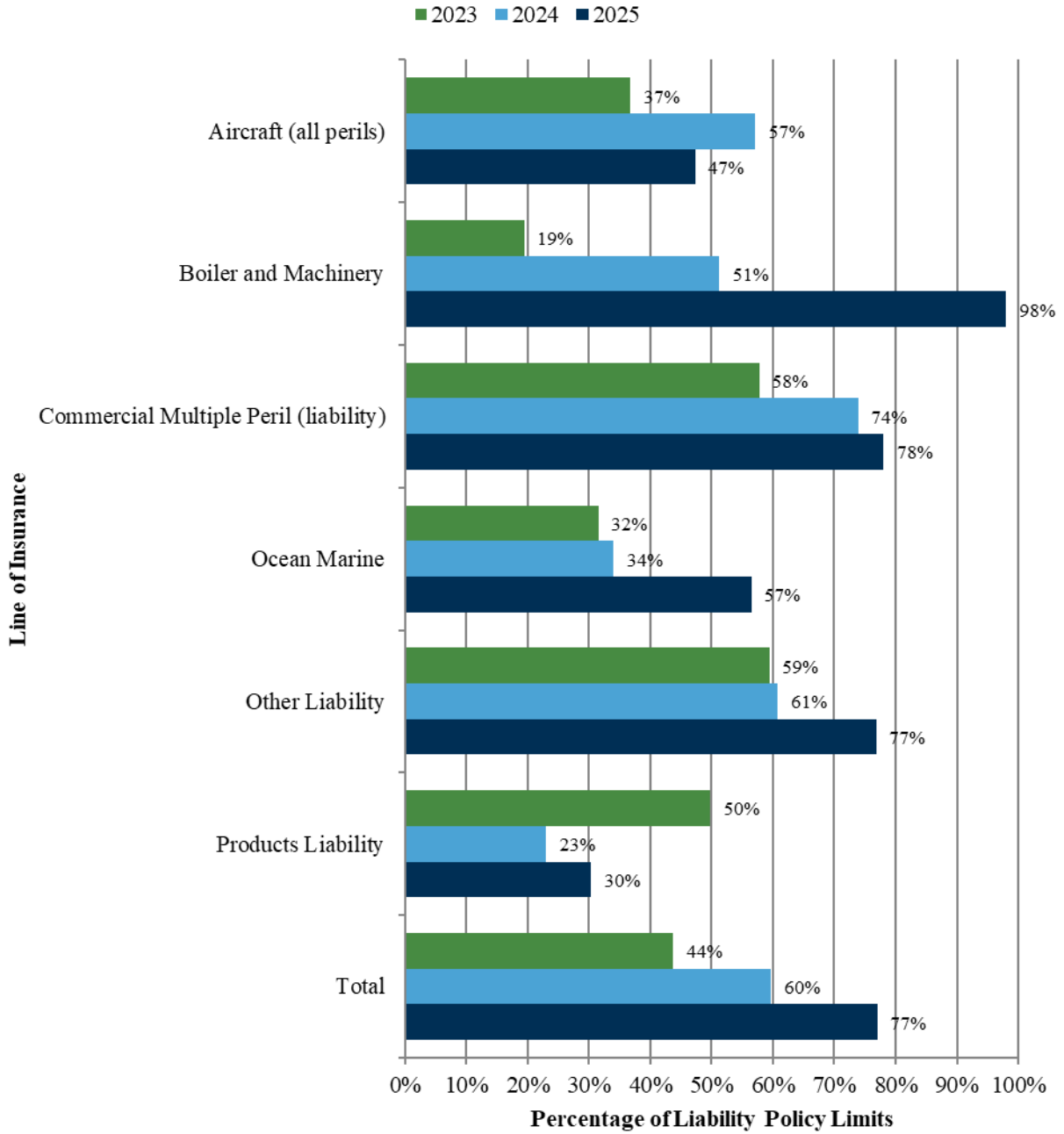
Figure 23: Terrorism Risk Insurance Take-Up Rates in TRIP-Eligible Lines (by Property Policy Limits)



Source: 2024-2026 TRIP data calls

Figure 24 shows the take-up rate in TRIP-eligible lines by liability policy limits.

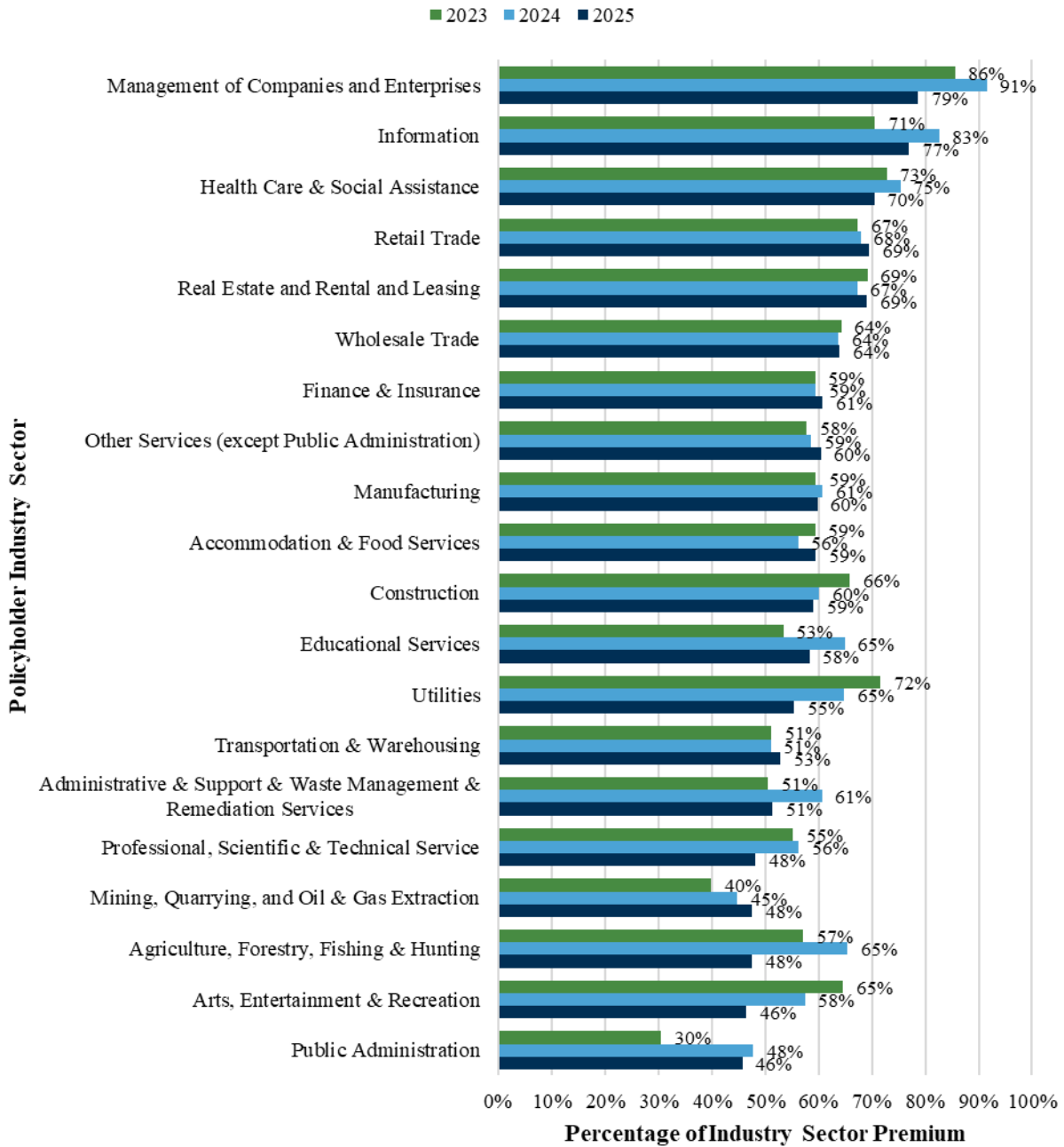
Figure 24: Terrorism Risk Insurance Take-Up Rates in TRIP-Eligible Lines (by Liability Policy Limits)



Source: 2024-2026 TRIP data calls

Take-up rates also vary by policyholder industry sector, as illustrated by Figure 25.

Figure 25: Terrorism Risk Insurance Take-Up Rates by Policyholder Industry Sector (by TRIP-Eligible DEP)⁸¹



Source: 2024-2026 TRIP data calls

⁸¹ Data provided for non-small and alien surplus lines insurers. Small insurers have not been required to report policyholder industry sector information in the TRIP data calls. Take-up rates for captive insurers were not analyzed because the decision of a captive owner to self-insure through a captive insurer is different from the decision whether to purchase terrorism risk insurance in the market generally. See [Section VI.B](#).

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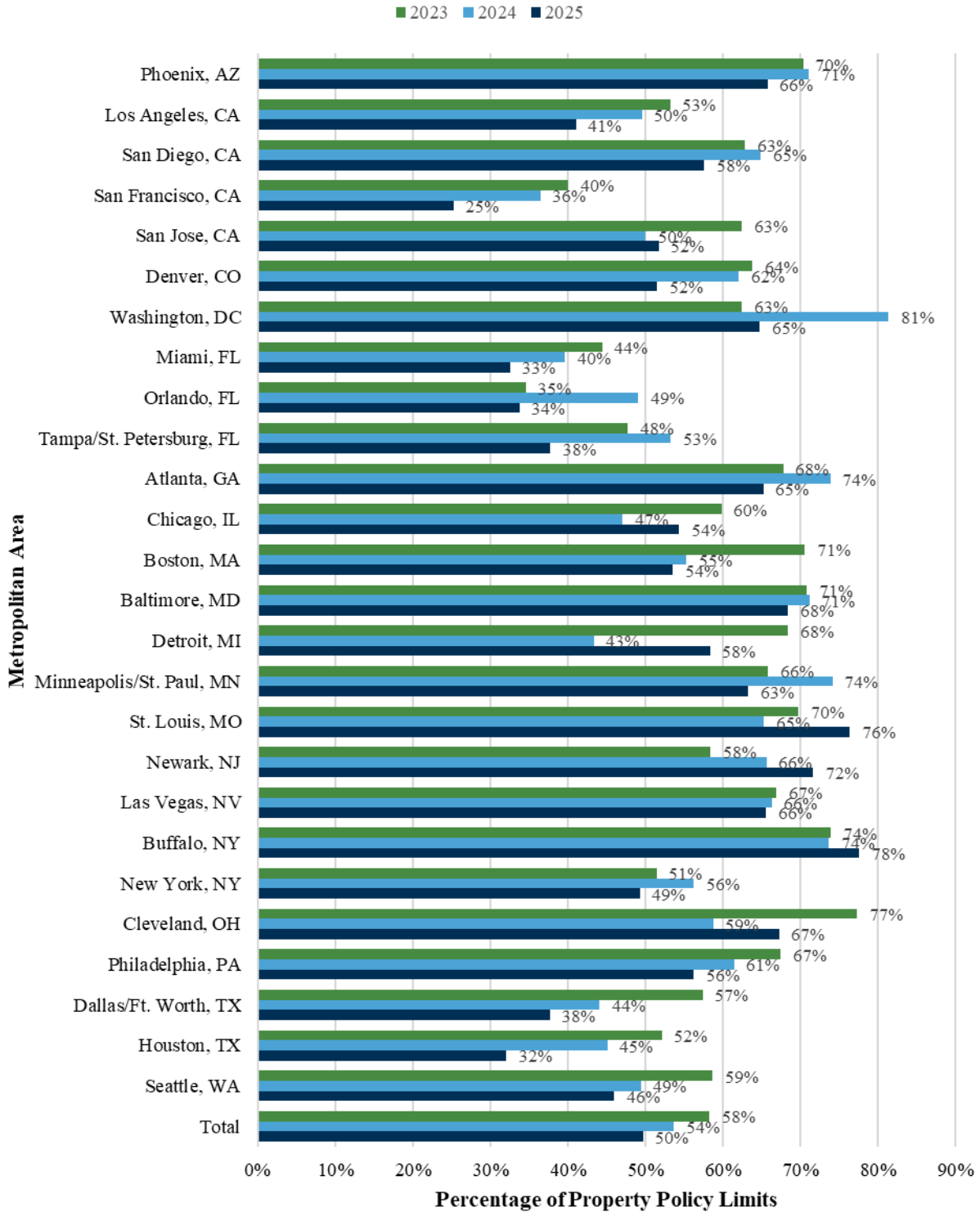
Treasury also requested more specific data from non-small, alien surplus lines, and captive insurers concerning risk exposures in 26 specific metropolitan areas.⁸² In response, these insurers provided, among other things, the policy property limits assumed by each reporting insurer that are subject to the Program (as well as by those not subject to the Program because terrorism risk insurance was not obtained). In the 2024-2026 TRIP data calls, 96 to 99 percent (depending upon the year) of the reported policy exposures were identified with a particular geographic region—either a specific metropolitan area, or in the balance of the United States not associated with the specified metropolitan areas.⁸³ Furthermore, the results obtained for each specified metropolitan area show that the aggregate reported policy property limits are generally proportional to gross domestic product in most metropolitan areas, thus generally validating the data reported by insurers.⁸⁴ Figure 26 illustrates, by the 26 metropolitan areas, the combined results obtained from the 2024-2026 TRIP data calls.

⁸² The metropolitan areas identified are identical to those utilized by A.M. Best when considering the terrorism risk exposures of the companies it evaluates.

⁸³ Reporting insurers were also permitted to identify premiums by geographic region in an “unknown” category, indicating that the policy exposure could not be retrieved by geographic location, whether by one of the specified metropolitan areas or in the balance of the United States. Although the “unknown” category has accounted for higher percentages in TRIP data calls before 2020, the figure has typically been about 2 or 3 percent per year since the 2020 TRIP data call.

⁸⁴ See generally “Regional Data,” Bureau of Economic Analysis, <https://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=1&isuri=1>.

Figure 26: Terrorism Risk Insurance Take-Up Rates by Metropolitan Area (by Policy Property Limits)



Source: 2024-2026 TRIP data calls

Take-up rates by property exposure for areas outside a defined metropolitan area were reported to be 61 percent in 2023, 57 percent in 2024, and 52 percent in 2025—figures comparable to the indicated figures for all metropolitan areas combined: 58 percent in 2023, 54 percent in 2024, and 50 percent in 2025. The exposure that is covered under the Program in all other areas in the United States is significant and exceeds the total property limits covered in the 26 metropolitan areas. Based upon the TRIP data calls, 66 percent of all insured property exposures under the Program fell within the “all other locations in the United States” category in 2023 versus 34 percent in the identified metropolitan areas. In 2024, the reported figures were 67 percent and 33 percent, respectively, and in 2025 they were 68 percent and 32 percent, respectively.

E. Availability and Affordability of Terrorism Risk Insurance for Places of Worship

The 2019 Reauthorization Act modified TRIA to require that, in reports concerning the effectiveness of the Program, the Secretary provide “an evaluation of the availability and affordability of terrorism risk insurance, which shall include an analysis of such availability and affordability of terrorism risk insurance specifically for places of worship.”⁸⁵

Consequently, Treasury modified its TRIP data call in 2020 to add a reporting worksheet specifically addressing coverage issued to places of worship.⁸⁶ The Places of Worship worksheet seeks premium information, allocated by whether the policyholder obtained terrorism risk insurance in the general categories of property, liability, and workers’ compensation insurance. The codes specified for reporting are limited to religious organizations, which are intended to best approximate the premises associated with places of worship.⁸⁷ The information collected can be analyzed to assess the take-up and cost of terrorism risk insurance by places of worship, which is how Treasury typically evaluates whether such insurance is available and affordable in the marketplace.

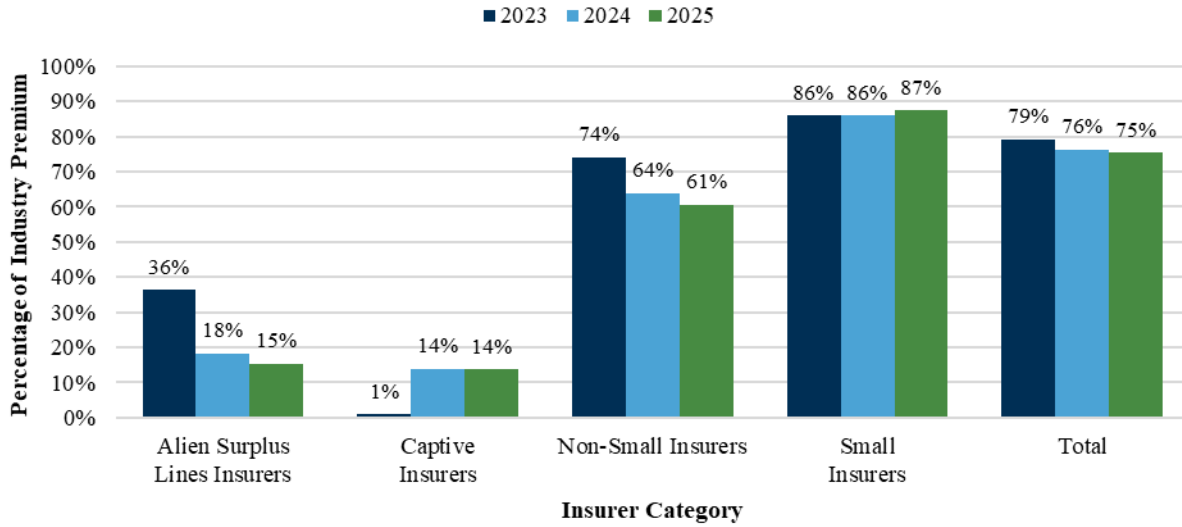
Figures 27 and 28 show the take-up of terrorism risk insurance by places of worship, by premium for type of coverage—property and liability, respectively, and by insurer category.

⁸⁵ 2019 Reauthorization Act, § 502(c); TRIA §104(h)(2)(B).

⁸⁶ See FIO, *2020 Effectiveness Report*, 40.

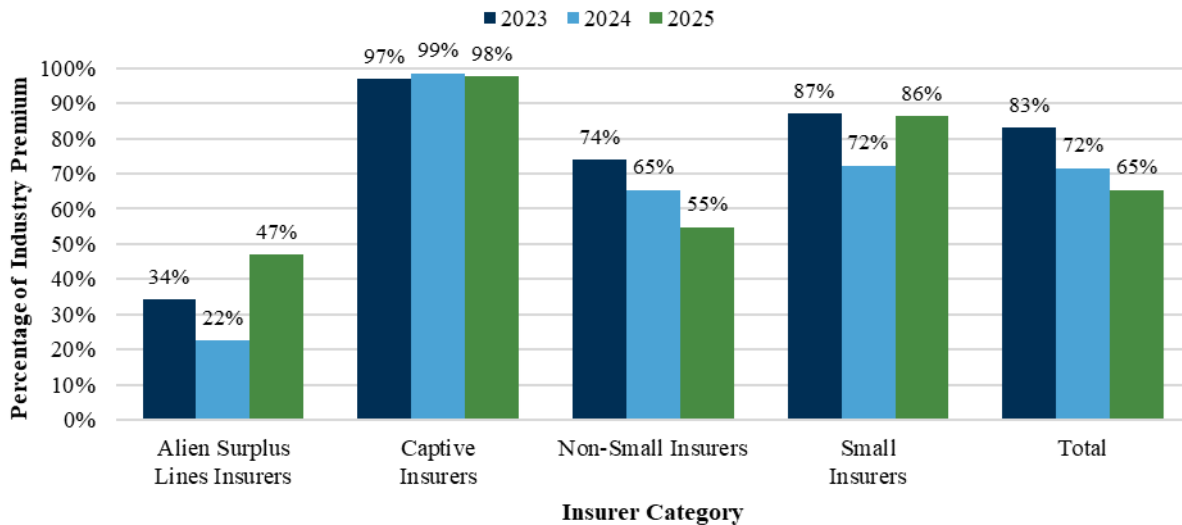
⁸⁷ The Places of Worship worksheet permits reporting by the specified North American Industrial Coding System (NAICS) code, Standard Industrial Classifications (SIC) code, or Insurance Services Office (ISO) Class Codes, as well as by other methodologies calculated to isolate the premium of reporting insurers associated with places of worship. The worksheet instructions state that premium associated with religious-affiliated institutions (such as hospitals or schools) that are not principally places of worship should not be reported. All insurers subject to the TRIP data call were required to complete the Places of Worship worksheet.

Figure 27: Terrorism Risk Insurance Take-Up Rates by Places of Worship (by Property Premium) (by Insurer Category)



Source: 2024-2026 TRIP data calls

Figure 28: Terrorism Risk Insurance Take-Up Rates by Places of Worship (by Liability Premium) (by Insurer Category)

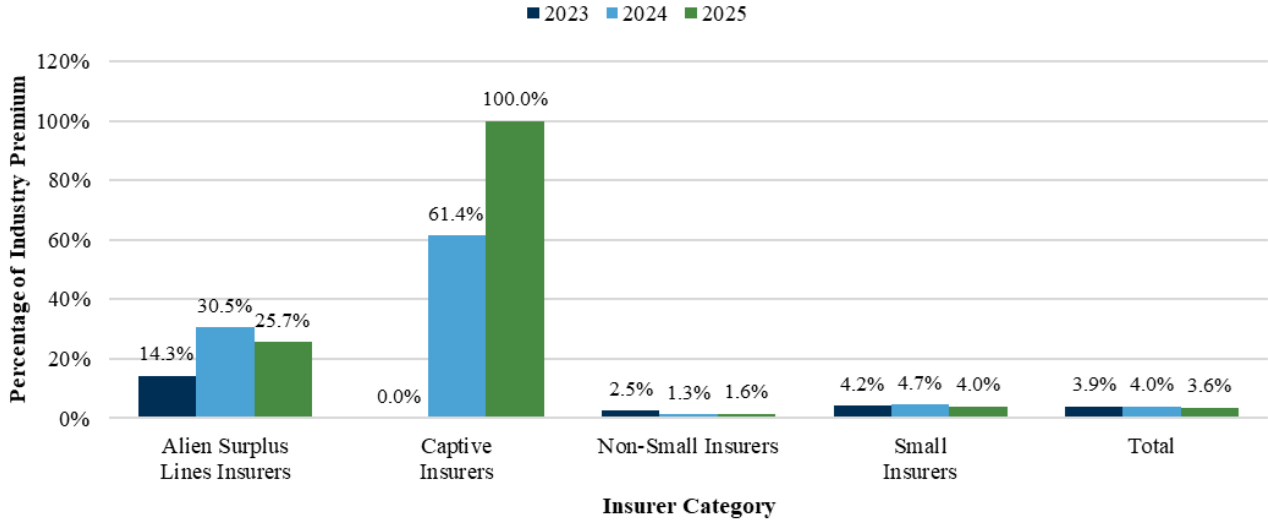


Source: 2024-2026 TRIP data calls

Figure 29 shows the percentage charge, by property premium, for places of worship, by insurer category.⁸⁸

⁸⁸ Treasury did not collect information when a \$0 premium for terrorism risk insurance was identified for places of worship. Therefore, this cost analysis is based upon the total amount of terrorism risk premium charged against TRIP-eligible lines premium where terrorism risk insurance was provided.

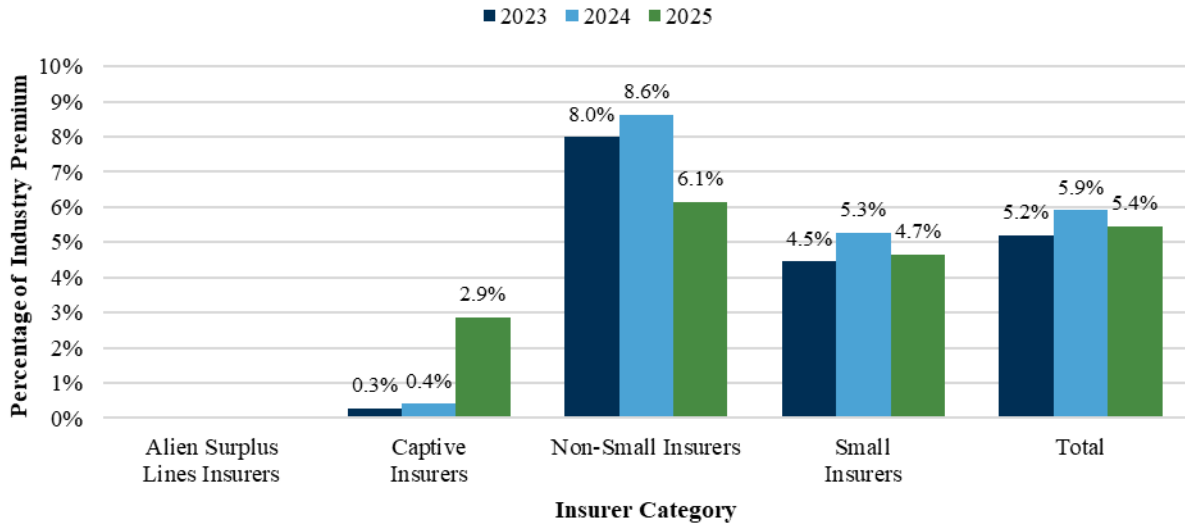
Figure 29: Percentage of Total Policy Property DEP Allocated to Terrorism Risk for Places of Worship (by Insurer Category)



Source: 2024-2026 TRIP data calls

Figure 30 shows the same percentage charge information based upon liability premium.

Figure 30: Percentage of Total Policy Liability DEP Allocated to Terrorism Risk for Places of Worship (by Insurer Category)⁸⁹



Source: 2024-2026 TRIP data calls

Places of worship obtain terrorism risk insurance at rates that exceed those of policyholders overall: approximately 72 percent versus 58 percent in 2025, as measured by premium. The cost paid by places of worship is higher than the amount paid by policyholders overall—about 3.6

⁸⁹ Insufficient liability premium was reported by alien surplus lines insurers to permit any meaningful comparisons.

percent of total TRIP-eligible lines premiums for places of worship compared to 2.2 percent of total premiums for policyholders overall, once the effect of policies under which coverage provided for a \$0 charge is considered. The higher cost for terrorism risk insurance for places of worship could possibly be explained by the higher take-up rate for that insurance. Also of note is the significant role played by small insurers, which represented about 47 percent of this market segment (measured by premium), even though they only constituted approximately 11 percent of the entire 2025 market in the TRIP-eligible lines of insurance. Treasury will continue to evaluate the availability and affordability of terrorism risk insurance for places of worship in future reports.

F. Commercial Insurance Market Conditions

Treasury follows trends in the P&C sector broadly and, for the purposes of administering TRIP, the commercial P&C sector in particular. Treasury has observed that “[f]or 2024, total P&C sector direct premiums written reached a record of \$1.06 trillion, marking the third consecutive year of a 10 percent annual increase.”⁹⁰ Treasury has also reported that, “[c]ommercial lines premium growth was driven by rate increases, with a six percent gain in premiums for commercial multi-peril and five percent gains for each of allied lines, workers’ compensation, and commercial auto lines of business.”⁹¹ After years of volatility, commercial insurance market brokers characterize more recent overall U.S. market conditions as slightly favoring buyers, with softening in the property market offsetting hardening in the casualty market.⁹² One large broker noted that in the property market, “[i]nsurers were generally more willing to offer policy enhancements and long-term arrangements on eligible placements. Submission and valuation requirements relaxed; insurers increasingly accepted historical and alternative data sources to inform underwriting.”⁹³ In the casualty market, this broker observed higher pricing and stricter terms.⁹⁴ Another broker described recent P&C pricing and terms as soft or moderate.⁹⁵

Although conditions in the overall P&C market may affect the purchase of terrorism risk insurance (particularly where such insurance is often purchased as a percentage of overall policy premium), such market trends do not necessarily predict pricing and take up of terrorism risk insurance. Reviewing the TRIP data over a longer period shows a moderate decline over time in take up of terrorism risk insurance, as measured by DEP. The 56 percent take-up rate (measured

⁹⁰ FIO, *Annual Report on the Insurance Industry* (2025), 44, <https://home.treasury.gov/system/files/311/Final%20FIO%202025%20Annual%20Report.pdf> (2025 Annual Report).

⁹¹ FIO, *2025 Annual Report*, 46.

⁹² See WTW, *Insurance Marketplace Realities* (2026), 4, <https://edge.sitecorecloud.io/willistower8735-wtw7458-prode832-66e2/media/project/wtw-sites/wtwco/insights/2025/10/insurance-marketplace-realities-2026.pdf>; Aon, *Q4 2025: Global Insurance Market Insights Report* (2026), <https://www.aon.com/en/insights/reports/global-insurance-market-insights/q4-2025-overview>; Guy Carpenter, *Global Specialties 2025 Market Update: Key Report Findings* (2025), <https://www.guycarp.com/content/dam/guycarp-rebrand/pdf/Global-Specialties-2025-Market-Update.pdf>.

⁹³ Marsh, *US Insurance Market Rates* (2026), <https://www.marsh.com/en/services/international-placement-services/insights/us-insurance-rates.html> (Marsh U.S. Report).

⁹⁴ Marsh U.S. Report.

⁹⁵ Aon, *Q1 2026: Global Insurance Market Overview* (2026), <https://www.aon.com/en/insights/reports/global-insurance-market-insights/q1-2026-overview>.

by DEP) for 2025 reflects a slow decline from 2018, when the take-up rate was 63 percent.⁹⁶ However, when measured by number of policies, take up of terrorism risk insurance has remained relatively constant at around 80 percent over time, reflecting that the significant majority of all policyholders obtain some amount of terrorism risk insurance. Measured by property limits, the 41 percent take-up rate in 2025 reflects a decline from the 75 percent figure observed in 2018. On the other hand, the 77 percent take-up rate (measured by liability limits) in 2025 reflects an increase from the 68 percent rate observed in 2018.⁹⁷ Declines in take up are also shown by the reported data as measured by the limits reported for specific metropolitan areas and in all other non-metropolitan areas.⁹⁸ Accordingly, while terrorism risk insurance continues to be priced at a reasonable measure that is consistent with its pricing in the P&C market for the past decade, purchasing decisions by policyholders (where the coverage can be declined) will still affect whether and in what amounts the coverage is purchased.

G. Private Reinsurance Availability

Reinsurance mechanisms support the proper functioning of insurance markets and Treasury has followed reinsurance markets in connection with their potential impact on the market for terrorism risk insurance.⁹⁹

1. P&C Reinsurance Generally

Recently, the reinsurance market appears to have softened, with more favorable terms for buyers.¹⁰⁰ Specifically, property catastrophe reinsurance rate decreases reached the double digits for non-loss impacted programs in 2024.¹⁰¹ However, the casualty reinsurance market appears to

⁹⁶ Compare Figure 18 above with Figure 15 from FIO's 2022 Effectiveness Report.

⁹⁷ Compare Figure 18 above with Figure 15 from FIO's 2022 Effectiveness Report. *See also* Marsh Comments, 16 (showing a declining, but still substantial, TRIA take-up rate in property markets); *but see* Aon Comments, 9 (showing take-up rates of between 60 to 70 percent for "complex property clients."). The ACRSM has also observed that such declines may not reflect actual declines in take up of terrorism risk insurance as distinguished from the movement of risk purchase between different types of insurers. ACRSM, *Minutes* (August 1, 2024), 6-7, <https://home.treasury.gov/system/files/311/August%202024%20Minutes%20FINAL.pdf>.

⁹⁸ See Figure 26 and accompanying text.

⁹⁹ For information on reinsurance markets generally, see FIO, *The Breadth and Scope of the Global Reinsurance Market and the Critical Role Such Market Plays in Supporting Insurance in the United States* (2015), <https://home.treasury.gov/system/files/311/FIO%20-Reinsurance%20Report.pdf>. *See also* FIO, *2018 Effectiveness Report*, 40-41; FIO, *2020 Effectiveness Report*, 42; FIO, *2022 Effectiveness Report*, 43; FIO, *2024 Effectiveness Report*, 43.

¹⁰⁰ Compare Guy Carpenter, "Strong Returns in Reinsurance Sector Attracts Capital, Leading to Favorable Client Outcomes," news release, July 1, 2025, <https://www.guycarp.com/company/news-and-events/news/press-releases/july-1-2025-reinsurance-renewal.html> with Guy Carpenter, "Reinsurance Buyers Experience Market Softening as Reinsurers Grow Capital Following Strong Returns," news release, December 29, 2025, <https://www.guycarp.com/company/news-and-events/news/press-releases/reinsurance-buyers-experience-market-softening-as-reinsurers-grow-capital-following-strong-returns.html> (GC December 2025 news release); *see also* Aon, *Reinsurance Market Dynamics* (2026), 8, <https://www.aon.com/en/insights/reports/reinsurance-market-dynamics>, (*Aon January 2026 Report*).

¹⁰¹ GC December 2025 news release.

be relatively stable.¹⁰² Early reporting for the first quarter of 2026 suggests that these trends have continued, despite increased insurer demand.¹⁰³

Recent industry reports indicate that there is sufficient reinsurance capacity. Dedicated reinsurance capital grew at an estimated 4.8 percent in 2025, and nearly 85 percent from 2014 to 2025, for an average annual rate of about 7.7 percent.¹⁰⁴ Reinsurance capacity has been and continues to be augmented by significant competition from alternative risk transfer mechanisms such as insurance-linked securities.¹⁰⁵ However, alternative risk mechanisms have not, to date, been a significant factor in addressing terrorism risk exposure.¹⁰⁶

2. Reinsurance and Terrorism Risk

To the extent it is available and purchased by insurers writing terrorism risk insurance, private reinsurance may serve both to increase the availability of terrorism risk insurance and to reduce Program exposure. Since the enactment of TRIA, Treasury has evaluated reinsurance capacity for terrorism risk. In earlier analyses, Treasury found that such capacity was limited and had remained relatively consistent since shortly after the September 11 Attacks.¹⁰⁷ Since the commencement of the TRIP data calls in 2016, however, Treasury has regularly observed and reported on the expanded reinsurance capacity for terrorism risk.¹⁰⁸ Treasury's observations are

¹⁰² *Aon January 2026 Report*, 21 (“While the effects of nuclear verdicts, legal system abuse and third-party litigation funding remain key concerns for the market, the strong underlying rating environment for U.S. casualty is helping maintain a demand/supply equilibrium.”).

¹⁰³ Aon, *Reinsurance Market Dynamics* (April 2026), 27, <https://www.aon.com/en/insights/reports/reinsurance-market-dynamics>.

¹⁰⁴ Gallagher Re, *Reinsurance Market Report: Results for Half-Year 2025* (2025), 7, <https://www.ajg.com/gallagherre/-/media/files/gallagher/gallagherre/news-and-insights/2025/september/gallagherre-resinsurance-market-report-hy-2025.pdf> (*Gallagher Re 2025 Reinsurance Report*).

¹⁰⁵ Alternative risk transfer mechanisms represented about \$118 billion of total estimated reinsurance dedicated capital of \$805 billion as of 2025. See *Gallagher Re 2025 Reinsurance Report*, 7.

¹⁰⁶ Treasury is aware of two alternative risk transfer programs for terrorism risk. In February 2019, Pool Reinsurance Co. Ltd. (Pool Re), the government-backed mutual terrorism reinsurance facility in the United Kingdom, brought the first-ever terrorism risk catastrophe bond, for £75 million (about \$100 million) to market as part of its general retrocessional program for its terrorism risk exposures. See “Pool Re Sponsors First Terrorism Risk Catastrophe Bond, Baltic PCC,” *Artemis*, January 14, 2019, <https://www.artemis.bm/news/pool-re-sponsors-first-terrorism-risk-catastrophe-bond-baltic-pcc/>. Pool Re has continued to offer terrorism cat bonds, and this protection now represents £100 million (about \$133 million) of its current total retrocessional tower of £2.85 billion. See “Pool Re Completes Renewal of £2.75bn Retrocessional Placement,” *Artemis*, March 5, 2026, <https://www.artemis.bm/news/pool-re-completes-renewal-of-2-75bn-retrocession-placement/>. Similarly, in 2024, GAREAT, the government-backed terrorism risk reinsurance facility in France, brought to market a terrorism risk bond for €100 million (about \$116 million), part of its total retrocessional tower of €2.3 billion. See “GAREAT Secures €100m Athéna I Re Terrorism Cat Bond, Priced Within Guidance,” *Artemis*, November 21, 2024, <https://www.artemis.bm/news/gareat-secures-e100m-athena-i-re-terrorism-cat-bond-priced-within-guidance/>.

¹⁰⁷ See PWG, *2006 Terrorism Risk Insurance Report*, 26 (\$4-6 billion of terrorism reinsurance capacity in 2005, \$6-8 billion in 2006); PWG, *2010 Market Conditions Report*, 19 (between \$6-8 billion to \$8-10 billion); PWG, *2014 Availability and Affordability Report*, 19 (\$6-8 billion).

¹⁰⁸ Thus, in 2022 and 2023, insurers responding to TRIP data calls (excluding captive insurers) reported a total of \$74.6 billion and \$76.6 billion, respectively, in reinsurance coverage for a single loss resulting from terrorism. Based upon other reported information, in 2023 approximately 74 percent of this reinsurance fell within the co-pay

consistent with the observations of commenters that reinsurers may now have a greater willingness to cover conventional (i.e., non-NBCR) terrorism risks than was indicated by Treasury’s earlier analyses.¹⁰⁹

The TRIP data calls have consistently reflected that the total amount of purchased reinsurance that will respond to terrorism risk trails the amount of reinsurance purchased for natural catastrophe risks (except in the case of captive insurers, which purchase more terrorism risk reinsurance than natural catastrophe reinsurance). Treasury has previously observed that many reinsurers were willing to offer reinsurance coverage for conventional terrorism risk as part of ceding insurers’ catastrophic risk reinsurance programs otherwise principally devoted to natural catastrophe risks.¹¹⁰ The most recent information reported to Treasury, however, reflects that terrorism risk reinsurance capacity, while remaining significant, is not increasing at the same rate as reinsurance purchased for natural catastrophe hazards.¹¹¹

For comparison purposes, Treasury requested information about the reinsurance contract terms (i.e., amount of coverage, attachment point, and co-participation share) for treaties covering terrorism risk and natural catastrophe risk. Figure 31 identifies the total amounts of per loss terrorism risk reinsurance limits purchased by responding insurers on an aggregated basis that will cover losses subject to the Program—serving as a measure of total market capacity between 2023 and 2025.

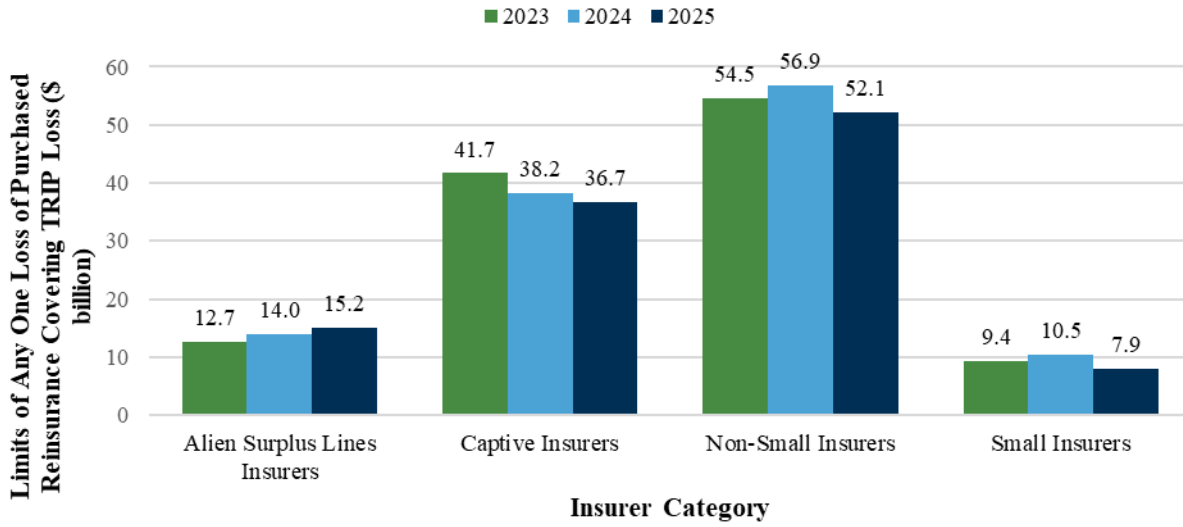
obligations of the reporting insurers above their Program deductibles, with the remaining balance falling within the insurer’s TRIP deductible. Captive insurers separately obtained an additional \$28.1 billion and \$41.7 billion in 2022 and 2023, respectively, in per loss terrorism reinsurance limits, and an even higher percentage of those figures fell within the co-pay obligations of the captive insurers. *See FIO, 2024 Effectiveness Report, 43-45.* These figures have remained relatively constant.

¹⁰⁹ *See Marsh Comments, 28* (“The terrorism reinsurance market in 2025 continued to see abundant capacity and competitive pricing amid evolving geopolitical and emerging risk landscapes.”); *RAA Comments, 3* (“Reinsurers have been willing to put a defined amount of capital at risk for terrorism-related losses due to the nature of the risk, insurer demand for risk transfer and the price they are willing to pay.”); *APCIA Comments, 2* (“NBCR coverage is available in the reinsurance and capital markets, but the capacity is extremely limited, and reinsurers and capital markets are often reluctant to provide it and/or guard their capacity carefully.”).

¹¹⁰ *See FIO, 2024 Effectiveness Report, 44.*

¹¹¹ Compare Figure 31 with Figure 32.

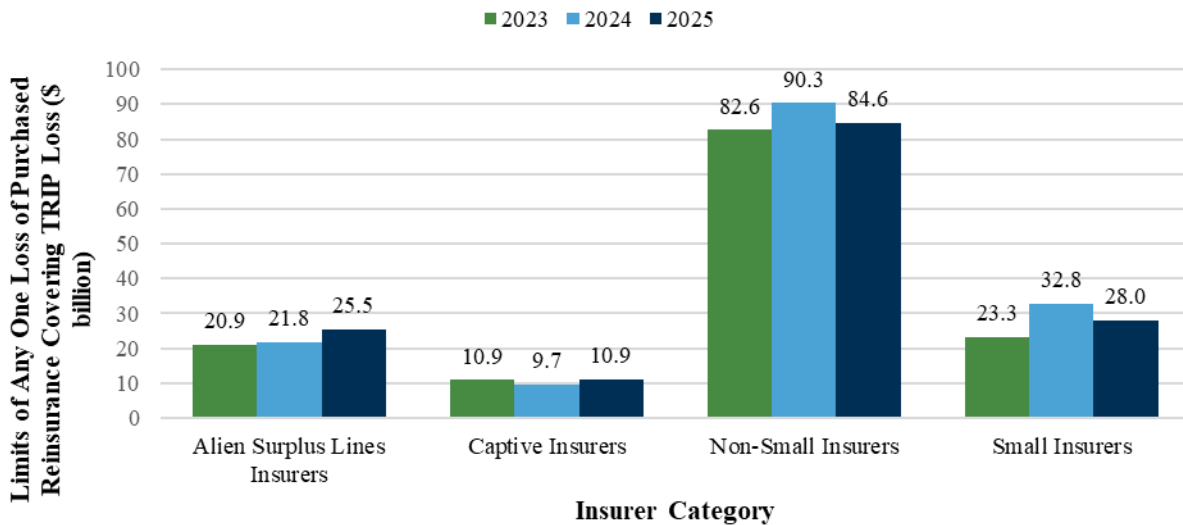
Figure 31: Total Per Loss Reinsurance Limits Purchased for Losses Subject to TRIP



Source: 2024-2026 TRIP data calls

Figure 32 reflects the total amounts of per loss natural catastrophe reinsurance purchased by responding insurers from 2023 to 2025. It reflects larger total amounts of natural catastrophe reinsurance versus terrorism risk reinsurance purchased on a per loss basis for alien surplus lines, non-small, and small insurers, and lower amounts for captive ceding insurers.¹¹²

Figure 32: Total Per Loss Reinsurance Limits Purchased for Natural Catastrophes

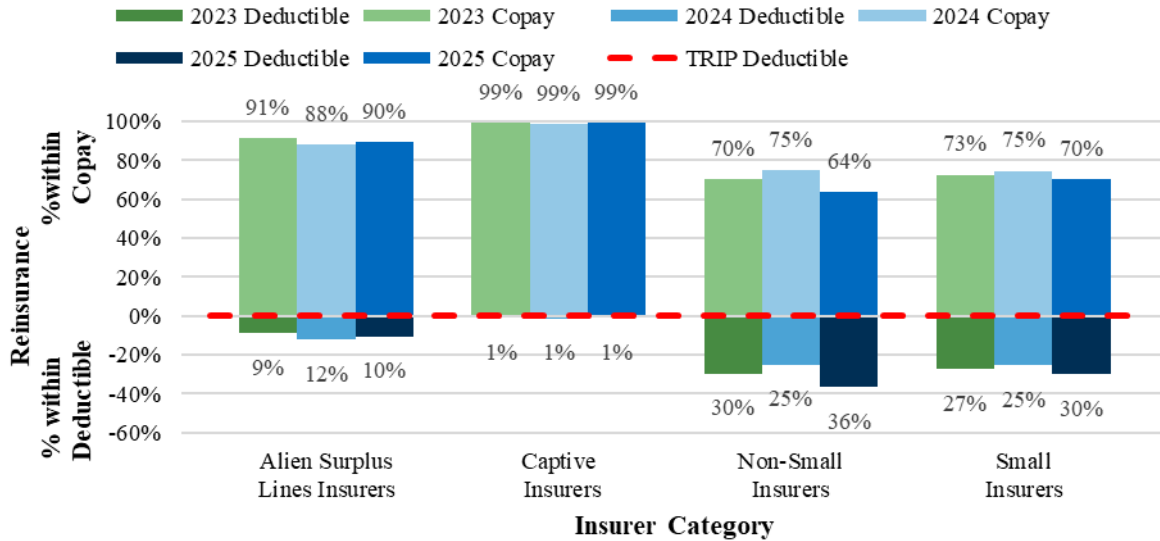


Source: 2024-2026 TRIP data calls

¹¹² As in other areas, captive insurers present different issues concerning purchase of reinsurance applicable to terrorism risk losses. Captive insurers' reinsurance experience is further evaluated in [Section VI.B](#).

Private reinsurance can cover some or all of the exposure of participating insurers for amounts which the federal government will not reimburse under TRIP, namely amounts within: (1) insurers’ Program deductibles and (2) insurers’ Co-Pay Shares above the Program deductible. Figure 33 shows Treasury’s calculation of the degree to which reinsurance purchased by participating insurers for terrorism risk insurance would respond to losses within a ceding insurer’s Program deductible versus within the co-pay layer above the Program deductible.

Figure 33: Total Per Loss Reinsurance Limits Purchased for TRIP Losses Within TRIP Deductible Layer and TRIP Co-Pay Layer (by Percentage)



Source: 2024-2026 TRIP data calls

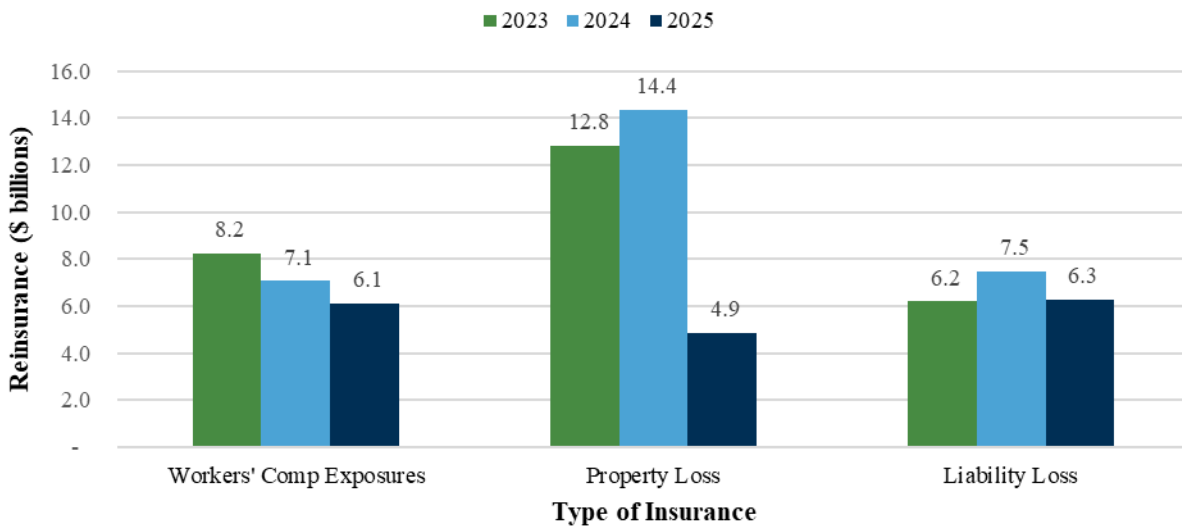
Each column in Figure 33 totals 100 percent of reinsurance purchases, as divided between amounts within TRIP deductibles (below the zero percent line) and within the co-pay layer once the TRIP deductible has been satisfied (above the zero percent line). The figure shows that private reinsurance remains more heavily concentrated in the exposure retained by participating insurers above their TRIP deductibles. Based on reported 2025 data, 80.1 percent of the purchased private reinsurance covers loss above the participating insurer’s TRIP deductible. This figure is materially affected by captive insurers, which purchase large amounts of reinsurance but have very small TRIP deductibles. When captive insurers are excluded from the analysis, the amount of reinsurance responding above the TRIP deductible was 69.4 percent of the total in 2025.

In many individual cases, reinsurance purchased for terrorism risk insurance remains subject to limitations and exclusions for specified risks. Many reporting insurers, for example, identified various exclusions from—or limitations to—coverage under their terrorism risk reinsurance,

typically for exposures at particular locations and more generally for NBCR risks, discussed in [Section V.H](#). Such limitations are consistent with information from industry sources.¹¹³

Treasury also requests data regarding the reinsurance coverage that is expressly available for terrorism risks involving NBCR exposures. The data collected by Treasury for 2022 and 2023, which was analyzed in the *2024 Effectiveness Report*, reflected significantly smaller amounts of reinsurance coverage for NBCR-related terrorism risk than the limits generally available for a terrorism loss.¹¹⁴ The more recent experience reported to Treasury for 2024 and 2025 is similar, as shown in Figure 34.

Figure 34: Total Per Loss Reinsurance Limits Purchased for NBCR Losses Subject to TRIP (by Type of Insurance)



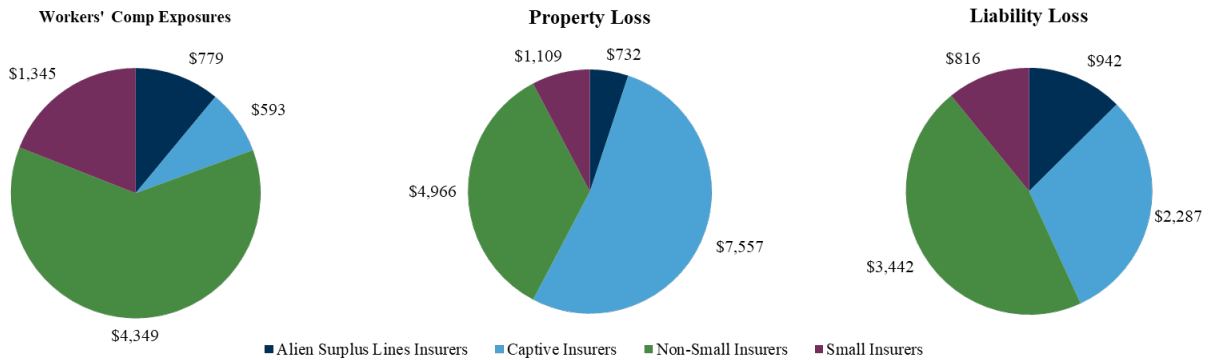
Source: 2024-2026 TRIP data calls

The reported reinsurance purchases for NBCR exposures by type of insurance are allocated among the various insurer categories as shown in Figures 35 (for 2024) and Figure 36 (for 2025).

¹¹³ See RAA Comments, 3 (“With respect to reinsurance capacity that includes NBCR, especially in Tier 1 cities and central business districts, such capacity remains challenging to secure, is structurally constrained, reflecting the extreme severity, correlation, and limited ability of the private market to absorb such risks without government support”); Marsh Comments, 34 (noting that reinsurance capacity for NBCR risk is dependent upon the current TRIP mechanics, and remains “notably less” than for terrorism risk generally).

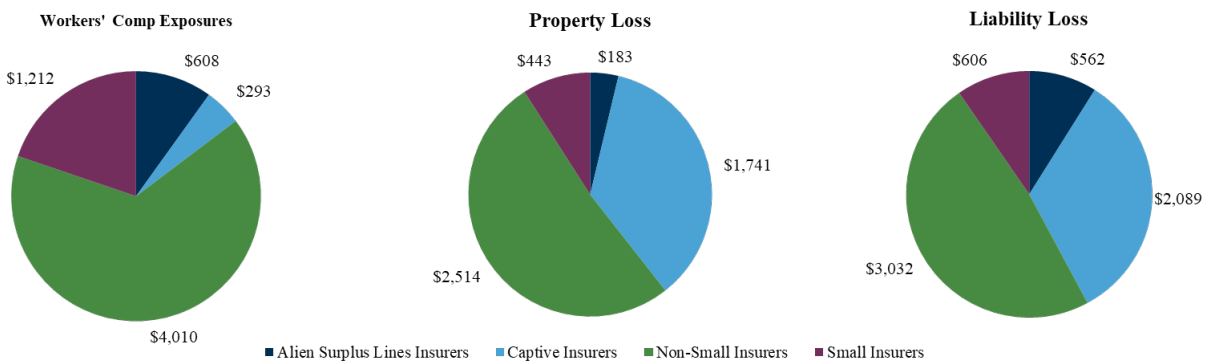
¹¹⁴ FIO, *2024 Effectiveness Report*, 46-47.

Figure 35: 2024 Total Per Loss Reinsurance Limits Purchased for NBCR TRIP Losses (by Type of Insurance), Allocated by Insurer Category (\$ millions)



Source: 2025 TRIP data call

Figure 36: 2025 Total Per Loss Reinsurance Limits Purchased for NBCR TRIP Losses (by Type of Insurance), Allocated by Insurer Category (\$ millions)



Source: 2026 TRIP data call

TRIA does not require insurers to offer terrorism risk insurance for exposures for which coverage is otherwise generally not provided (or specifically excluded) under the policy in question.¹¹⁵ Because many insurers generally exclude NBCR risks under P&C policies (excepting workers’ compensation, as discussed in [Section VII](#)), the amount of direct insurance coverage for such NBCR risks may be substantially limited. The reported data reflects that, regardless of the amount of direct coverage available for NBCR exposures, that coverage is less likely to be supported by private reinsurance than losses arising from conventional acts of terrorism. Furthermore, a large portion of the limited reinsurance obtained for NBCR property exposures supports the risks assumed by captive insurers which, while potentially significant on an individual basis, represent only a small percentage of total risk exposures assumed by insurers participating in the Program.¹¹⁶

¹¹⁵ See No Material Difference from Other Coverage, 31 C.F.R. § 50.22(b).

¹¹⁶ See [Section VI.B](#), addressing captive insurers.

In sum, private reinsurance capacity for terrorism risk has improved significantly since the immediate aftermath of the September 11 Attacks. Commenters attribute this improvement in large part to the backstop support the Program provides for a major portion of insurers' exposure to terrorism risk nationwide.¹¹⁷ Nevertheless, commenters have noted that the aggregation risk¹¹⁸ presented by terrorism continues to be a limiting factor for the development of private reinsurance capacity.¹¹⁹ Modeling applications, including accumulation models, deterministic scenario modeling, and probabilistic modeling of terrorism are available in the market and remain significant tools in this area to support the deployment of reinsurance capital. Commenters note improvements—but not “transformational changes”—in modeling in recent years.¹²⁰ However, the infrequency of terrorism events renders modeling potential terrorism exposure difficult, from both a frequency and severity standpoint. The TRIP data further reflects that private reinsurance capacity may be reduced as the aggregation risk presented by a particular type of terrorism loss (such as from an NBCR attack) increases.

H. Terrorism Risk Insurance for NBCR Losses

NBCR losses, to the extent arising from a certified “act of terrorism,” are within the scope of the Program. However, TRIA and Treasury’s implementing regulations permit an insurer to exclude from the mandatory offer of terrorism risk insurance coverage risks that are otherwise excluded under the policy.¹²¹ Accordingly, an insurer that does not provide coverage for NBCR risks generally under its policy is not required to extend that coverage for terrorism risk. Because of potentially significant NBCR aggregation risks that insurers find difficult to manage,¹²² many insurers exclude these risks to some extent.¹²³ This means that, in the event of a certified act of terrorism involving NBCR losses, there may be less coverage for policyholders than would be

¹¹⁷ See RAA Comments, 3 (“Importantly, the current level of private [reinsurance] market participation should be understood as contingent on the continued presence of TRIP. The federal backstop plays a critical role in enabling reinsurers to deploy capital against terrorism risk by limiting tail exposure and providing greater certainty around extreme loss scenarios.”); Marsh Comments, 34 (“It is important to note that the estimate capacity [for terrorism reinsurance] is a theoretical maximum per program and assumes the federal terrorism insurance backstop through TRIPRA will continue.”).

¹¹⁸ Aggregation risk refers to circumstances where the same event causes losses to a large number of policyholders of the same insurer, potentially in multiple lines of insurance.

¹¹⁹ RAA Comments, 2-3 (“Terrorism risk has characteristics regarding frequency, severity and correlation that make it unlike any other insured peril or risk.”); Marsh Comments, 34 (“NBCR terrorism reinsurance capacity continues to be challenging to secure due to accumulated aggregate constraints Although insurers have and continue to be able to secure needed terrorism reinsurance capacity, those with significant property and workers’ compensation accumulations in the largest US cities could have less access to additional reinsurance capital relative to those with exposure in smaller cities and more remote regions.”).

¹²⁰ See RAA Comments, 4 (“Although terrorism modeling continues to evolve and meaningful enhancements have been made, the last few years have not seen transformational changes to the state of terrorism models.”).

¹²¹ TRIA § 103(c)(2); 31 C.F.R. § 50.22(b).

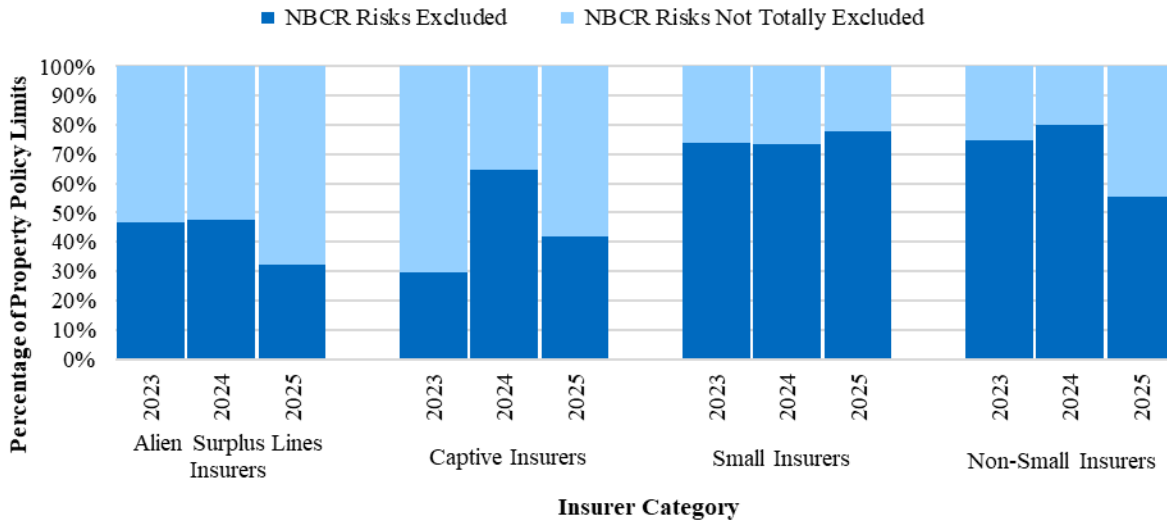
¹²² The ACRSM identified potential NBCR aggregation risks with examples based upon modeled results. See ACRSM, *Report of the Advisory Committee on Risk Sharing Mechanisms* (2020), 24, <https://home.treasury.gov/system/files/311/5-20-ACRSM-Report-Final.pdf> (ACRSM Report).

¹²³ Commenters noted the difficulty in obtaining terrorism risk coverage for NBCR risks, particularly in areas deemed to be at greater risk, although they also indicated that capacity may be increasing. See Aon Comments, 13; Marsh Comments, 22 (noting NBCR coverage is “increasingly accessible”).

the case in connection with losses arising from a conventional attack.¹²⁴ The principal exception here is in connection with workers’ compensation which, as a matter of state law, must provide coverage for all employment-related injuries, including those arising from NBCR risks.¹²⁵ In addition, so-called “fire following” laws in some states require all fire losses under standard fire policies to be covered, regardless of the cause and the existence of what would otherwise be applicable exclusions in the policy.¹²⁶

While coverage for NBCR risk under policies subject to TRIP is clearly more limited than it is for conventional terrorism risk, the data provided to Treasury reflects that some amount of NBCR terrorism risk coverage is extended by Program participants on a voluntary basis, outside of the context of the mandatory requirements imposed by workers’ compensation and fire following laws. In the TRIP data calls, Treasury requests the amount of policy limits under which NBCR risk exposures are not totally excluded when insurers report the policy limits that are subject to TRIP (i.e., they extend coverage that would be subject to the Program’s backstop). Figure 37 shows the information, on a percentage basis, in a stacked bar chart that illustrates the percentage of TRIP property limits extending coverage for some amount of NBCR risk, by insurer category, from 2023 to 2025.

Figure 37: 2023-2025 TRIP Property Limits Where NBCR Risks Are Not Totally Excluded, by Insurer Category



Source: 2024-2026 TRIP data calls

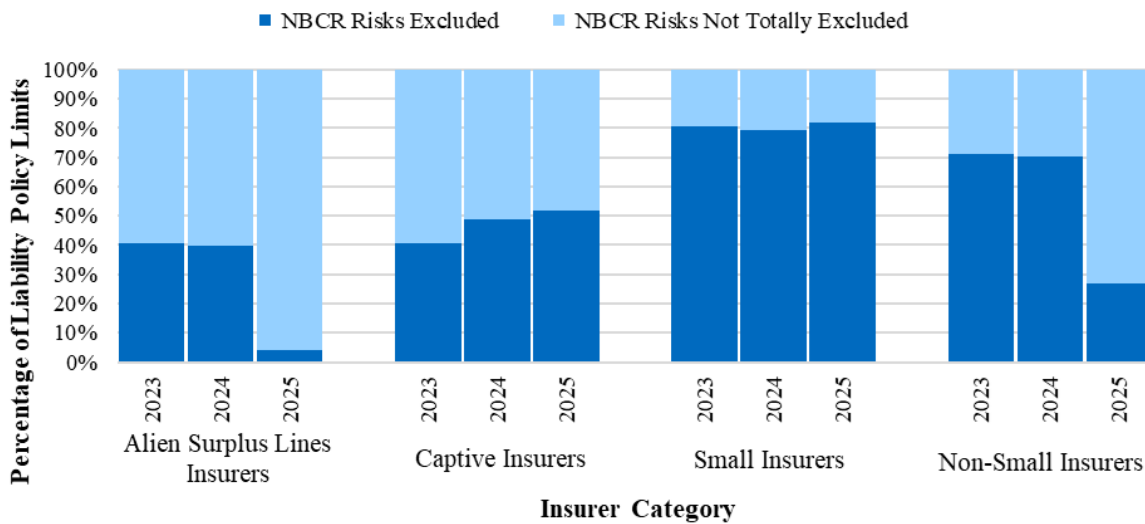
¹²⁴ See, e.g., FIO, *2020 Effectiveness Report*, 51-52 (discussing results of modeled loss question in a hypothetical attack in San Francisco involving both conventional and non-conventional attack modes and showing greater losses for non-small and alien surplus lines insurers arising from the conventional attack, but greater losses for captive insurers from the non-conventional attack).

¹²⁵ The impact of this requirement for workers’ compensation coverage is discussed further in [Section VII](#).

¹²⁶ Treasury has addressed the implications of fire following laws in prior reports. See FIO, *2018 Effectiveness Report*, 32 n.84.

As reflected in Figure 37, all insurer groups extend some amount of NBCR risk in connection with the terrorism risk limits subject to TRIP. In fact, most insurer groups show an increase in the percentage of limits extended that provide some amount of NBCR coverage, with the percentage for alien surplus lines insurers and captive insurers still higher than for small and non-small insurers.¹²⁷ Figure 38 shows the same information for TRIP liability limits extending coverage for some amount of NBCR risk. The relative percentages shown for liability limits are similar to those shown for property limits.

Figure 38: 2023-2025 TRIP Liability Limits Where NBCR Risks Are Not Totally Excluded, by Insurer Category



Source: 2024-2026 TRIP data calls

NBCR risk remains more challenging for Program participants and will thus be covered by the Program on a more limited basis in the event of a certified act of terrorism. Furthermore, the extent and availability of such coverage in metropolitan areas is likely far less than reflected by Treasury’s nationwide figures given the aggregation risk concerns in those areas. Nonetheless, the Program does currently provide support for some amount of NBCR risk that is voluntarily extended, in addition to the amounts that are driven by the statutory requirements associated with workers’ compensation and fire following laws. Commenters have identified the Program as critical support for the NBCR terrorism risk insurance (and reinsurance) coverage that is extended by the industry.¹²⁸

¹²⁷ Some stakeholders commented on the availability of more NBCR coverage in the marketplace than has been the case in the past. *See* Marsh Comments, 22 (“NBCR coverage is accessible under TRIPRA; however, insurers are not required to offer it. It has become more widely available, with several insurers offering standalone NBCR coverage and more are expected to enter the market soon.”).

¹²⁸ *See* Marsh Comments, 7 (“Maintaining the availability of any reinsurance capacity for NBCR relies on TRIP remaining in its current program format as it supports the overall market. Should TRIP lapse or be further restricted—with no NBCR alternative requiring all insurers to enter the reinsurance market simultaneously—the impacts remain unknown and untested.”).

Commenters that addressed the issue of the availability of NBCR risk coverage provided in association with the Program characterized it as an unavoidable consequence of the nature of NBCR risk, as distinguished from a deficiency with the Program.¹²⁹ Modification of the TRIP sharing mechanism as applicable to NBCR-related risks could encourage insurers to provide more NBCR terrorism risk insurance, although it could also result in a corresponding increase in federal exposure. Further improvement in modeling techniques in connection with NBCR loss events could lead to an improvement in insurer risk appetite for such exposures.

I. Terrorism Risk Insurance and Cyber Losses

Over the last decade, Treasury has monitored terrorism risk insurance for cyber losses and its implications for the administration of TRIP. Treasury confirmed in 2016 that TRIA requirements apply to any policy covering cyber risk written in a line of insurance that is subject to the Program.¹³⁰ To the extent that cyber coverage (including under a standalone cyber policy) is written in TRIP-eligible lines of insurance, and the requirements of TRIA and TRIP are met, reimbursement for losses from a cyber attack that is certified as an “act of terrorism” is potentially available under TRIP.¹³¹ Treasury began collecting data in 2018 for cyber insurance within TRIP-eligible lines,¹³² and Treasury requested more detailed information concerning cyber insurance starting in 2022.¹³³

Before discussing the analysis of the cyber insurance information collected in the 2026 TRIP data call, this Report provides information on the cyber insurance market. Conditions in the

¹²⁹ See, e.g., CIAT Comments, 2 (“CIAT believes the lack of availability of cover for NBCR risk has little to do with the design of TRIA since coverage in this space is not unique to terrorism.”); Lloyd’s Comments, 2 (“Excluding NBCR terrorism is consistent with TRIA’s make available requirement, since NBCR risk is typically excluded from policies regardless of whether terrorism caused the loss. This demonstrates that NBCR coverage is not a problem that is confined to TRIA or terrorism risk more generally, but rather remains an issue that is beyond the capacity of the private market to solve.”); compare Marsh Comments, 22 (noting greater availability of NBCR coverage “with several insurers offering standalone NBCR coverage and more are expected to enter the market soon”). As discussed above, while coverage provided for NBCR risk by Program participants is limited, some levels of coverage are provided across insurer categories. The coverage is not limited solely to captive insurers; and the NBCR coverage is supported in all cases by the Program. Captive insurers are discussed further in [Section VI.B](#).

¹³⁰ See Guidance Concerning Stand-Alone Cyber Liability Insurance Policies Under the Terrorism Risk Insurance Program, 81 Fed. Reg. 95,312 (December 27, 2016) (“TRIP Cyber Guidance”).

¹³¹ See TRIP Cyber Guidance; 31 C.F.R. 50.4(w)(1); *2021 Updated Regulations*, 86 Fed. Reg. 30,537. “Silent” or “non-affirmative” coverage for cyber losses can also arise under policies that do not expressly state that they cover cyber-related losses but also do not expressly exclude coverage for such losses. Non-affirmative cyber insurance is also subject to TRIA if written in a TRIP-eligible line of insurance. See TRIP Cyber Guidance, 81 Fed. Reg. at 95,313 (“Certain insurance policies that may contain a ‘cyber risk’ component or which do not exclude losses arising from a cyber event continue to be written in existing TRIP-eligible lines of insurance and are thus subject to the provisions of the Program.”).

¹³² See Terrorism Risk Insurance Program 2018 Data Call, 82 Fed. Reg. 56,328, 56,329 (November 28, 2017). Not all cyber insurance is written within TRIP-eligible lines. For example, cyber insurance can also be written as Professional Liability Insurance, which is expressly excluded from the Program. TRIP Cyber Guidance, 81 Fed. Reg. at 95,313; TRIA § 102(11)(B)(xi). See also [Section V.I.2](#).

¹³³ See Terrorism Risk Insurance Program 2022 Data Call, 86 Fed. Reg. 64,600 (November 18, 2021); 2022 Terrorism Risk Insurance Program Data Call, 87 Fed. Reg. 22,026 (April 13, 2022); see also FIO, *2022 Effectiveness Report*, 59.

cyber insurance market may affect the scope of insurance extended by cyber insurers that also provide coverage for certified acts of cyber terrorism. These market conditions may also inform Treasury’s administration of the Program and its evaluation of cyber insurance subject to TRIP, particularly where there have been significant changes and developments in the cyber insurance market. After analyzing the information collected in the 2026 TRIP data call, the section briefly addresses FIO’s ongoing work monitoring the cyber insurance market with respect to the major categories of cyber risk.¹³⁴ This section also evaluates whether some cyber-related risks could result in catastrophic losses outside the coverage of most cyber insurance policies, reflecting a potential cyber risk insurance protection gap.

1. Cyber Insurance Market

The cyber insurance market has been a small but generally growing component of the U.S. P&C market. Insurers reported total TRIP-eligible cyber DEP of \$5.7 billion in 2025 (see [Section V.I.2](#)) but, as noted above, some cyber coverage may fall outside TRIP-eligible lines. The total size of the U.S. cyber insurance market in 2024 is estimated at \$9.1 billion in direct written premium, a 7.1 percent decrease from the previous year.¹³⁵ This total includes the premium of alien surplus lines insurers, which make up about 22.5 percent of the cyber insurance market in the United States, with direct written premium of approximately \$2.1 billion. The United States continues to constitute a significant percentage of the worldwide cyber insurance market, with a market share of approximately 60 percent in 2024.¹³⁶

Cyber insurance is a relatively small part of the total U.S. P&C insurance market. Cyber insurance is less than 1 percent of direct written premiums in the overall P&C market in the United States.¹³⁷ Similarly, the amount and limits of cyber insurance is significantly smaller than the limits of insurance otherwise available in the TRIP-eligible property or liability lines.

¹³⁴ These categories include a potential cyber “act of terrorism” certified by the Treasury Secretary, attritional or non-catastrophic cyber incidents such as typical ransomware attacks, and cyber tail or catastrophic cyber incidents.

¹³⁵ Memorandum from NAIC to Property and Casualty Insurance (C) Committee and Innovation Cybersecurity and Technology (H) Committee (November 10, 2025), https://content.naic.org/sites/default/files/inline-files/2025_Cybersecurity_Insurance%20Report.pdf (NAIC Cyber Data Memo).

NAIC and Treasury figures on cyber insurance may differ. In addition to the coordinated TRIP data call with Treasury (as discussed in [Section IV](#)), the NAIC collects data from insurers writing cybersecurity insurance each year through the Property & Casualty Annual Statement Cybersecurity Insurance Coverage Supplement (Cyber Supplement). See NAIC Cyber Data Memo. Treasury collects premium data on a direct earned, versus direct written, basis, as TRIP is operated on a DEP basis. Since direct written premium is wholly allocated to the year in which it is written, versus when it is earned, direct earned premium will lag direct written premium in a growing insurance market. See also [Section V.I.2](#). The NAIC also collects data from cyber insurers that do not write in the TRIP-eligible lines, thus capturing more of the cyber insurance market. Finally, effective for the 2024 annual statement filings, NAIC’s Cyber Supplement changed the reporting required on cyber insurance policies from a split between stand-alone and packaged coverage to a three-way split between primary, excess, and endorsement coverage. See NAIC Cyber Data Memo.

¹³⁶ Munich Re reported the 2024 global cyber insurance market at \$15.3 billion in written premium and projected that the 2025 market would reach \$16.3 billion. See Munich Re, *Global Cyber Risk and Insurance Survey 2026* (2026), <https://www.munichre.com/en/insights/cyber/global-cyber-risk-and-insurance-survey-2026.html> (2026 Munich Re Global Cyber Insurance Survey).

¹³⁷ See FIO, *2025 Annual Report* (“For 2024, total P&C sector direct premiums written reached a record level at \$1.06 trillion, marking the third consecutive year of a 10 percent annual increase.”).

For example, in the 2026 TRIP data call, responding insurers reported total nationwide property limits subject to TRIP (irrespective of whether terrorism risk insurance was obtained) of approximately \$159 trillion, and total liability limits subject to TRIP of approximately \$86 trillion. By contrast, the corresponding figure for all cyber limits (whether subject to TRIP or whether terrorism risk insurance was obtained) was only \$1.9 trillion.

While cyber insurance was one of the fastest growing product segments in the U.S. P&C insurance market before 2023, in 2024 the market experienced a small decline (7.1 percent) in U.S. direct written premium, caused largely by softening pricing.¹³⁸

Growth in the U.S. cyber insurance market returned in 2025.¹³⁹ Significant further U.S. and global growth is projected by decade's end.¹⁴⁰ One of the drivers of the growth in the cyber insurance market has been continuing increases in the volume of attritional (i.e., non-catastrophic) cyber incidents, particularly the surge in ransomware attacks since 2019.¹⁴¹ In response to these attritional incidents, the cyber insurance market adjusted by increasing prices, tightening underwriting standards, and incorporating more restrictive coverage terms in cyber policies. By 2022, the market had largely adapted to the more frequent ransomware attacks and insurer loss ratios subsequently improved. Even after some softening in the market from 2023 on, pricing has remained closer to the 2022 peak rather than to pre-2019 levels.¹⁴²

In the last few years, private industry and the public sector have also focused on cyber tail risk that could lead to catastrophic financial and economic losses. Potential cyber tail risk scenarios include cyber incidents (whether malicious or not) that could spread across the digitally connected world and cause system-wide outages,¹⁴³ cyber incidents related to state and state-backed cyber attacks,¹⁴⁴ and the increased use of artificial intelligence tools.¹⁴⁵ Recent "near

¹³⁸ NAIC Cyber Data Memo, 18. When Alien Surplus Lines are excluded, the contraction in U.S. cyber premium growth began in 2023 with a small decline of 0.2 percent. See NAIC Cyber Data Memo, 5. A similar decline on a DEP basis is observed in the TRIP data beginning in 2025. See Figure 39.

¹³⁹ "U.S. Cyber Insurance Growth Raises Underwriting Risk," *Fitch Ratings*, April 15, 2026, <https://www.fitchratings.com/research/insurance/us-cyber-insurance-growth-raises-underwriting-risk-15-04-2026> ("U.S. cyber insurance direct written premiums grew nearly 11% in 2025 . . . driven by a surge in policies in force despite softer aggregate pricing.").

¹⁴⁰ Munich Re, *Cyber Insurance: Risks and Trends 2025* (2025), <https://www.munichre.com/en/insights/cyber/cyber-insurance-risks-and-trends-2025.html> ("Munich Re's experts expect the global premium volume to more than double by 2030 . . .").

¹⁴¹ See, FIO, *2022 Effectiveness Report*, 62-65.

¹⁴² See FIO, *2024 Effectiveness Report*, 54-55; FIO, *2025 Small Insurer Study*, 27.

¹⁴³ See Ben Dyson, "Global IT Outage a 'Huge Wake-Up Call' for Cyber Insurance Industry," *S&P Global*, July 24, 2024, <https://www.spglobal.com/market-intelligence/en/news-insights/articles/2024/7/global-it-outage-a-huge-wake-up-call-for-cyber-insurance-industry-82497559>.

¹⁴⁴ See Kane Wells, "Munich Re Flags Intensifying Cyber Risk Landscape Amid Geopolitical Strains," *Reinsurance News*, March 25, 2026, <https://www.reinsurancene.ws/munich-re-flags-intensifying-cyber-risk-landscape-amid-geopolitical-strains> (citing 2026 Munich Re Global Cyber Insurance Survey).

¹⁴⁵ Mike Thomas, "P&C Industry Urged to Prepare for Systemic Risk Linked to Claude Mythos," *Canadian Underwriter*, April 27, 2026, <https://canadianunderwriter.ca/news/pc-industry-urged-to-prepare-for-systemic-risk-linked-to-claude-mythos>.

miss” incidents, such as the July 2024 CrowdStrike outage¹⁴⁶ and hyperscale cloud services provider outages,¹⁴⁷ have highlighted how a cyber incident with broad effects could lead to catastrophic losses for the financial sector or the broader economy.¹⁴⁸ Industry experts have noted that one potential result of these developments is a further broadening of exclusions in cyber policies, including around losses arising from a state-backed cyber attack.¹⁴⁹

2. Analysis of TRIP Data Call Information

The TRIP data call requires insurers to report whether their cyber policies are written on a “package” or “standalone” basis. Policies are identified as standalone when the policy provides coverage only for cyber risk, while package policies provide broader coverage, including coverage for non-cyber losses. Respondents are required to report data for cyber policies that provide coverage for terrorism risk and are written in TRIP-eligible lines, even if the policy only responds to losses arising from non-certified acts of terrorism.¹⁵⁰ Figure 39 summarizes TRIP-eligible DEP for cyber policies on a nationwide basis between 2023 and 2025.

¹⁴⁶ See Ben Norris, “CyberCube Pegs Global CrowdStrike Loss at \$1.5bn,” *Commercial Risk*, July 25, 2024, <https://www.commercialriskonline.com/cybercube-pegs-global-crowdstrike-loss-at-1-5bn>; Gen Re, *The CrowdStrike Incident – A Wake-Up Call for Insurers?*, February 25, 2025, <https://www.genre.com/us/knowledge/publications/2025/february/the-crowdstrike-incident-a-wake-up-call-for-insurers-en>.

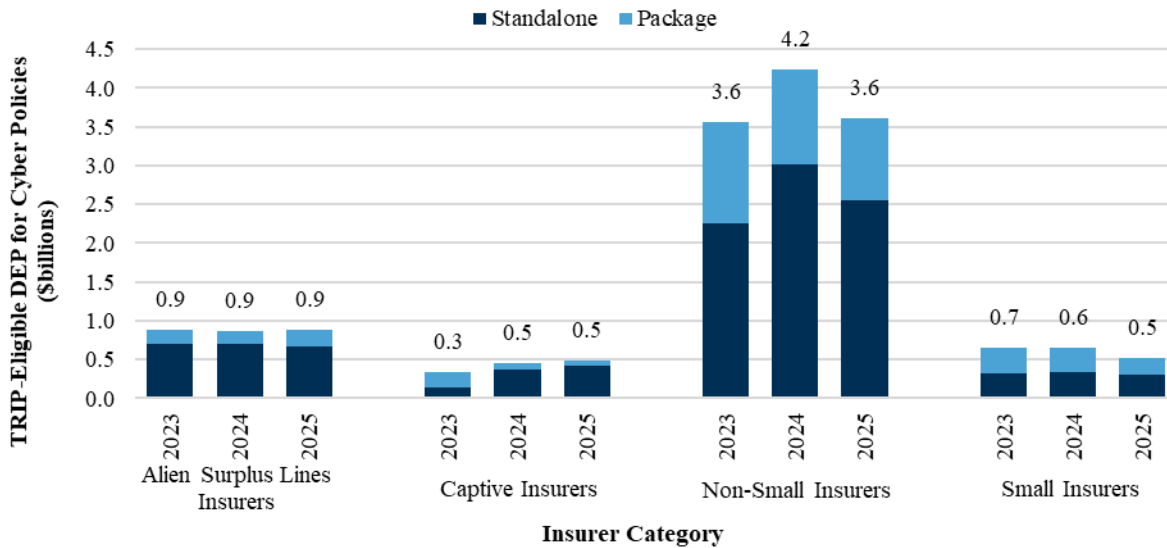
¹⁴⁷ See Chad Hemenway, “AWS Outage a ‘Moderate Incident,’ Another Near Miss for Insurance Industry,” *Insurance Journal*, October 22, 2025, <https://www.insurancejournal.com/news/national/2025/10/22/844725.htm>.

¹⁴⁸ Gallagher Re, *A History of Near Misses: Utilizing Counterfactual Analysis to Understand Cyber Risk* (2024), <https://www.ajg.com/gallagherre/-/media/files/gallagher/gallagherre/2024/gallagherre-a-history-of-near-misses-counterfactual-analysis.pdf>.

¹⁴⁹ See *2024 Effectiveness Report*, 54-55.

¹⁵⁰ Non-certified standalone policies are discussed in greater detail in [Section V.C.2](#).

Figure 39: 2023-2025 TRIP-Eligible DEP for Cyber Policies



Source: 2024-2026 TRIP data calls

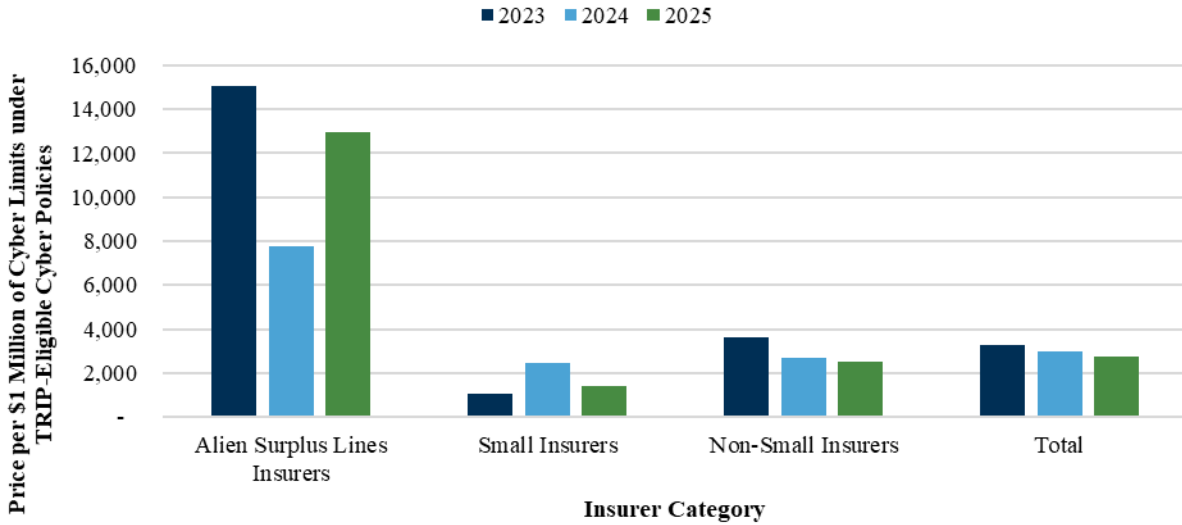
The most recent data reflected in Figure 39 indicates some modest retrenchment in the TRIP-eligible cyber insurance market, with insurers reporting total TRIP-eligible cyber DEP of \$5.7 billion in 2025, down from \$6.2 billion in 2024.¹⁵¹ The market remains concentrated among non-small insurers, who hold 67 percent of the market. Alien surplus lines insurers are also significant participants, with a 16 percent market share. However, the surplus lines insurers’ market share is likely understated given that some alien surplus cyber premium is combined in the reports of affiliated non-alien insurers.

Figure 40 shows the price of cyber insurance per \$1 million in limits between 2023 and 2025, based upon limits of liability under TRIP-eligible cyber policies extending terrorism risk insurance.¹⁵² The overall cost decrease (particularly influenced by the non-small insurer experience) is generally consistent with the modest market softening reported by other industry sources and discussed above.

¹⁵¹ NAIC data, on a direct written premium basis, shows an increase for 2025. Treasury attributes this differential to different reporting (as discussed in n. 135), and the reduction in direct earned premium in 2025 likely mirrors the reduction in direct written premium in 2024 that the NAIC has previously observed.

¹⁵² Prior to 2022, Treasury only collected information on limits associated with policies under which terrorism risk insurance was provided. Starting in the 2022 TRIP data call, Treasury began collecting broader cyber limits information on all TRIP-eligible lines policies.

Figure 40: 2023-2025 Premium Charged per \$1 Million of Cyber Limits under TRIP-Eligible Cyber Policies

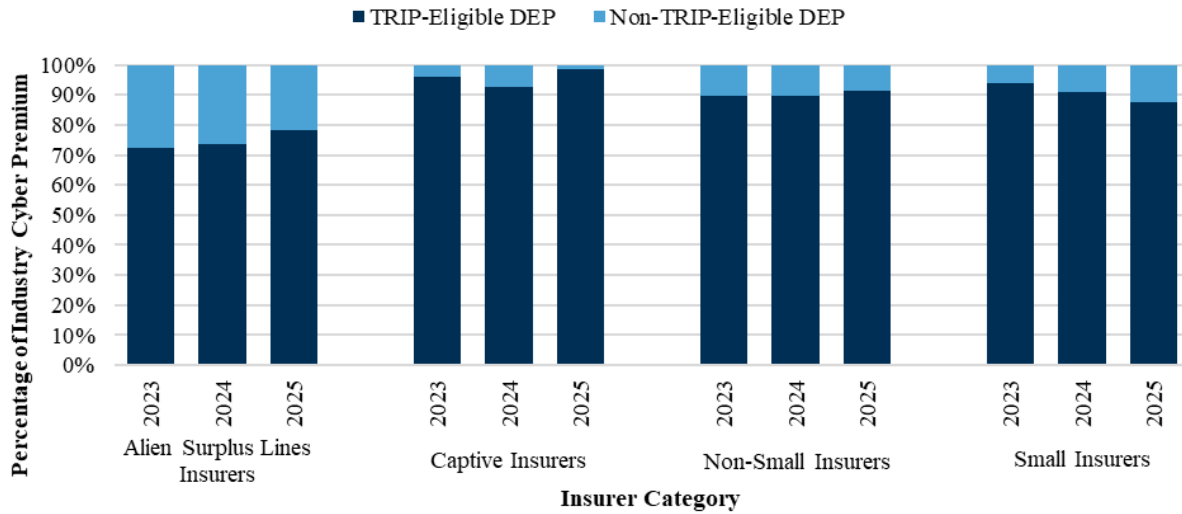


Source: 2024-2026 TRIP data calls

As Treasury has previously observed, at least some of the difference between prior estimates of the total U.S. cyber insurance market and the TRIP-eligible amounts reported to Treasury likely stems from cyber policies reported to state regulators that are written as errors & omissions and other forms of professional liability coverage, which are not a TRIP-eligible lines of insurance.¹⁵³ In order to increase the data that Treasury has on the amount of cyber insurance currently written outside the scope of the Program, Treasury expanded the TRIP data call in 2022 to require the reporting of cyber insurance information in the non-TRIP-eligible lines of insurance. Figure 41 illustrates the relative size of the TRIP-eligible and non-TRIP-eligible cyber insurance markets, based upon the information reported in the 2026 TRIP data call.

¹⁵³ See FIO, *2020 Effectiveness Report*, 55-56; 31 C.F.R. § 50.4(w)(2).

Figure 41: 2023-2025 TRIP-Eligible versus Non-TRIP-Eligible Cyber Insurance Market (by DEP)



Source: 2024-2026 TRIP data calls

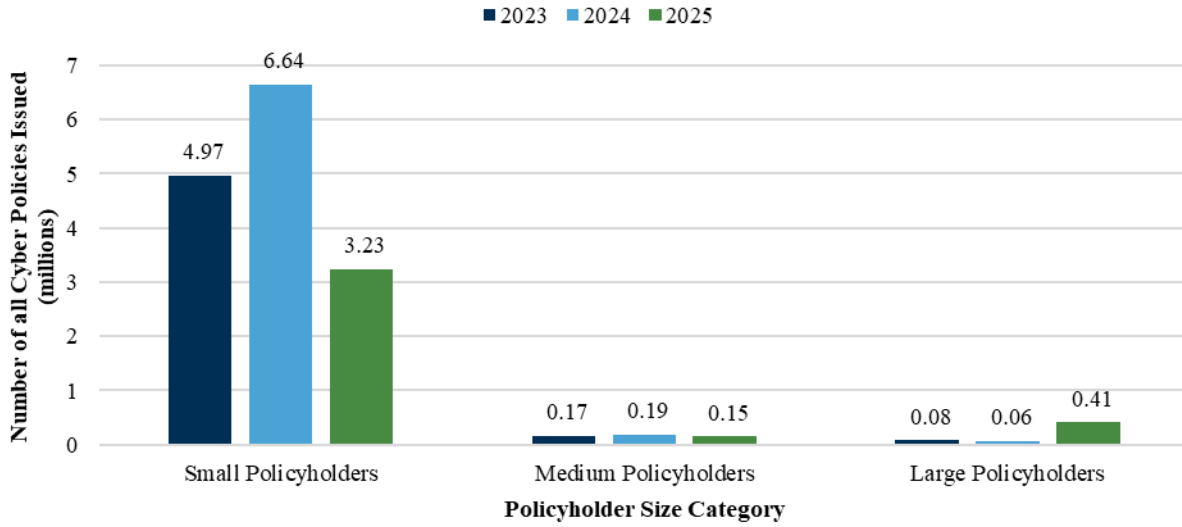
Based upon the data collected, cyber insurance currently written outside TRIP-eligible lines is only 11 percent of the total U.S. cyber insurance market. However, this likely is an underestimate as these figures will not include cyber insurance written in non-TRIP eligible lines by insurers that are not obligated to report in the TRIP data calls.¹⁵⁴ Insurers would not receive potential payments under the Program in connection with losses under such policies even if they resulted from a cyber event that Treasury has certified as an act of terrorism.

Figure 42 shows the proportion of cyber insurance (by number of policies) issued to small, medium, and large policyholders.¹⁵⁵

¹⁵⁴ See FIO, *2024 Effectiveness Report*, 57. See also n.135, above.

¹⁵⁵ This information on policyholder size starts with 2022 data as the policy count of insurers allocated by policyholder size was collected for the first time in the TRIP 2022 data call. See FIO, *2022 Effectiveness Report*, 68.

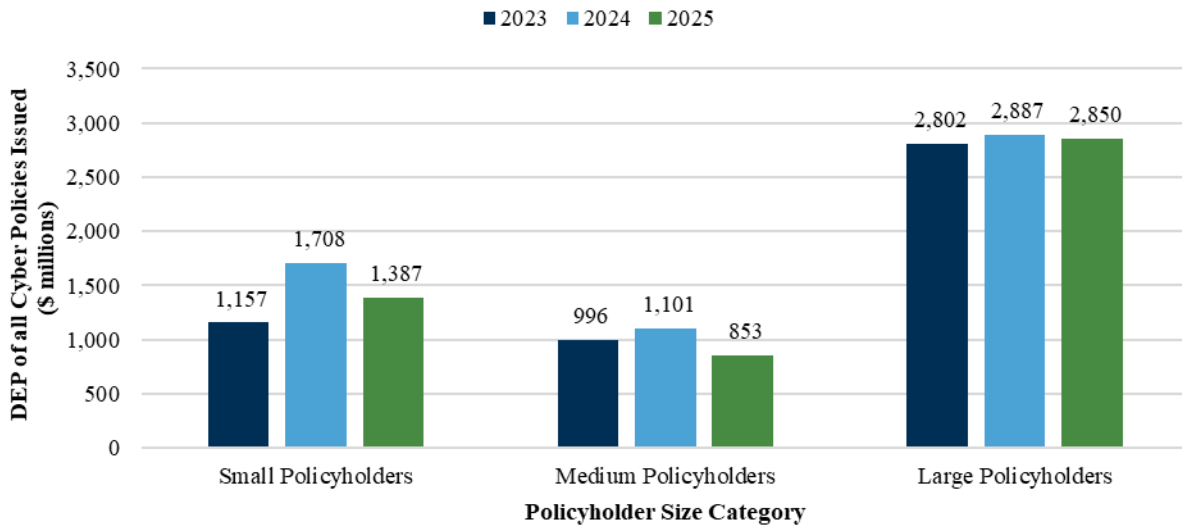
Figure 42: 2023-2025 Cyber Insurance Issued to Small, Medium, and Large Policyholders (by Number of Policies)



Source: 2024-2026 TRIP data calls

Figure 43 shows the amount of cyber insurance issued to entities in the different size categories as measured by DEP.

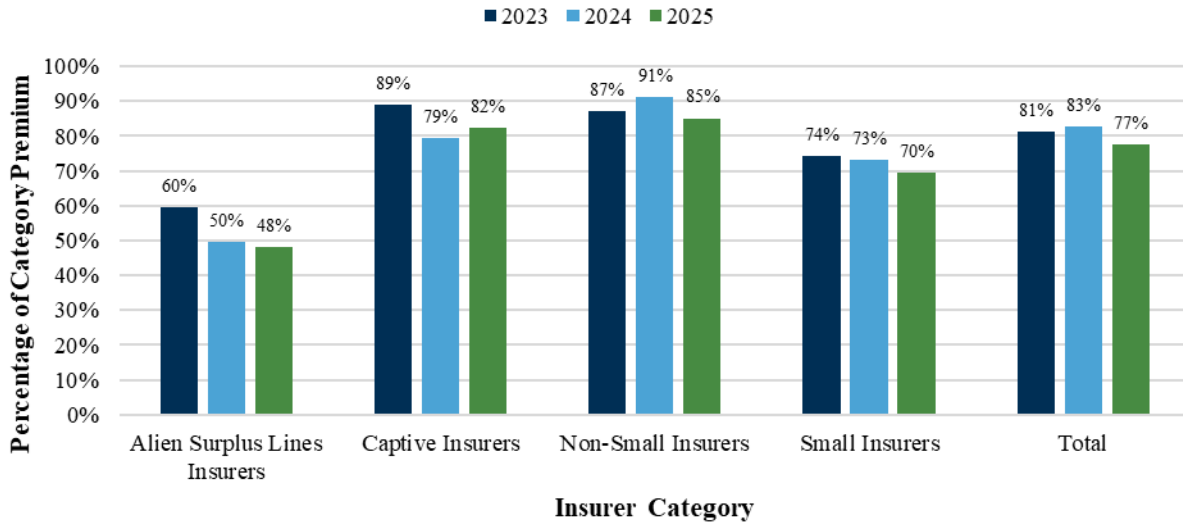
Figure 43: 2021-2023 Cyber Insurance Issued to Small, Medium, and Large Policyholders (by DEP)



Source: 2024-2026 TRIP data calls

Figure 44 shows take-up rates for all cyber policies written in the TRIP-eligible lines of insurance (standalone and package) providing terrorism risk coverage in each insurer category.

Figure 44: 2023-2025 Take-Up Rates for Terrorism Risk Insurance under Cyber Policies (by TRIP-Eligible DEP)



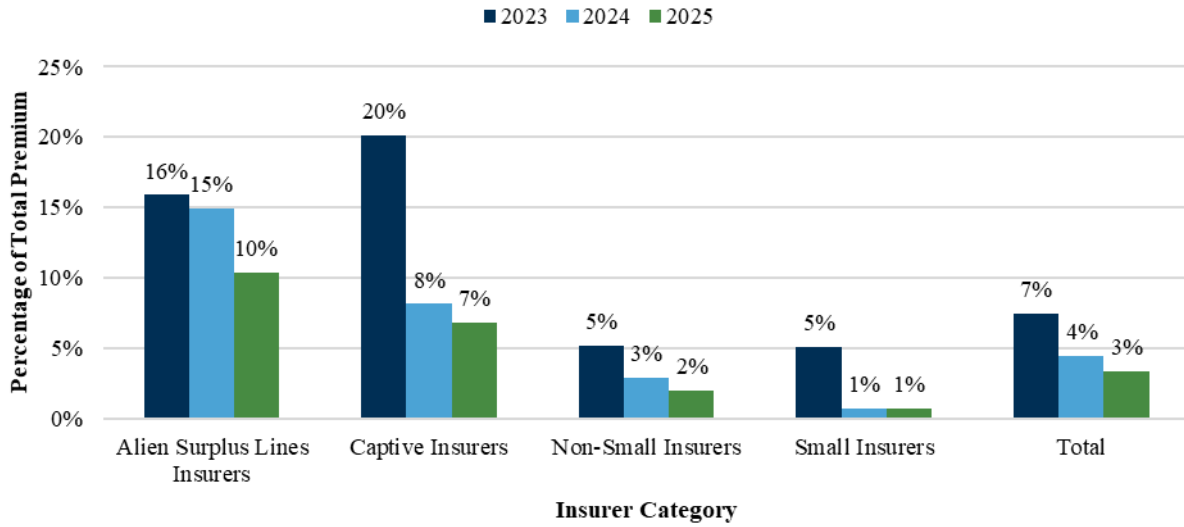
Source: 2024-2026 TRIP data calls

Figure 44 continues to show, as Treasury has observed in prior analyses, take-up rates for cyber insurance covering terrorism risk subject to the Program, combined for all reporting insurer categories, that is materially higher than the overall take-up rates for the TRIP-eligible lines as a whole (compare Figure 44 to Figures 15 and 16).

Figure 45 reflects the reported premiums charged for obtaining terrorism risk insurance associated with standalone cyber insurance policies.¹⁵⁶

¹⁵⁶ Treasury requests the terrorism risk premium component of cyber coverage under both standalone cyber policies and within the cyber component of package policies. However, much of the information provided in connection with package policies may reflect the terrorism risk premium charged for the entire policy, which does not provide a good assessment of the terrorism risk insurance component of the cyber coverage.

Figure 45: 2023-2025 Percentage of Total Policy DEP Allocated to Terrorism Risk Under Standalone Cyber Policies

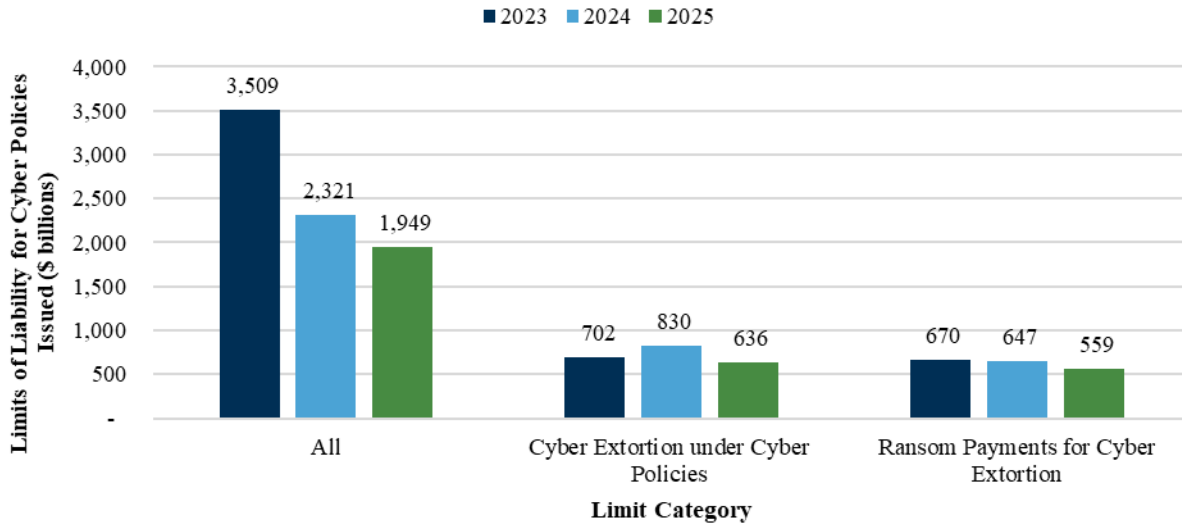


Source: 2024-2026 TRIP data calls

Figure 45 demonstrates that there has been a decrease from seven percent in 2023 to three percent in 2025 of total policy DEP being allocated to terrorism risk under standalone cyber policies.

Treasury expanded the TRIP data call in 2022 to obtain additional information on both the ransomware coverage provided, and losses experienced by the cyber insurance market. Figure 46 shows the total policy limits for standalone cyber insurance policies as compared to the limits for cyber extortion, and the limit specifically for a ransom payment. The second and third groupings of columns—for cyber extortion and ransomware limits—are subsets of the total policy limits expressed in the first grouping of columns. Figure 46 reflects that the limits available under cyber policies in the aggregate will vary significantly depending upon the type of loss in question. Thus, the limits available generally under cyber policies drop significantly for losses associated with cyber extortion in particular. Those limits for cyber extortion then drop even more for the coverage afforded the reimbursement of a ransom payment.

Figure 46: 2023-2025 Total Cyber Policy Limits Compared Against Cyber Extortion Limits and Ransom Payment Limits



Source: 2024-2026 TRIP data calls

Figure 47 shows the 2023 to 2025 loss experience reported by cyber insurers for cyber extortion loss amounts (paid and incurred), amounts specifically made for ransom payments, and cyber extortion defense and loss containment amounts (paid and incurred).

Figure 47: 2023-2025 Reported Cyber Extortion and Ransom Loss Figures (Paid and Incurred)

	2023		2024		2025	
	Direct Losses (\$ million)	% of Total	Direct Losses (\$ million)	% of Total	Direct Losses (\$ million)	% of Total
Direct Losses Paid	\$ 641	46%	\$ 680	45%	\$ 506	34%
<i>Direct Losses Paid: Ransom Payment or Reimbursement Only</i>	142	10%	198	13%	139	9%
Direct Losses Incurred	562	40%	651	43%	863	58%
Direct Defense and Loss Containment Amounts Paid	63	5%	74	5%	51	3%
Direct Defense and Loss Containment Amounts Incurred	141	10%	111	7%	72	5%
Totals	\$ 1,408	100%	\$ 1,516	100%	\$ 1,492	100%

Source: 2024-2026 TRIP data calls

Based on the 2026 TRIP data call, the aggregate ransomware payments by insurers in 2025 was \$139 million, in connection with 2,198 claims.

The cyber extortion and ransomware information reported to Treasury for 2025 provides further detail on how ransomware and extortion are affecting the insurance market. While ransom payments are a significant portion of total cyber extortion losses for insurers, they are only 10

percent of total losses (paid and incurred amounts combined). Insurers' total losses also include other direct losses of the policyholders, including direct defense and loss containment amounts. In short, the TRIP data call shows that: (1) insurer information is a significant component of the data necessary to analyze issues related to ransomware; and (2) ransom payments alone are not the most significant portion of total associated losses for cyber insurers.

3. FIO's Ongoing Work Monitoring the Cyber Insurance Market, Including the Application of TRIP to Cyber Terrorism Losses

FIO is continuing to monitor the cyber insurance market and the major categories of cyber risk. Major categories of cyber risk include a potential cyber "act of terrorism" certified by the Secretary, attritional or non-catastrophic cyber incidents such as ransomware attacks, and cyber tail or catastrophic cyber incidents. FIO's cyber work considers whether and how some potential cyber losses may fall outside or within the provisions of TRIP.¹⁵⁷ This work also includes the evaluation of whether some cyber-related risks could result in catastrophic losses typically outside the coverage of most cyber insurance policies, reflecting a potential cyber risk insurance protection gap. FIO will also continue to coordinate with IFTRIP members on issues related to the intersection of terrorism risk and cyber risk.¹⁵⁸

FIO's monitoring work has benefited from stakeholder comments. Numerous stakeholders provided comments on cyber-related issues and TRIP.¹⁵⁹ Most commenters expressed support for TRIP's existing coverage of a cyber incident certified as an act of terrorism. However, commenters also identified uncertainties that might complicate the certification of cyber events as acts of terrorism as well as the potential for significant protection gaps regarding insurance for catastrophic cyber incidents that are not certified as acts of terrorism.¹⁶⁰ Some commenters

¹⁵⁷ FIO, *Annual Report* (2025), 5.

¹⁵⁸ For more on IFTRIP, see [Section XI](#).

¹⁵⁹ See n.36, above, listing commenters and providing link to responses on Regulations.gov.

¹⁶⁰ See, e.g., AAA Comment, 3 ("The difficulty of identifying the origin of a cyberattack, the likely ambiguity about the status of the attackers, and the length of time that it may take to get a public declaration about the identity of the attackers all suggest that there will be a great deal of uncertainty about the application of TRIA in the event of a major cyberattack."); AGA Comment, 4 [2022] ("[S]ome existing cyber insurance programs have proven to be unnecessarily restrictive in terms of their coverage. More specifically, some individual insurance policies limit or eliminate coverage if the cyberattack was conducted as part of "act of war" or was carried out by nation-states or their affiliates."); Aon Comment, 17 ("[T]he most significant challenges in insuring cyber risk relate to large, systemic events, particularly those involving widespread infrastructure failure and war or state-impairing nation-state cyber operations. These exposures are increasingly subject to exclusions or tight limitations in the private market."); AEGIS Comment, 4; EEI Comment, 4; EIM Comment, 4 ("Reinsurance and capital markets capacity for catastrophic cyber terrorism remains limited and uncertain."); FDD Comment, 1 ("The market is unlikely to resolve this accumulation risk on its own or fast enough to account for the changing cyber threat environment Additionally, the cyber incidents most U.S. companies experience likely cannot be classified as acts of terrorism."); Marsh Comment, 23 ("Despite this upward growth trend [in the size of the US domestic cyber insurance market], an enormous cyber risk protection gap . . . still exists with insured losses only covering 1% of economic losses."); RAA Comment, 1.

viewed these concerns as premature,¹⁶¹ while other commenters expressed support for a separate (non-TRIA) federal insurance response to non-terrorist catastrophic cyber incidents.¹⁶²

VI. ADDITIONAL ANALYSIS ON INSURER CATEGORIES

Non-small insurers represent almost 80 percent of the market for terrorism risk insurance in the TRIP-eligible lines of insurance, as shown in Figure 1. Many of the prior analyses in this Report are heavily weighted by the experience of those non-small insurers. Treasury provides further information here concerning the other insurer categories that participate in the Program: (a) small insurers, (b) captive insurers, and (c) alien surplus lines insurers.

A. Small Insurers

In 2017, 2019, 2021, 2023, and 2025 Treasury issued studies addressing domestic small insurers, which Treasury defined as those insurers that might not be able to obtain reimbursement under the Program even after satisfaction of their individual deductibles due to the Program Trigger.¹⁶³ Treasury will continue to issue studies concerning the competitiveness of small insurers within the terrorism risk insurance market in alternate years, as required by TRIA.¹⁶⁴

In the 2026 TRIP data call, Treasury again observed that, while small insurers are significant purchasers of private reinsurance, they do not uniformly obtain reinsurance to cover the entire risk of their potential exposure below the Program Trigger. As a result, there is potential for some small insurers to sustain losses above their Program deductibles but be unable to receive

¹⁶¹ NAIC Comment, 3-4 (“The cyber market is still developing but not showing the kind of broad availability issue that existed after the tragedy of 9/11.”); NAMIC Comment, 3 (“[A] single event with a small cyber exposure is not the same as a large event with a federal nexus and the involvement of foreign government actors.”); APCIA Comment, 3 (“[C]yber exposures, particularly large-scale or systemic events, remain difficult to model, aggregate, and insure and are primarily being addressed through evolving private-market solutions.”).

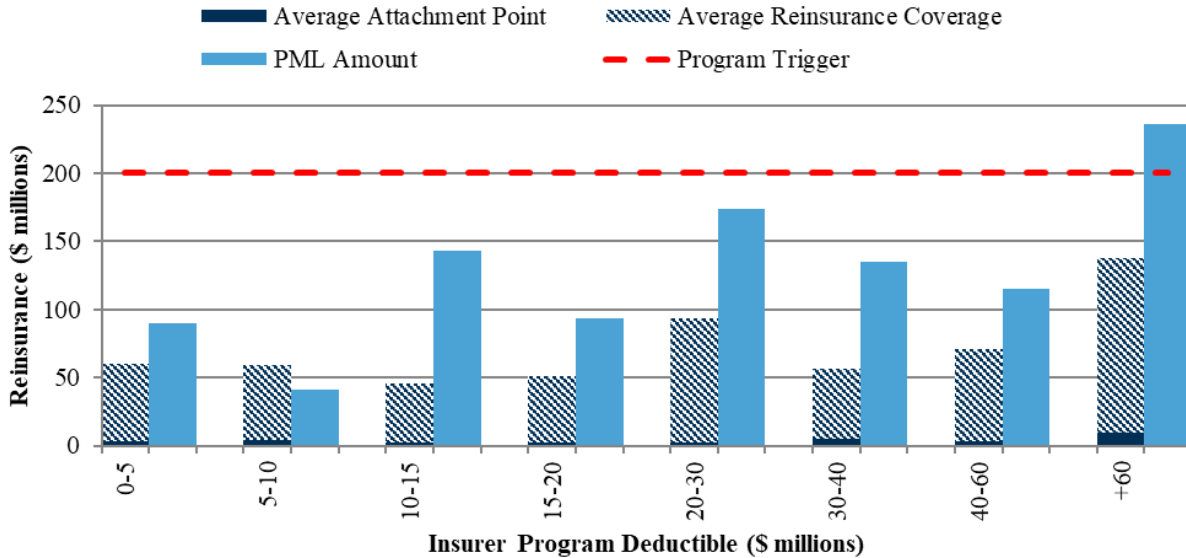
¹⁶² AEGIS Comment, 4-5 (supporting a separate backstop because “TRIA was not designed – and is not particularly well suited – to serve as a backstop for broader cyber-related losses”); BOMA Comment, 3 (“BOMA agrees that cyber risk, including cyber terrorism, warrants serious federal attention. Policymakers are more likely to make meaningful progress through a separate, purpose-built legislative framework tailored specifically to cyber risk rather than by expanding or reshaping TRIP.”); FDD Comment, 2 (“The questions . . . point to the same conclusion: the existing TRIP framework was not designed for cyber risk’s specific characteristics, private reinsurance markets cannot resolve the structural constraints that limit cyber insurance, and a standalone federal cyber reinsurance program is the appropriate remedy.”).

¹⁶³ See FIO, *2017 Small Insurer Study*, 6-7 (explaining definition of small insurers by reference to application of the Program Trigger). See also FIO, *Study of Small Insurer Competitiveness in the Terrorism Risk Insurance Marketplace*, (2019), https://home.treasury.gov/system/files/311/2019_TRIP_SmallInsurer_Report.pdf (2019 *Small Insurer Study*); FIO, *Study of Small Insurer Competitiveness in the Terrorism Risk Insurance Marketplace* (2021), <https://home.treasury.gov/system/files/311/2021TRIPSmallInsurerReportJune2021.pdf> (2021 *Small Insurer Study*); FIO, *Study of Small Insurer Competitiveness in the Terrorism Risk Insurance Marketplace* (2023), <https://home.treasury.gov/system/files/311/2023%20TRIP%20Small%20Insurer%20Report%20FINAL.pdf> (2023 *Small Insurer Study*); FIO, *2025 Small Insurer Study*.

¹⁶⁴ TRIA § 108(h).

federal reimbursement because the Program Trigger is not met.¹⁶⁵ In its prior reports Treasury has noted that, while the amount of insurance purchased by small insurers could be explained by probable maximum loss (PML) information reported for those insurers, a significant percentage of small insurers remain exposed for a PML above their Program deductible and below the Program Trigger amount, without the support of private reinsurance for that exposure.¹⁶⁶ The additional data now available for 2025 continues to reflect the same trend, as shown in Figure 48.

Figure 48: 2025 Comparison Between Small Insurer Deductibles, Reported PML Figures, and Reinsurance Purchases



Source: 2026 TRIP data call

Where reinsurance purchases approximate a small insurer’s PML, the lack of reinsurance up to the Program Trigger may not be significant, if the insurer is not exposed to a catastrophic loss up to that amount. The reported information, however, still reflects a significant number of small insurers that remain exposed for a PML above their Program deductible and below the Program Trigger amount, without the support of private reinsurance for that exposure.

B. Captive Insurers

Captive insurers are licensed insurers formed to insure the risks of a parent or other affiliated entities. Such companies in the United States are supervised and regulated by the state insurance department of their domicile, under state laws and regulations specifically applicable to captive

¹⁶⁵ See FIO, 2017 *Small Insurer Study*, 25-27. Commenters have also observed that “small- to mid-sized insurers face proportionally higher financial strain” on account of these mechanics, “especially if losses fall below the federal program trigger.” Marsh Comments, 15.

¹⁶⁶ See FIO, 2018 *Effectiveness Report*, 57-58; FIO, 2019 *Small Insurer Study*, 41-43; FIO, 2020 *Effectiveness Report*, 63-64; FIO, 2021 *Small Insurer Study*, 44-46; FIO, 2023 *Small Insurer Study*, 40-42.

insurers.¹⁶⁷ The use of captives has grown in recent years and is expected to continue growing. Industry stakeholders attribute this growth in large part to capacity challenges in the commercial insurance market, increased rates, reinsurance/global pressures, and emerging trends such as advancements in artificial intelligence.¹⁶⁸ Additionally, the formation of a captive insurer may provide certain tax advantages to a business entity, as compared to an entity that self-insures its risks by simply putting aside funds to pay anticipated losses and claims.¹⁶⁹

The potential exposure associated with terrorism risk insurance written by captive insurers for a parent or other affiliated entity differs from that of conventional commercial insurers. Commercial insurers must “make available” terrorism risk insurance coverage to all potential, third-party policyholders in the TRIP-eligible lines of insurance. For captive insurers, the insured entity controls the offer and acceptance of terrorism risk insurance under the Program. As noted above, captive insurers are also regulated under a separate regulatory regime under relevant state law.

U.S. domestic (domiciled or licensed) captive insurers that provide insurance in TRIP-eligible lines participate in the Program.¹⁷⁰ While specific information on captives is not publicly available in most state jurisdictions, the most recent (2024) comprehensive data from industry stakeholders identifies 3,466 U.S. domiciled captive insurers writing various lines of insurance and reinsurance (including but not limited to the TRIP-eligible lines of insurance), distributed among 29 states and the District of Columbia.¹⁷¹ The number of domestic U.S. captive insurers

¹⁶⁷ TRIA defines a captive insurer as an insurer licensed under the captive insurance laws or regulations of any state. 31 C.F.R. § 50.4(g).

¹⁶⁸ See generally Marsh, *Marsh Captive Solutions: 2025 Benchmarking Report* (2025), 3-7, available through <https://www.marsh.com/en/services/captive-insurance/insights/captive-benchmarking-report.html> (*Marsh 2025 Captives Benchmarking Report*).

¹⁶⁹ The totality of the tax implications of an insurance arrangement, including self-insurance arrangements, depends upon the specific circumstances presented. In certain cases, an insurer with relatively small amounts of total gross receipts or premiums may qualify for favorable tax treatment. A stock insurance company (other than a life insurance company) with gross receipts of \$600,000 or less (of which more than 50 percent are premiums) is a tax-exempt corporation. In this regard, all amounts received by members of a controlled group of corporations that includes the tested insurance company are treated as amounts received by that company. A mutual non-life insurance company with gross receipts of \$150,000 or less (of which more than 35 percent are premiums) is also generally tax-exempt. 26 U.S.C. § 501(c)(15). A non-life insurance company that meets certain diversification requirements regarding policyholders or ownership interests, with annual net written premiums (or, if greater, direct written premiums) of \$2.9 million or less in a taxable year beginning in 2026 (\$2.85 million for a taxable year beginning in 2025) may elect to be taxed only on its taxable net investment income, as defined in 26 U.S.C. § 834. See 26 U.S.C. § 831(b). This premium threshold is subject to an annual inflation adjustment. 26 U.S.C. § 831(b)(2)(E). Just under half of the captive insurers reporting in the TRIP data calls, based upon their reported TRIP deductibles, would be potentially eligible to make the election under 26 U.S.C. § 831(b). However, that same information reported to Treasury during the 2026 TRIP data call (consistent with prior TRIP data calls), reflects that about 98.5 percent of the total captive DEP is reported by captives that likely would have been ineligible to elect favorable treatment under 26 U.S.C. § 831(b) because they would have received premiums in excess of the specified premium threshold amount. Accordingly, Treasury’s analysis of captive insurers under the Program (which principally focuses upon DEP) is mostly based upon data from captive insurers that are taxed on their full income, including both underwriting and investment income.

¹⁷⁰ See 31 C.F.R. § 50.4(o)(1)(i)(A); see also Terrorism Risk Insurance Program, 68 Fed. Reg. 41,250, 41,259-60 (July 11, 2003), <https://www.gpo.gov/fdsys/pkg/FR-2003-07-11/pdf/03-17585.pdf>.

¹⁷¹ “Captives by State, 2023-2024,” III, <https://www.iii.org/table-archive/21308>.

that write terrorism risk insurance subject to the Program, based upon 2025 data reported in the 2026 TRIP data call, was 647, or approximately 19 percent of domestic U.S. captive insurers if measured against the 2024 information.¹⁷² Those same captive insurers also write insurance that is not subject to the Program. In the 2026 TRIP data call, reporting captive insurers identified an additional \$21.9 billion in non-TRIP-eligible lines earned premium for calendar year 2025, meaning that the TRIP-eligible lines DEP of those captive insurers represented about 44 percent of their total earned premium.

Some commenters have stated that captives underreport in annual TRIP data calls and that Treasury undercounts captive insurer participation in the Program.¹⁷³ Based upon the available information, Treasury has not observed this to be the case. A larger number of captive insurers write P&C insurance that is subject to the Program, but do not issue terrorism risk insurance subject to TRIP. Those captive insurers are not required to report in the TRIP data call as they do not present any exposure to the Program.¹⁷⁴ There continues to be a gap between the number of captives not writing any P&C lines, and the number of captives writing P&C lines subject to TRIP but not issuing terrorism risk insurance subject to TRIP.¹⁷⁵ Based upon the available information, there does not appear to be material underreporting by captives in TRIP data calls.

Captive insurers that write TRIP-eligible lines of insurance expand capacity in the terrorism risk insurance market, often providing coverage in high-risk, urban areas, where obtaining adequate coverage may be difficult.¹⁷⁶ Additionally, captive insurers may provide terrorism risk coverage which might not otherwise be readily available, such as for NBCR risks, “trophy” or “iconic” properties, and locations in other higher-risk geographical areas, such as sporting arenas and properties in proximity to critical infrastructure.¹⁷⁷ Property, workers’ compensation, and excess liability lines written by captives have all seen growth in premium volume in recent years.¹⁷⁸

¹⁷² Captive insurers that write P&C insurance subject to the Program, but do not issue terrorism risk insurance are not required to report in the TRIP data call. *See also* Marsh Comments, 21). There are also large numbers of captive insurers in non-U.S. jurisdictions. *See* “Captive Insurance Companies,” NAIC, last updated January 5, 2026, https://content.naic.org/cipr_topics/topic_captive_insurance_companies.htm. Non-U.S. captive insurers are unable to participate in TRIP unless they have been licensed by one or more state insurance departments to write insurance in one or more U.S. jurisdictions (or have otherwise qualified as an alien surplus lines insurer). Based on the 2026 TRIP data call, only two non-U.S. captive insurers reported information to Treasury as captive insurers licensed in a particular state jurisdiction.

¹⁷³ *See* CBI Comments, 2-3.

¹⁷⁴ FIO, *2024 Effectiveness Report*, 66 n.170.

¹⁷⁵ *See* Marsh Comments, 21; Aon Comments, 19.

¹⁷⁶ Marsh Comments, 21 (“Captive insurers are widely used to supplement what is available in the commercial terrorism insurance market. This is most common in areas of higher perceived risk, such as for property or employee-related coverage in major cities.”); CICA Comments, 3 (“Captive insurers fill coverage gaps that the commercial market cannot or will not fill, provide the only available source of NBCR terrorism coverage for many policyholders, and are a key part of the market stability TRIA was designed to ensure.”).

¹⁷⁷ *See* CIAT Comments, 3 (“[C]aptives have been a useful tool to provide coverage that is otherwise unavailable or prohibitively expensive, such as cover for [NBCR] terrorism perils.”).

¹⁷⁸ *See Marsh 2025 Captives Benchmarking Report*, 3.

Captives have also added additional TRIA-covered lines including cyber, Directors & Officers, political risk, and supply chain insurance.¹⁷⁹

Captive insurers typically have premium writings (upon which Program deductible calculations are based) that are small, relative to other insurer categories. As a result, captive insurers may be able to claim Program reimbursement subject to low thresholds (in terms of absolute dollars), assuming that overall losses from one or more certified acts of terrorism in a given calendar year are sufficient to trigger the Program.¹⁸⁰ Given their size, however, captive insurers could be in a position in which they could sustain significant losses above their TRIP deductible that would not trigger reimbursement under TRIP.¹⁸¹

Captive insurers tend to insure TRIP exposures like those covered by other insurers: property, liability, and payroll (workers' compensation). The most significant difference in exposures between captives and alien surplus lines insurers is the lack of substantial participation by alien surplus lines insurers in the market for workers' compensation insurance. Because captive insurers are typically unable, as a matter of state law, to directly provide workers' compensation insurance, most of the workers' compensation insurance issued by captive insurers is in the form of workers' compensation deductible reimbursement policies. These policies reimburse captive policyholders for some portion of the deductibles existing under policies issued to the captive insurer's parent by conventional commercial insurance companies.¹⁸² Figure 49 shows the relative breakdown of TRIP exposures underwritten by captive insurers in 2025.

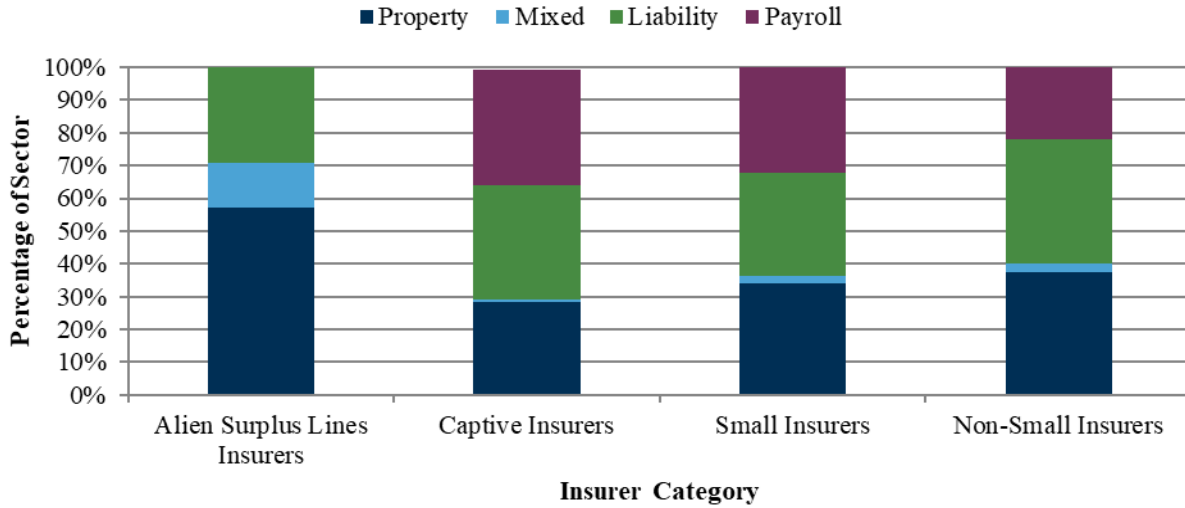
¹⁷⁹ *Marsh 2025 Captives Benchmarking Report*, 4.

¹⁸⁰ Treasury's modeled loss questions have typically demonstrated proportionally higher payments to captive insurers than to other insurer categories. See [Section IX.B](#). Some commenters noted that this proportionally higher recovery by captives is because they assume proportionally more risk in the higher-risk areas that are the subject of Treasury's modeled loss questions. See CICA Comments, 2. The data reflects that captives do write proportionally more coverage in higher risk metropolitan areas than other insurer categories (see Figure 52). However, the data also reflects that the higher payments are typically the result of the lower Program deductibles of captives. Commenters have questioned whether the existing Program mechanics result in an appropriate level of risk sharing for captive insurers. See CBI Comments, 3-4; see also ACRSM, *ACRSM Report*, 5, 19-20. Treasury retains the ability to address the participation of captive insurers in the Program (see TRIA § 103(f)).

¹⁸¹ See FIO, *2017 Small Insurer Study*, 21-23. Although the *2017 Small Insurer Study* focused upon the impact of the Program Trigger upon small insurers, almost all captive insurers are potentially presented with the same risk.

¹⁸² The 2026 TRIP data call showed that approximately 92 percent of the workers' compensation premiums reported by captive insurers was in connection with workers' compensation deductible reimbursement policies.

Figure 49: 2025 DEP in TRIP-Eligible Lines (by Insurer Category)



Source: 2026 TRIP data call

Since 2022, Treasury has requested more detailed information from captive insurers concerning deductible reimbursement policies issued by captive insurers in all TRIP-eligible lines of insurance and not solely limited to workers’ compensation. Figure 50 sets forth the data for all TRIP-eligible lines policies, by line, issued by reporting captives in 2026 for conventional policies, deductible reimbursement policies, and the percentage of deductible reimbursement policies by DEP within each line.

Figure 50: 2025 Captive Insurer DEP in TRIP-Eligible Lines

	DEP Conventional Policies (\$ millions)	DEP Deductible Reimbursement Policies (\$ millions)	DEP Deductible Reimbursement Policies (% of line total)
Aircraft (all perils)	\$ 82.5	\$ 2.2	2.6%
Allied Lines	1,464.7	135.9	8.5%
Boiler and Machinery	1.5	0.4	21.9%
Commercial Multiple Peril (liability)	506.7	213.8	29.7%
Commercial Multiple Peril (non-liability)	858.1	586.6	40.6%
Excess Workers’ Compensation	0.3	-	0.0%
Fire	1,597.9	263.2	14.1%
Inland Marine	24.4	50.7	67.5%
Ocean Marine	17.9	2.2	10.9%
Other Liability	3,214.9	1,716.9	34.8%
Products Liability	342.0	144.9	29.8%
Workers’ Compensation	492.9	5,717.2	92.1%
Total TRIP Eligible	\$ 8,603.6	\$ 8,834.1	50.7%

Source: 2026 TRIP data call

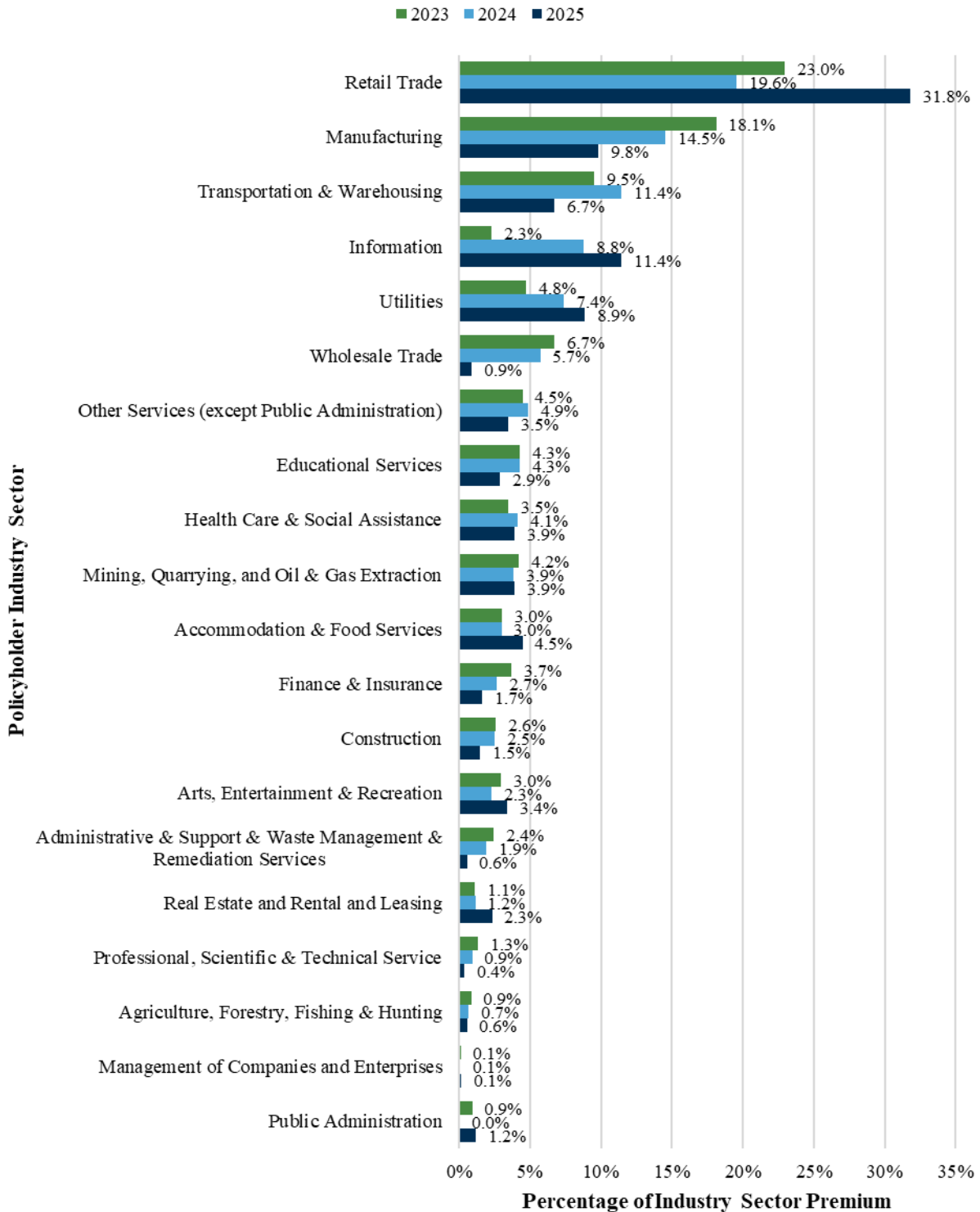
Report on the Effectiveness of the Terrorism Risk Insurance Program (June 2026)

Based upon the reported data, captives do not appear to be used predominantly to reimburse the deductibles imposed on the policyholder by conventional insurers except in the case of workers' compensation, which is driven by state law requirements.

Treasury also requested more detailed information from captive insurers concerning the extent of their assumption of NBCR risk exposures. As noted above, captives (like other insurer categories) do not exclude all NBCR risk exposures from all policies. In the 2026 TRIP data call, Treasury requested information on limits extended by captive insurers that only insure NBCR risks. On a percentage basis, about six percent of the captive insurer property limits only insure NBCR risk; for liability limits, that figure is only about 0.1 percent.

All policyholder industry sectors, including public entities, places of worship, and small businesses, utilize captive insurers. Figure 51 reflects the distribution of policyholder industry categories within the insurance written by captive insurers that is subject to the Program, based upon TRIP data call responses.

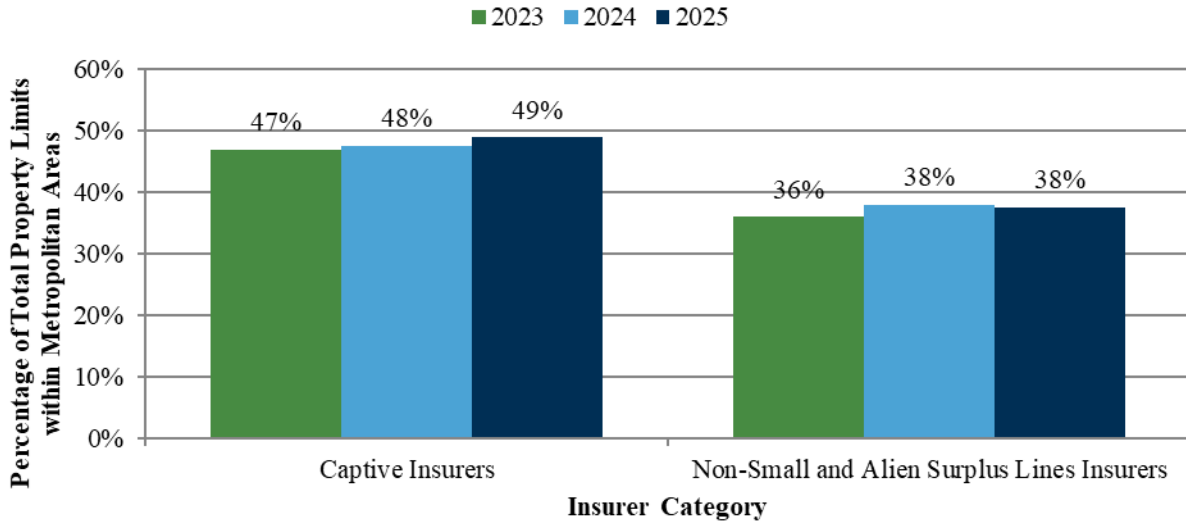
Figure 51: Captive Insurer TRIP-Eligible Lines DEP by Policyholder Industry Sectors



Source: 2024-2026 TRIP data calls

The property exposures written by captive insurers subject to the Program are somewhat more concentrated in the larger metropolitan areas than is the case for non-small and alien surplus lines insurers, as shown in Figure 52.

Figure 52: Percentage of Total Property Limits within Metropolitan Areas for Captive Insurers Versus Non-Small and Alien Surplus Lines Insurers

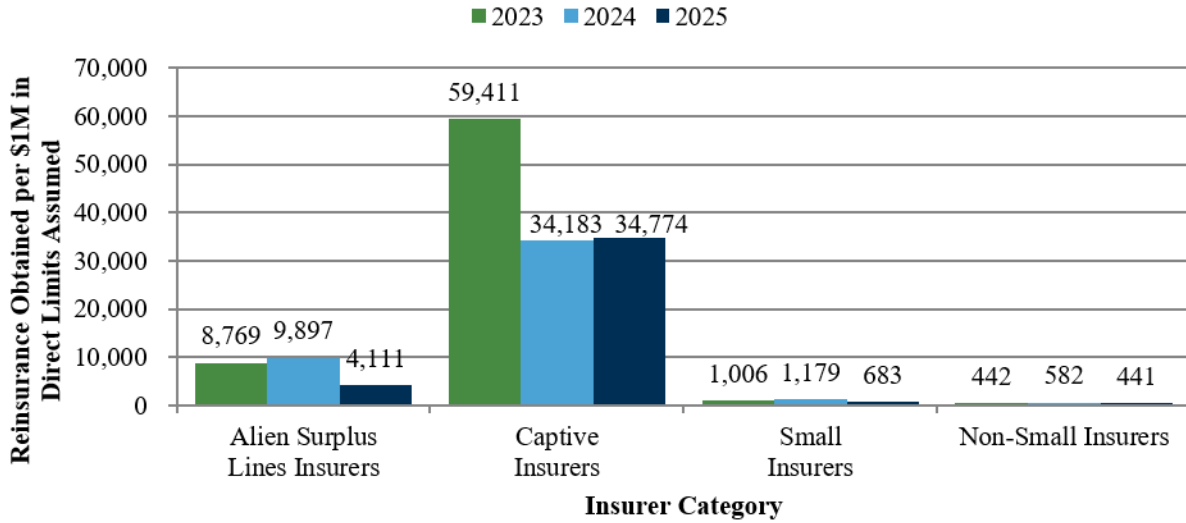


Source: 2024-2026 TRIP data calls

In the 2024 TRIP data call, approximately 15 percent of captive insurers reported purchasing reinsurance that would cover an act of terrorism certified under TRIA; in the 2025 TRIP data call, that figure dropped to 14 percent, and in the 2026 TRIP data call, it dropped further to 11 percent. The data also indicates, however, that captive insurers in the aggregate are obtaining reinsurance coverage for a greater proportion of their insurance risks than is the case for other insurer categories.

Captive insurers, as compared to other types of insurers, may be better able to purchase reinsurance coverage for terrorism risk. This is because conventional commercial insurers will generally have business to reinsure that will present a much broader range of exposures (in terms of type and locations), with the associated aggregation risks presented, than a captive insurer. By contrast, captive insurers write the range of risk exposures presented by their policyholder owners, which will usually be more limited and defined than the portfolio of risks underwritten by a conventional commercial insurer. Figure 53 compares the reinsurance limits for terrorism risk insurance subject to the Program against the total direct property and liability limits assumed under policies subject to TRIP.

Figure 53: Reinsurance Obtained Per \$1 Million in Direct Policy Limits Subject to TRIP (Property and Liability Combined)



Source: 2024-2026 TRIP data calls

C. Alien Surplus Lines Insurers

Alien surplus lines insurers are those non-U.S. insurers that have been qualified to do business in the United States through an NAIC process assessing their financial stability and trustworthiness.¹⁸³ Those insurers appearing on the NAIC’s current Quarterly Listing of Alien Surplus Lines Insurers participate in the Program pursuant to TRIA.¹⁸⁴ The companies on the Quarterly Listing fall into two general categories: (1) insurance syndicates operating at Lloyd’s of London and (2) insurance companies domiciled in various non-U.S. jurisdictions (principally European countries and non-U.S. jurisdictions in North America). Industry sources report that Lloyd’s accounts for approximately 64 percent of the alien surplus lines market (by premium) in the United States, while individual companies comprise the balance of 36 percent.¹⁸⁵

The TRIP data calls do not permit an exact evaluation of the participation of alien surplus lines insurers within the Program because of the Program data collection mechanics and the manner in which many such entities participate in TRIP. Many alien surplus lines insurers (e.g., Lloyd’s syndicates as well as individual companies) are affiliated with U.S.-based insurance groups. Treasury collects data for the Program by insurer group because TRIP operates for most

¹⁸³ See NAIC, *Quarterly Listing of Alien Surplus Lines Insurers* (2026), <https://content.naic.org/sites/default/files/publication-qls-as-quarterly-alien-insurers-january-2026.pdf>.

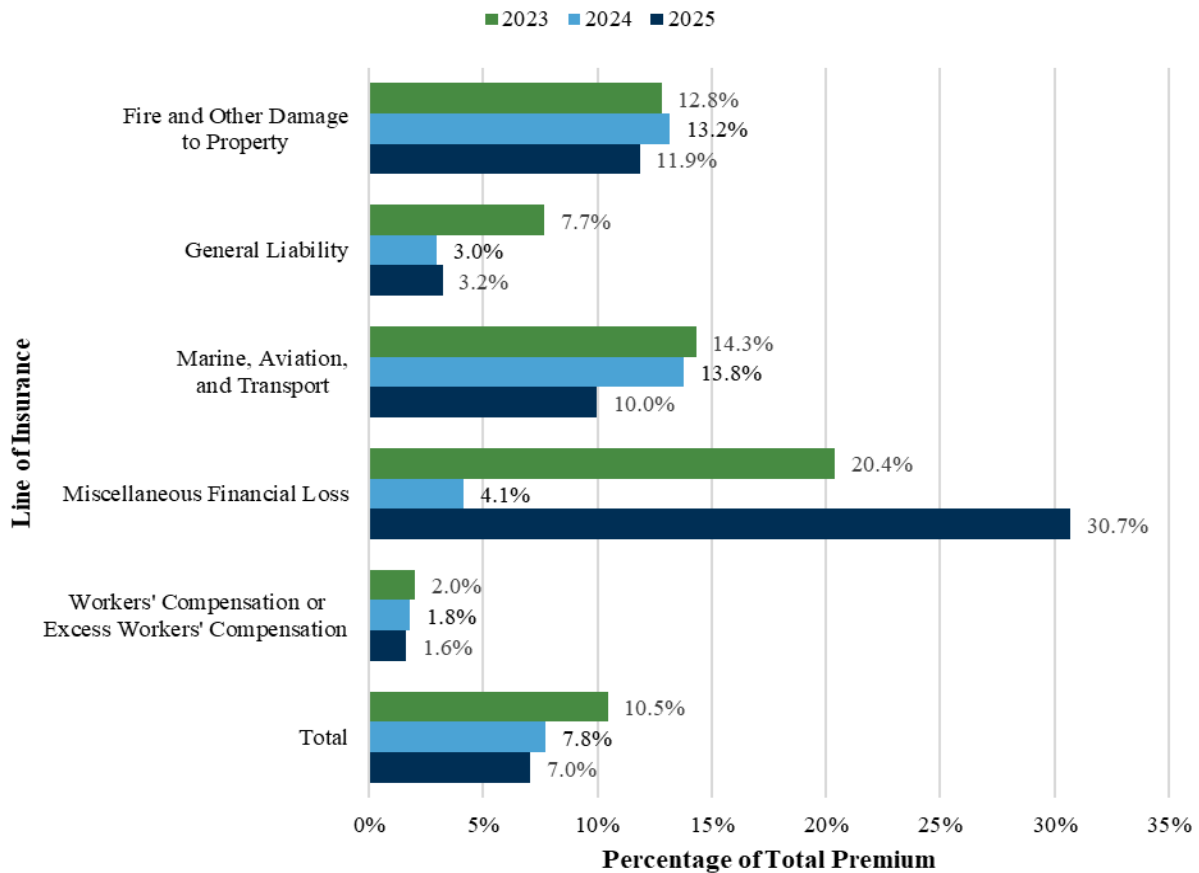
¹⁸⁴ See TRIA § 102(6); 31 C.F.R. § 50.4(o)(1)(i)(B). Like other insurers, not all insurance written by alien surplus lines insurers is in the TRIP-eligible lines of insurance.

¹⁸⁵ See A.M. Best, *The Need for Specialized Expertise Propels the US Surplus Lines Market* (2025), 2, https://web.ambest.com/docs/default-source/events/market-segment-report---the-need-for-specialized-expertise-propels-the-us-surplus-lines-market.pdf?sfvrsn=2ac66224_1 (analyzing 2024 data). Alien surplus lines insurers make up 25 percent of the overall U.S. surplus lines market, which is about 12 percent of the overall P&C industry. *Id.*

purposes on a group basis; i.e., insurer groups submit claims on a group basis, and the deductible that must be satisfied is calculated by reference to the TRIP-eligible lines DEP of the group as a whole. As a result, the data of some alien surplus lines insurers participating in the Program is incorporated within that reported by non-small and small insurers. Given the size of the premium writings of alien surplus lines insurers, this does not have a significant impact on the reported results for non-small and small insurers. It does, however, potentially affect the ability to analyze the entire population of alien surplus lines insurers.

Most of the experience reflected by the reporting of alien surplus lines insurers is set forth above, in the relevant sections of the Report. However, Treasury collects premium information from alien surplus lines insurers based upon a different array of insurance lines typically used by such insurers in their other operations. Figure 54 illustrates charges by alien surplus lines insurers for terrorism risk insurance coverage, by the lines used for alien surplus lines reporting.¹⁸⁶

Figure 54: Terrorism Risk Insurance Premiums as a Percentage of Total Policy DEP when a Premium is Charged by Alien Surplus Lines Insurers (by Line of Insurance)



Source: 2024-2026 TRIP data calls

¹⁸⁶ The provision of terrorism risk insurance for a zero charge is not set forth as little terrorism risk insurance is provided by alien surplus lines insurers for no additional charge.

The information reported by unaffiliated alien surplus insurers reflects a higher percentage charge for terrorism risk insurance than has been reported by admitted insurers. That differential is to be expected since these insurers write on a surplus lines basis, which responds in large part to risks that may be more difficult to insure, and cannot be placed in the admitted market.

VII. WORKERS' COMPENSATION

Workers' compensation insurance is a product offered by insurers to employers that covers costs related to medical care and treatment, rehabilitation, loss of wages, and other financial hardships encountered by workers resulting from workplace injuries and illnesses. Workers' compensation is a TRIP-eligible line of insurance and thus is covered under the Program. Every state, except Texas, requires employers to possess some form of workers' compensation insurance to cover injured employees.¹⁸⁷ Self-insurance of workers' compensation exposures is also permitted in most states.¹⁸⁸ A qualified self-insurer may obtain excess workers' compensation insurance from a commercial insurance carrier, which will respond to losses above certain thresholds, either on an aggregate or individual claimant basis.¹⁸⁹ Although state law does not generally permit captive insurers to write workers' compensation insurance, many captive insurers issue workers' compensation deductible reimbursement policies to reimburse their policyholders for some portion of the deductible expense under commercial workers' compensation policies issued to the captive insurer's parent.¹⁹⁰

Unlike most lines of insurance, state laws prohibit insurers from excluding coverage for terrorism risk, including NBCR risks, under workers' compensation coverage. Since terrorism risk cannot be excluded from a policy, the take-up rate for terrorism coverage is 100 percent as it

¹⁸⁷ NCCI Comments, 2. In Texas, an employer (subject to certain exceptions) can decline to purchase workers' compensation insurance entirely (including for loss arising from terrorism) or otherwise qualify as a self-insurer for the exposure. However, when a Texas employer elects to remain outside of the workers' compensation system, it also remains subject to common law actions for employment-related injuries. *See generally* Texas Labor Code, Title 5 (Workers' Compensation), Chapter 401 *et seq.* In addition, although Wyoming only requires workers' compensation coverage for workers in "extra-hazardous" occupations, most occupations in Wyoming are so designated under the Wyoming workers' compensation laws. *See Welch, et al., November 2024 NASI Workers' Compensation Report*, 6, 6 n.15 (although noting that the share of workers subject to the compensation system in Wyoming has declined in recent years on account of the decision of several large employers not to provide coverage). In most states, mandatory workers' compensation coverage does not apply to self-employed workers or independent contractors. Additionally, in some states, mandatory coverage does not extend to some employees in certain sectors, such as farm and domestic workers.

¹⁸⁸ Studies (based upon benefits payment history) indicate that self-insurance currently constitutes an estimated 27.6 percent of all workers' compensation. *See, e.g., Welch et al., November 2024 NASI Workers Compensation Report*, 27 (based upon 2022 data). Self-insurers are also responsible for terrorism-related workers' compensation losses. However, self-insurance arrangements that are not accomplished through P&C insurance within the scope of TRIA are not subject to the Program.

¹⁸⁹ Industry sources describe excess workers' compensation insurance as "a type of coverage available for risks that choose to self-insure the majority of workers' compensation loss exposures. Two categories of coverages are available: specific, which controls loss severity by placing a cap on losses the insured must pay arising out of a single occurrence, and aggregate, which addresses loss frequency by providing coverage once a cumulative per occurrence loss limit is breached." "Excess Workers Compensation Insurance," IRMI, <https://www.irmi.com/term/insurance-definitions/excess-workers-compensation-insurance>.

¹⁹⁰ *See Section VI.B.*

relates to workers’ compensation insurance. Furthermore, payments to employees under workers’ compensation policies are only limited by the scope of benefits available under state law.¹⁹¹

NBCR events present a more pronounced aggregation risk than conventional terrorism claims because of the potential for broad-based losses from NBCR events.¹⁹² An insurer cannot decline to write terrorism risk coverage (or the NBCR component of it) in conjunction with workers’ compensation coverage, so insurers choosing to write workers’ compensation business must find other ways in which to manage the NBCR aggregation risk. This presents a substantial issue for insurers and employers in large metropolitan areas, with large concentrations of employees subject to workers’ compensation. Employers seeking coverage in such metropolitan areas who are unable to find an insurer in the voluntary market may be forced to seek coverage from the residual market, which, under state law, must provide coverage to all applicants, although such coverage usually comes with a relatively high premium.¹⁹³

Workers’ compensation is one of the largest TRIP-eligible lines of insurance by total DEP, as reflected in Figure 2. It has also been, in most years, the largest TRIP-eligible line of insurance by the total amount of terrorism risk insurance premiums charged by non-small and small insurers, as reflected in Figure 55.

Figure 55: Terrorism Risk Insurance Premiums by TRIP-Eligible Line of Insurance (Non-Small and Small Insurers) (\$ millions)

	2024 TRIP data call		2025 TRIP data call		2026 TRIP data call	
	2023 Terrorism Risk DEP	% of 2023 Total Terrorism Risk DEP	2024 Terrorism Risk DEP	% of 2024 Total Terrorism Risk DEP	2025 Terrorism Risk DEP	% of 2025 Total Terrorism Risk DEP
Aircraft (all perils)	\$ 22.7	0.7%	\$ 26.0	0.9%	\$ 31.4	0.9%
Allied Lines	172.3	5.2%	206.5	6.8%	252.2	7.0%
Boiler and Machinery	18.5	0.6%	15.8	0.5%	6.7	0.2%
Commercial Multi-Peril (liability)	130.1	3.9%	115.6	3.8%	111.6	3.1%
Commercial Multi-Peril (non-liability)	623.7	18.8%	583.4	19.3%	614.9	17.1%
Excess Workers’ Comp.	23.9	0.7%	28.8	1.0%	44.7	1.2%
Fire	403.7	12.2%	356.4	11.8%	189.0	5.3%
Inland Marine	222.3	6.7%	88.9	2.9%	70.8	2.0%
Ocean Marine	25.9	0.8%	18.8	0.6%	19.3	0.5%

¹⁹¹ See Welch, *et al.*, *November 2024 NASI Workers’ Compensation Report*, 8 (noting that private workers’ compensation policies either provide coverage for all workers’ compensation benefits, or all benefits subject to a deductible for which the policyholder is responsible).

¹⁹² Estimates of aggregate loss arising from NBCR events are well in excess of the \$100 billion aggregate limit provided for under TRIP. See, e.g., ACRSM, *ACRSM Report*, 24 (noting RMS maximum modeled losses for NBCR terrorism events ranging as high as \$625 billion).

¹⁹³ See Marsh Comments, 24 (“Employee concentrations result in large accumulations for commercial lines insurers, which becomes significantly magnified for NBCR event footprints and accumulations.”).

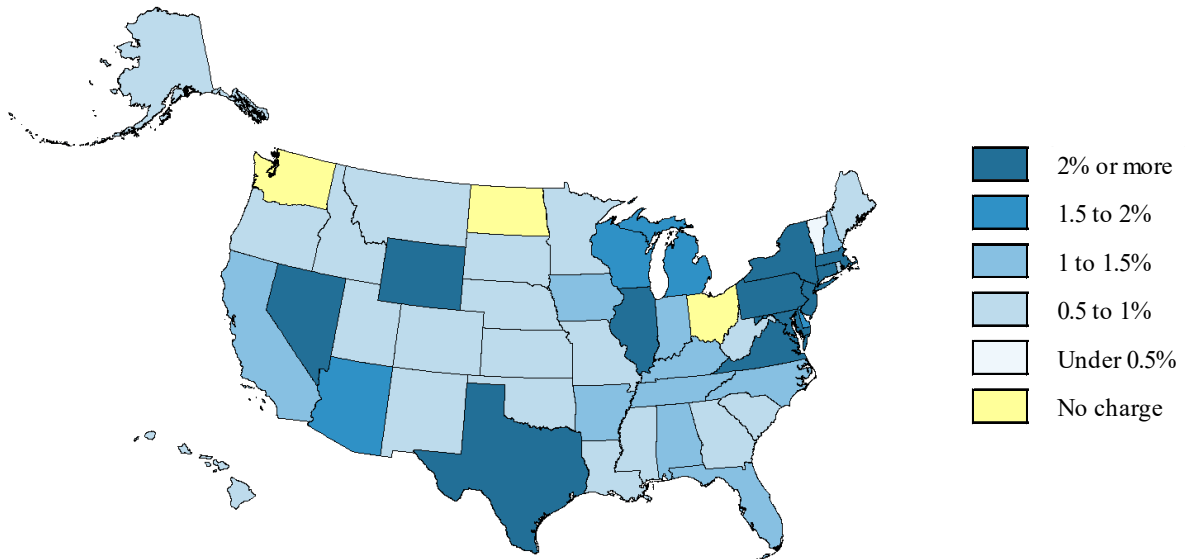
Report on the Effectiveness of the Terrorism Risk Insurance Program (June 2026)

	2024 TRIP data call		2025 TRIP data call		2026 TRIP data call	
	2023	% of	2024	% of	2025	% of
	Terrorism Risk DEP	Terrorism Risk DEP	Terrorism Risk DEP	Terrorism Risk DEP	Terrorism Risk DEP	Terrorism Risk DEP
Other Liability	616.0	18.6%	444.6	14.7%	1,141.1	31.8%
Products Liability	22.3	0.7%	29.4	1.0%	26.8	0.7%
Workers' Compensation	1,037.1	31.3%	1,104.6	36.6%	1,084.0	30.2%
Total	\$ 3,318.6	100.0%	\$ 3,018.9	100.0%	\$ 3,592.5	100.0%

Source: 2024-2026 TRIP data calls

The proportional premiums charged for terrorism risk insurance in the workers' compensation line in 2025 vary by jurisdiction, from a high of 19.0 percent of total premiums when a charge is made in the District of Columbia, to a low of 0.3 percent in Vermont.¹⁹⁴ Figure 56 illustrates the charges (as a percent of DEP) on a state-by-state basis across the country in 2025.

Figure 56: 2025 Terrorism Risk Insurance Premiums for Workers' Compensation as a Percentage of Total TRIP-Eligible DEP when a Charge is Made (Non-Small and Small Insurers)



Source: 2026 TRIP data call

Insurance rates for terrorism risk insurance in the workers' compensation line are based, at least in part, on terrorism catastrophe modeling that estimates the potential impact of terrorist attacks upon workers' compensation insurers.¹⁹⁵ In the development of loss costs on a state-by-state basis, industry sources report that the impact of the Program is considered.¹⁹⁶ This shows that, in

¹⁹⁴ In three jurisdictions where all workers' compensation insurance is provided by a state entity (North Dakota, Ohio, and Washington), no additional charge is made for the terrorism risk portion of the coverage.

¹⁹⁵ NCCI Comments, 3-4.

¹⁹⁶ NCCI Comments, 4.

the absence of the Program, indicated costs—and thus associated premium rates—would likely be higher than at present.

In sum, the Program constitutes an important feature of the existing market for workers’ compensation insurance in the United States, and observers note that there could be disruptions to that market in the absence of the Program.¹⁹⁷ This is largely on account of the nature of the insurance coverage that must be provided as a matter of state law for workers’ compensation exposures. Commenters indicated that the market as a whole has been relatively stable.¹⁹⁸

VIII. TERRORISM RISK PREMIUMS EARNED OVER TIME

TRIA requires that Treasury provide in each TRIP Effectiveness Report an estimate of the total amount of premiums earned on terrorism risk insurance since January 1, 2003.¹⁹⁹ In the *2024 Effectiveness Report*, Treasury determined that as much as \$56.7 billion was earned by non-small, small, and alien surplus lines insurers between 2003 and 2023, with an additional \$11.6 billion earned by captive insurers during this period.²⁰⁰ Based on the information reported for 2024 and 2025, Treasury now estimates that non-small, small, and alien surplus lines insurers have earned approximately \$64.1 billion in terrorism risk insurance premiums between 2003 and 2025, with captive insurers earning an additional \$13.1 billion. This section provides additional details on those calculations, by insurer category.

A. Non-Small and Small Insurers

Figure 57 provides information on terrorism risk insurance premiums earned by non-small and small insurers in 2024 and 2025, and as a percentage of total TRIP-eligible DEP.

Figure 57: Terrorism Risk Insurance DEP, Non-Small and Small Insurers

	2025 TRIP data call		2026 TRIP data call	
	2024 Terrorism Risk Insurance DEP	% of Category’s 2024 TRIP- Eligible DEP	2025 Terrorism Risk Insurance DEP	% of Category’s 2025 TRIP- Eligible DEP
Non-Small Insurers	\$ 2,599,407,376	1.1%	\$ 3,351,325,774	1.3%
Small Insurers	419,446,668	1.2%	241,206,096	0.7%
Total	\$ 3,018,854,044	1.1%	\$ 3,592,531,871	1.2%

Source: 2025 and 2026 TRIP data calls

Figure 57 shows that non-small and small insurers earned approximately \$6.6 billion in terrorism risk insurance premiums in 2024 and 2025. Adding in the prior figure of \$52.6 billion reported

¹⁹⁷ Aon Comments, 13 (“NBCR risks are specifically problematic for workers’ compensation insurance. Property insurers, while they have to offer terrorism coverage, can effectively price themselves out of having to provide the coverage Without TRIP, the only risk mitigation technique available to insurers is to exit the business.”); Marsh Comments, 24 (“Absent TRIPRA, demand for workers’ compensation coverage could easily begin to outpace the supply of available capacity more than any other US commercial line of business.”).

¹⁹⁸ NCCI Comments, 4.

¹⁹⁹ TRIA § 104(h)(2)(F).

²⁰⁰ FIO, *2024 Effectiveness Report*, 78-79.

in the *2024 Effectiveness Report*, small and non-small insurers earned \$59.2 billion in terrorism risk insurance premiums between 2003 and 2025.

B. Alien Surplus Lines Insurers

Figure 58 shows terrorism risk insurance premiums earned by alien surplus lines insurers in 2024 and 2025, and the percentage of total TRIP-eligible DEP represented by that figure.

Figure 58: Terrorism Risk Insurance DEP, Alien Surplus Lines Insurers

	2025 TRIP data call		2026 TRIP data call	
	2024 Terrorism Risk Insurance DEP	% of Category's 2024 TRIP- Eligible DEP	2025 Terrorism Risk Insurance DEP	% of Category's 2025 TRIP- Eligible DEP
Alien Surplus Lines Insurers	\$ 395,751,183	2.1%	\$ 411,650,703	2.1%

Source: 2025 and 2026 TRIP data calls

In 2024 and 2025, alien surplus lines insurers earned approximately \$807.4 million in terrorism risk insurance premiums. Adding the 2024 and 2025 information received in the TRIP data calls to the prior figure of \$4.1 billion reported in the *2024 Effectiveness Report*, Treasury estimates that alien surplus lines insurers earned approximately \$4.9 billion in terrorism risk insurance premiums between 2003 and 2025.

C. Captive Insurers

Figure 59 provides information on terrorism risk insurance premiums earned by captive insurers in 2024 and 2025, and the percentage of total TRIP-eligible DEP represented by that figure.

Figure 59: Terrorism Risk Insurance DEP, Captive Insurers

	2025 TRIP data call		2026 TRIP data call	
	2024 Terrorism Risk Insurance DEP	% of Category's 2024 TRIP- Eligible DEP	2025 Terrorism Risk Insurance DEP	% of Category's 2025 TRIP- Eligible DEP
Captive Insurers	\$ 735,045,665	4.2%	\$ 722,066,147	1.8%

Source: 2025 and 2026 TRIP data calls

Captive insurers earned approximately \$1.5 billion in terrorism risk insurance premiums in 2024 and 2025. Adding to the prior figure of \$11.6 billion reported in the *2024 Effectiveness Report*, Treasury estimates that captive insurers earned approximately \$13.1 billion in terrorism risk insurance premiums between 2003 and 2025.

D. Aggregate Industry Total Premiums

As noted above, Treasury estimates that non-small, small, and alien surplus lines insurers, in the aggregate, earned as much as \$64.1 billion in terrorism risk insurance premiums between 2003 and 2025, with captive insurers earning an additional \$13.1 billion. Based on the information provided by the domestic admitted market, this amount constitutes between 1 and 2 percent of

total TRIP-eligible lines premiums earned over the entire period by these insurers. Treasury will continue to update these figures in future Effectiveness Reports with the results of future TRIP data calls as they are conducted.

IX. USE OF MODELING TO PROJECT POTENTIAL IMPACTS TO PROGRAM

Insurers typically gain insight into the risks that they underwrite through the collection and analysis of claims data, which they can then use to predict with some degree of certainty likely future losses, thus permitting appropriate pricing and acceptance of risks. The lack of large numbers of prior terrorism losses requires different approaches. Modeling potential losses is one approach. This section addresses the modeled loss questions posed to program participants in the annual TRIP data calls, as well as an analysis of potential cyber-related losses that might be expected from a potential act of cyber terrorism, and the attendant impacts on the Program.

A. Projections from Modeled Loss Questions

To assist in evaluating Program effectiveness and assessing the potential impacts of the Program in a specific loss situation, Treasury has posed modeled loss questions in each TRIP data call from 2017 through 2026, as discussed in prior Effectiveness Reports.²⁰¹

In the 2025 and 2026 TRIP data calls, Treasury posed a question to non-small, alien surplus lines, and captive insurers asking them to report projected loss information based upon a defined, hypothetical terrorism event.²⁰² The 2025 TRIP data call asked about an event in Newark, New Jersey, while the 2026 TRIP data call asked about an event in Ashburn, Virginia.²⁰³ In both TRIP data calls, insurers were given a description of the location and nature of the event, with certain specified assumptions concerning numbers of deaths and injuries, and the scope of property damage. Treasury asked responding insurers to project the total amount of loss exposure arising from the hypothetical modeled event under their TRIP-eligible policies in force at the time of each event, and to then divide that amount among (1) the insurer's net payments within its TRIP deductible; (2) private reinsurance payments within the insurer's TRIP deductible; (3) federal share payment under TRIP; (4) payments by the insurer in the co-pay layer above the TRIP deductible; and (5) private reinsurance payments within the co-pay layer above the insurer's TRIP deductible.²⁰⁴

²⁰¹ See FIO, *2018 Effectiveness Report*, 49-53; FIO, *2020 Effectiveness Report*, 49-55; FIO, *2022 Effectiveness Report*, 50-54; FIO, *2024 Effectiveness Report*, 80-92.

²⁰² Treasury has not required small insurers to complete the modeled loss questions in the TRIP data calls. Given the size of the market represented by small insurers, and where their risks tend to concentrate, their experience may not significantly affect the aggregate results, even though certain small insurers might sustain a significant loss.

²⁰³ Scenario details are published in the data collection templates. See, e.g., FIO, *Terrorism Risk Insurance Program 2026 Data Call: Insurer (Non-Small) Groups or Companies*, 13, <https://home.treasury.gov/system/files/311/2026%20Data%20Call%20Non-Small%20Insurers%20%28FINAL%29.pdf>.

²⁰⁴ Except in 2020, TRIP data calls posed no questions about potential exposure under liability policies because of the difficulty to reasonably project how liability claims might be made in connection with an act of terrorism committed by a third party. Nonetheless, liability claims remain an additional source of exposure to participating

Figure 60 sets forth how the 2025 TRIP data call modeled loss question was projected to result in payments.

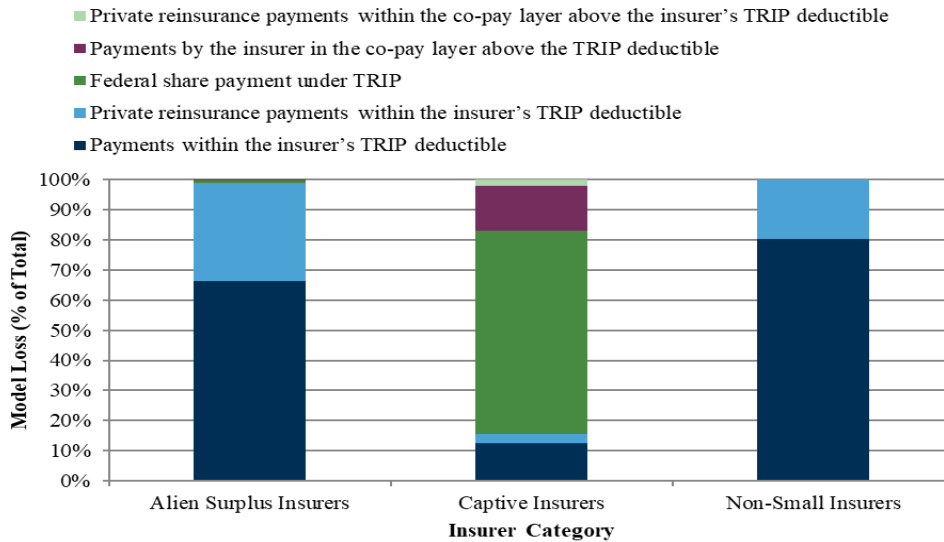
Figure 60: Total Insured Loss Payments Resulting from 2025 Newark Modeled Loss Scenario by Insurer Category (\$ millions)

	Alien Surplus Lines	Captives	Non-Small Insurers
Payments within the insurer’s TRIP deductible	\$ 363.2	\$ 50.6	\$ 449.4
Private reinsurance payments within the insurer’s TRIP deductible	178.8	12.8	110.2
Federal share payment under TRIP	5.6	275.7	-
Payments by the insurer in the co-pay layer above the TRIP deductible	1.4	60.3	-
Private reinsurance payments within the co-pay layer above the insurer’s TRIP deductible	0.0	8.6	-
Total	\$ 549.0	\$ 408.0	\$ 559.6

Source: 2025 TRIP data call

Figure 61 sets forth how the loss amounts generated under the 2025 modeled loss scenario are distributed (on a 100 percent basis) within each insurer category.

Figure 61: Distribution of Loss Payments Arising from 2025 Newark Modeled Loss Scenario within Each Insurer Category



Source: 2025 TRIP data call

insurers and the Program. See, e.g., III, *Terrorism Risk: A Constant Threat* (2014), 6, https://www.iii.org/sites/default/files/docs/pdf/terrorism_white_paper_0320141_0.pdf (estimating 12 percent of total losses from September 11 Attacks were for liability claims). Treasury asked insurers to report estimates associated with potential liability exposure in the 2020 TRIP data call. See FIO, *2020 Effectiveness Report*, 50, 52-54.

The 2026 TRIP data call posed a hypothetical hybrid attack (kinetic and cyber) upon data centers in Ashburn, Virginia, with associated cyber impacts upon the cloud operations supported by those data centers. This hypothetical attack generated separate estimates for property and workers’ compensation losses combined, for cyber losses, and for total losses associated with the event. Figure 62 sets forth how this scenario is projected to result in payments for the property and workers’ compensation losses only.

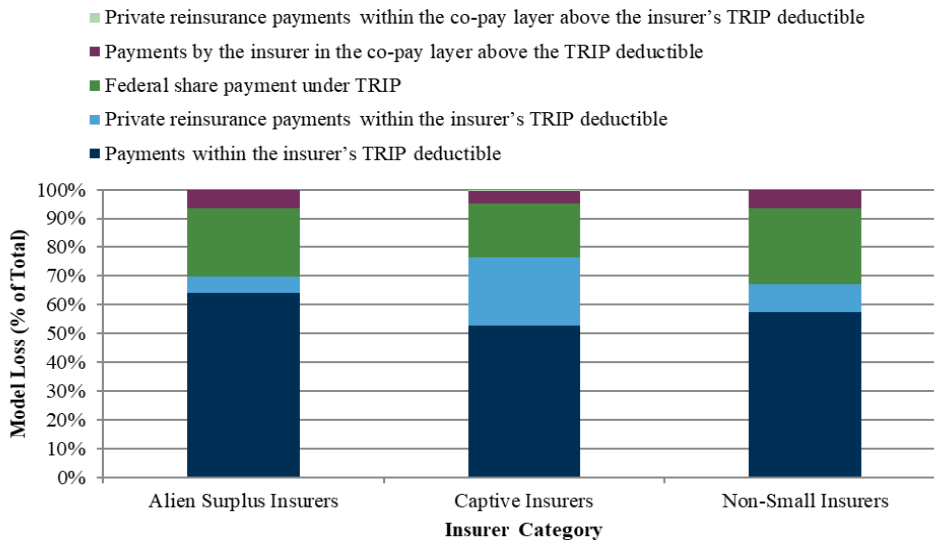
Figure 62: Total Insured Loss Payments Resulting from 2026 Ashburn Modeled Loss Scenario by Insurer Category (\$ millions) (Property and Workers’ Compensation Losses)

	Alien Surplus Lines	Captives	Non-Small Insurers
Payments within the insurer’s TRIP deductible	\$ 530.7	\$ 20.2	\$ 413.3
Private reinsurance payments within the insurer’s TRIP deductible	46.9	9.1	71.9
Federal share payment under TRIP	197.5	7.3	189.2
Payments by the insurer in the co-pay layer above the TRIP deductible	52.9	1.6	47.3
Private reinsurance payments within the co-pay layer above the insurer’s TRIP deductible	-	0.2	-
Total	\$ 828.0	\$ 38.4	\$ 721.7

Source: 2026 TRIP data call

Figure 63 sets forth how the property and workers’ compensation loss amounts generated under this scenario are allocated on a 100 percent basis within each insurer category.

Figure 63: Distribution of Loss Payments Arising from 2026 Ashburn Modeled Loss Scenario within Each Insurer Category (Property and Workers’ Compensation Losses)



Source: 2026 TRIP data call

Figure 64 sets forth how this scenario is projected to result in payments for the cyber losses only.

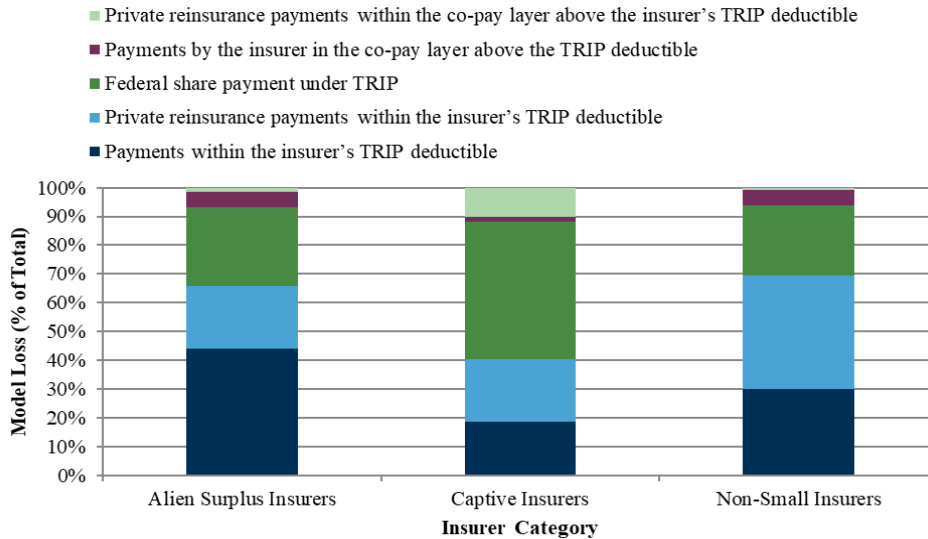
Figure 64: Total Insured Loss Payments Resulting from 2026 Ashburn Modeled Loss Scenario by Insurer Category (\$ millions) (Cyber Losses)

	Alien Surplus Lines	Captives	Non-Small Insurers
Payments within the insurer’s TRIP deductible	\$ 2,085.9	\$ 880.9	\$ 1,055.3
Private reinsurance payments within the insurer’s TRIP deductible	1,023.9	1,003.5	1,382.5
Federal share payment under TRIP	1,285.3	2,233.9	855.3
Payments by the insurer in the co-pay layer above the TRIP deductible	255.1	80.5	188.8
Private reinsurance payments within the co-pay layer above the insurer’s TRIP deductible	66.2	479.5	25.0
Total	\$ 4,716.5	\$ 4,678.4	\$ 3,506.9

Source: 2026 TRIP data call

Figure 65 sets forth how the cyber loss amounts generated under this scenario are allocated on a 100 percent basis within each insurer category.

Figure 65: Distribution of Loss Payments Arising from 2026 Ashburn Modeled Loss Scenario within Each Insurer Category (Cyber Losses)



Source: 2026 TRIP data call

Finally, Figure 66 sets forth how this scenario is projected to result in payments for all of the losses generated by the scenario combined.

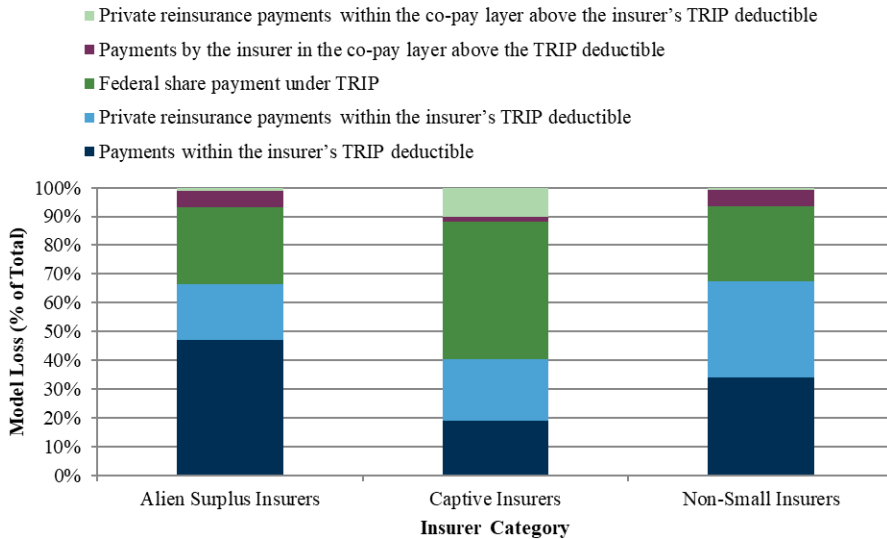
Figure 66: Total Insured Loss Payments Resulting from 2026 Ashburn Modeled Loss Scenario by Insurer Category (\$ millions) (All Losses)

	Alien Surplus Lines	Captives	Non-Small Insurers
Payments within the insurer’s TRIP deductible	\$ 2,656.6	\$ 901.0	\$ 1,436.1
Private reinsurance payments within the insurer’s TRIP deductible	1,092.1	1,012.6	1,418.2
Federal share payment under TRIP	1,501.9	2,245.2	1,099.3
Payments by the insurer in the co-pay layer above the TRIP deductible	312.7	83.2	242.6
Private reinsurance payments within the co-pay layer above the insurer’s TRIP deductible	66.2	479.7	32.2
Total	\$ 5,629.5	\$ 4,721.8	\$ 4,228.4

Source: 2026 TRIP data call

Figure 67 sets forth how the total loss amounts generated under this scenario are allocated on a 100 percent basis within each insurer category.

Figure 67: Distribution of Loss Payments Arising from 2026 Ashburn Modeled Loss Scenario within Each Insurer Category (All Losses)



Source: 2026 TRIP data call

The reported information indicates that both the Newark and Ashburn scenarios would result in losses requiring payments by Treasury, although in each of these cases the amounts expended by Treasury would be subject to complete recovery through the TRIP recoupment process. The payments made by Treasury in the Newark scenario would be split between alien surplus line insurers and captive insurers. However, in the Ashburn scenario, payments by Treasury would be directed to all insurer categories. This reflects that, while insurer deductibles under the Program will be a significant determinant for how payments are made under the Program, the nature of the hypothetical event can result in payments to all types of insurers, regardless of

TRIP deductibles. Given the size of the projected losses in each scenario, recoupment of the federal payments would be at the 140 percent recoupment level through surcharges imposed by Treasury upon all commercial policyholders.²⁰⁵

B. Modeling of Cyber Risks Faced by Non-Small and Small Insurers

FIO used a cyber risk modeling tool to analyze the potential impact of a variety of cyber attacks on a hypothetical insurance portfolio constructed from anonymized data collected in the TRIP data calls, combined with sample policy information from the modeling tool's Industry Exposure Database (IED). This type of analysis can help assess the potential impact on the Program of a cyber attack certified to be an "act of terrorism" under TRIA.

Probabilistic cyber risk modeling tools provide insurers with the ability to simulate the frequency and potential severity of economic and insured losses from a variety of scenarios. These tools run simulations thousands of times under various attack scenarios including data breaches, distributed denial of service disruptions, cloud outages, ransomware and malware infections, business email compromises, financial system theft, and infrastructure and operational technology attacks. The impacts from these events can be modeled on different cyber coverages, including investigation and response, data restoration, business interruption, contingent business interruption, funds transfer fraud, regulatory costs, legal liability, and extortion payments.²⁰⁶ Results from a catastrophic event can be presented on either a portfolio or individual account basis as an estimated Average Annual Loss (AAL), which is the estimated annual policy premium needed to cover losses from modeled cyber catastrophes over time, assuming the exposure remains constant. Results can also be expressed as an Aggregate Exceedance Probability (AEP) curve that shows whether the aggregate financial loss from all events in a given year exceeds a certain threshold over various return periods, typically ranging from 20 years (5 percent chance of occurring) to 1,000 years (0.1 percent chance of occurring). A return period, also known as the recurrence interval, is the estimated average time between events.

FIO used cyber data from the 2024 TRIP data call to model the estimated insured and total economic losses from catastrophic cyber attacks using a synthetic portfolio of 455,928 policies issued by 65 small insurers.²⁰⁷ This analysis identified losses from some attacks that, if certified as an act of terrorism, could have a sufficient financial impact to trigger the Program.²⁰⁸

FIO's modeling analysis uses 2024 cyber data from both non-small and small insurers collected during the 2025 TRIP data call. The cyber portion of the annual TRIP data call includes information on TRIP-Eligible and Non-TRIP eligible premiums and policy counts by

²⁰⁵ See Mandatory and Discretionary Recoupment, 31 C.F.R. § 50.90(b); TRIA § 103(e)(7)(D).

²⁰⁶ By listing the various coverages subject to modeling, Treasury does not suggest that each coverage would necessarily generate losses subject to TRIP, even assuming certification of an "act of terrorism."

²⁰⁷ FIO, *2025 Small Insurer Study*, 50.

²⁰⁸ FIO, *2025 Small Insurer Study*, 53.

policyholder firm size (e.g., small, medium, and large²⁰⁹) and the associated coverage limits for those policies. In 2025, data was collected from 147 insurers writing cyber insurance—90 small insurers and 57 non-small insurers. These insurers had 3,683,562 total policies, cyber DEP of \$4.79 billion, and reported total aggregate coverage of \$1.94 trillion.

Synthetic portfolios are used to reduce the size of large data sets, simplifying the modeling process while maintaining the properties of the overall dataset. FIO created individual portfolios for approximately 60 insurers, comprising 2,045,732 policies (55.5 percent of the total), cyber DEP of \$4.17 billion (87.2 percent of the total), and total aggregate coverage of \$1.84 trillion (94.8 percent of the total). Each synthetic portfolio is based on data reported by each insurer based on policyholder firm size, including 1,904,947 policies for small-sized firms (93.1 percent of portfolio), 107,687 policies for medium-sized firms (5.3 percent), and 33,099 policies for large-sized firms (1.6 percent). These policies were then distributed among various sectors using sector size data. In addition, coverage bands were established for the synthetic portfolio with average premiums and average limits. The TRIP synthetic portfolios were then constructed using policy data extracted from the modeling tool's IED, using commercial policyholder information such as industry sector, size by annual revenue and people employed, type of policy (e.g., standalone vs. packaged), and cyber coverage levels.

Depending on the size of the premium and the overall coverage limit reported by the insurer, coverage was assigned to each insurer for breach of privacy events, data and software recovery, business interruption, contingent business interruption, incident response costs, regulatory and defense costs, legal liability, financial theft and fraud, and cyber extortion. Policy deductibles, coverage sub-limits, and business interruption/contingent business interruption waiting periods were estimated using data extracted from the IED. No potentially applicable exclusions or responsive reinsurance were applied as part of the analysis.

To further preserve insurer anonymity, the individual anonymized synthetic portfolios were then combined into three larger portfolios: (1) 23 small insurers, (2) 13 non-small insurers: and (3) the total portfolio of 61 insurers. These portfolios were then run using three different cyber event scenarios over 10,000 simulations, with results for AAL and AEP loss recorded.

1. 2024 TRIP Small Insurer Portfolio and Ransomware Attack Against an Email Services Provider

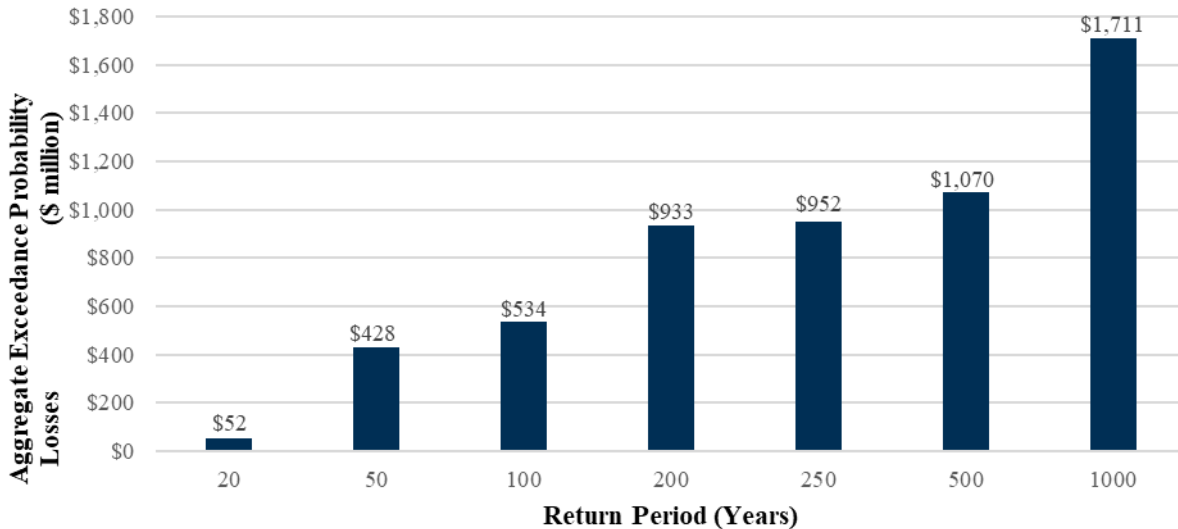
For the first modeling exercise, a portfolio was created using data from 23 small insurers. The total portfolio consists of 297,566 policies with DEP of \$338.1 million and total aggregate coverage of \$173.3 billion. This portfolio includes over 50 percent of small insurer cyber DEP, and nearly 60 percent of small insurer total aggregate cyber coverage.

²⁰⁹ The TRIP data call instructions (which permit reporting by either revenue or employee count) identify small policyholders as those with annual revenue less than \$10 million or less than 100 employees, medium policyholders as those with annual revenue between \$10 million and \$100 million or between 100 and 500 employees, and large policyholders as those with annual revenue greater than \$100 million or 501 employees or more. See *FIO, Instructions for Terrorism Risk Insurance Program (TRIP) 2026 Data Call (Small Insurers)*, 11, <https://home.treasury.gov/system/files/311/2026%20Data%20Call%20Instructions%20Small%20Insurers%20%28FINAL%29.pdf>.

The attack scenario presumes that an advanced cyberterrorist group compromises a leading email service network, targeting specific companies and people.²¹⁰ The attacker gathers information from email, address books, and calendars to attack a small number of enterprise and personal accounts, changing the location where user data is stored and encrypting it. Victims generally conduct forensic investigation and recovery efforts and must decide whether to pay the ransom. The primary coverages involved in this scenario include investigation and response, contingent business interruption, and extortion.

This attack scenario was applied to the small insurer portfolio, as well as the individual portfolios of each of the 23 anonymized insurers. The total portfolio AAL was \$20.5 million, with individual insurer AALs ranging from \$5,000 to \$10.3 million. The AEP of the portfolio was then calculated for financial losses from all events over a certain threshold amount in various return periods. As shown in Figure 68, the AEP losses range from \$51.6 million in the 1-in-20-year return period to over \$1.7 billion in the 1-in-1000 return period.

Figure 68: 2024 TRIP Small Insurer Portfolio (23 Insurers) AEP Losses (Ransomware Event – Email Service Provider)



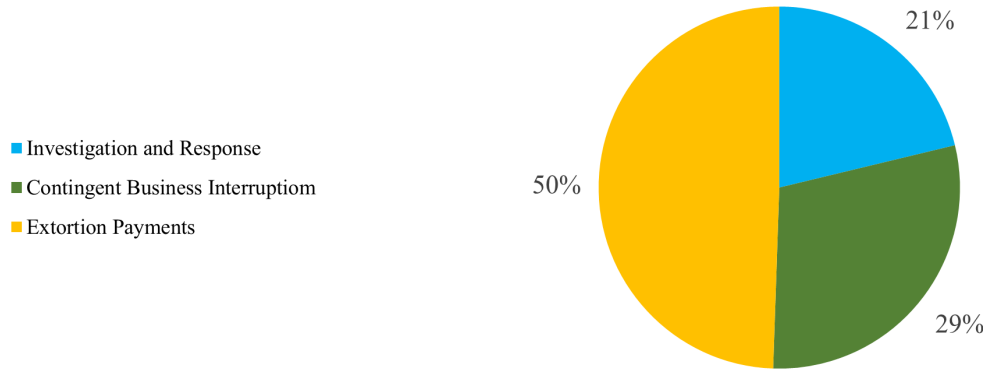
Source: 2025 TRIP data call and Cyber Model

The model projects that the \$200 million TRIP industry-wide aggregate loss threshold would be triggered (assuming event certification) at least every 20 to 50 years (see Figure 68). However, there are small losses projected for many of the insurers with aggregate policy limits of less than a billion dollars, which may be below their TRIP deductibles. As shown in Figure 69, the primary losses from this event are from extortion payments (49.5 percent), contingent business interruption (29.3 percent), and investigation and response (21.2 percent). Given that many low

²¹⁰ A recent example of this type of attack was the Medusa ransomware-as-a-service group that used phishing to gain access to popular email services, encrypt data, and demand ransoms. See “The Rise of Medusa Ransomware: Strategies for Defense,” KPMG, <https://kpmg.com/us/en/articles/2025/the-rise-of-medusa-ransomware.html>.

premium policies do not have contingent business interruption and extortion coverage, this could explain the small losses projected for some insurers in this scenario.

Figure 69: 2024 TRIP Small Insurer Portfolio Distribution of Losses by Coverage Type (Ransomware Attack Against Email Provider)



Source: 2025 TRIP data call and Cyber Model

2. 2024 TRIP Non-Small Insurer Portfolio and Mass Revocation of a Leading Certificate Authority Event

For the second modeling exercise, a portfolio was created using data from 13 non-small insurers. The total portfolio consists of 299,092 policies with cyber DEP of \$2.66 billion, and total aggregate coverage of \$1.18 trillion. The portfolios of these 13 insurers represent 55.7 percent of the cyber DEP, and over 60 percent of the total aggregate cyber coverage collected during the 2025 TRIP data call.

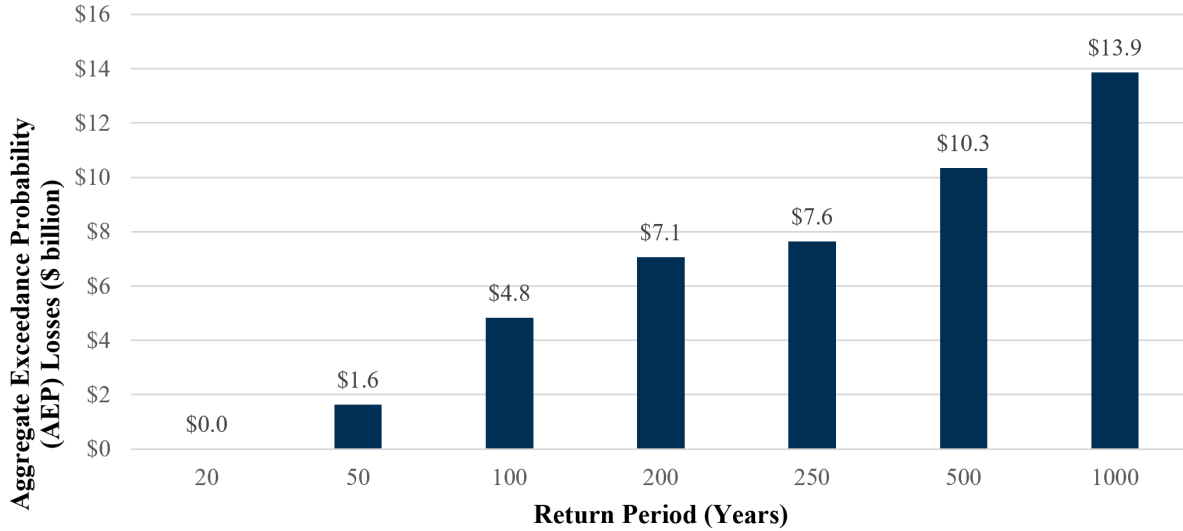
In this attack scenario, a cyberterrorist group gains unauthorized access to the systems of a major certificate authority, allowing attackers to revoke a massive number of certificates. Organizations may then be faced with revoked certificates, causing authentication mechanisms to fail for business-to-business systems and VPN gateways, and thousands of websites become untrusted by browsers.²¹¹ This attack generally has multiple cascading impacts, causing businesses around the globe to experience errors and failures to varying degrees in inter-system authentications, remote access authentications, and website access. The primary coverages involved in this type of scenario include investigation and response, data restoration, business interruption, and legal liability.

This attack scenario was applied to the non-small insurer portfolio, as well as the individual portfolios of each of the 13 anonymized insurers with a total cumulative portfolio AAL of \$117.8

²¹¹ A past example of this type of attack was the Iranian hack of DigiNotar, a Dutch certificate authority in 2011 that resulted in the issuance of hundreds of fraudulent certificates and the revocation of trust in all DigiNotar certificates supporting the browsers in Microsoft Windows and other providers. See “Compromise of Certificate Issuer DigiNotar,” Council on Foreign Relations, September 2011, <https://www.cfr.org/cyber-operations/compromise-of-certificate-issuer-diginotar>.

million. The AEP analysis in Figure 70 demonstrates that this is a low probability catastrophic tail event with no losses in the 20-year return period, and significant losses thereafter ranging from \$1.6 billion in the 50-year return period to \$13.9 billion in the 1000-year return period.

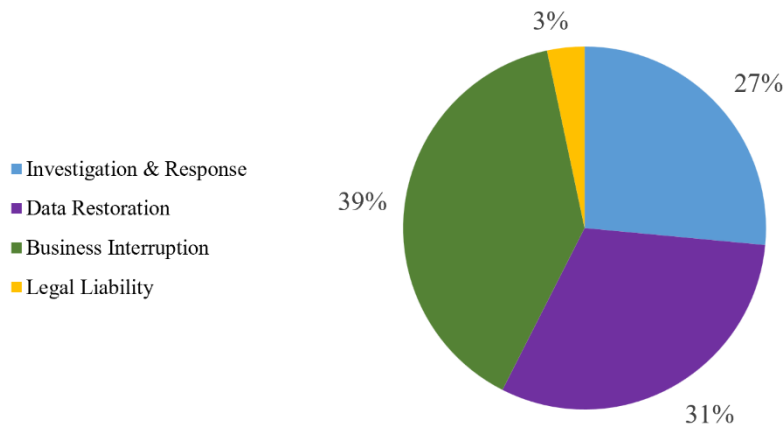
Figure 70: 2024 TRIP Non-Small Insurer Portfolio (13 Insurers) AEP Losses (Mass Revocation – Certificate Authority)



Source: 2025 TRIP data call and Cyber Model

As shown in Figure 71, coverage losses stem from business interruption (39.2 percent of the total losses), followed by data restoration (31.0 percent), investigation and response (26.5 percent), and legal liability (3.3 percent).

Figure 71: 2024 TRIP Non-Small Insurer Portfolio Distribution of Losses by Coverage Type (Mass Revocation – Certificate Authority)



Source: 2025 TRIP data call and Cyber Model

These losses would, if they were subject to Program reimbursement, significantly exceed the TRIP annual Program Trigger of \$200 million and thus be eligible for TRIP reimbursement

subject to satisfaction of the insurer's TRIP deductible and other program requirements. Some non-small insurers with large TRIP deductibles, exceeding \$1 billion, might not receive any reimbursement in this scenario because their loss would not exceed their deductible.

3. 2024 Total TRIP Portfolio and Ransomware Attack Against an Endpoint Operating System

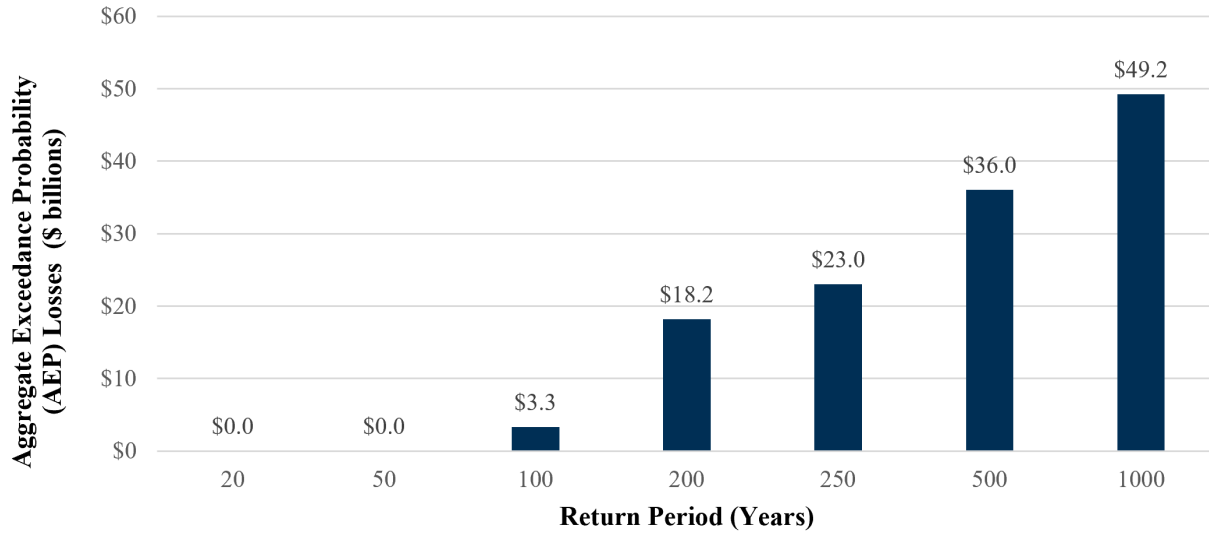
In the third exercise, a portfolio was created using data from 61 insurers with 2,045,732 policies, representing cyber DEP of \$4.17 billion and total aggregate coverage of \$1.84 trillion. This portfolio represents 87.2 percent of DEP and 94.8 percent of total cyber limits reported by small and non-small insurers during the 2025 TRIP data call.

In this scenario, cyber terrorists launch a self-propagating ransomware worm that exploits a recently discovered critical vulnerability in an endpoint operating system, encrypting hard drive data, and demanding extortion payments in return. This attack impacts a majority of end users with the affected systems.²¹² The enterprises using the operating system generally experience device damage, data loss, business interruption, and ransom payments due to rapidly spreading sophisticated ransomware. This scenario has the potential to impact multiple cascading companies because the ransomware spreads rapidly to infect businesses of all types who utilize the endpoint system. The primary coverages involved include investigation and response, data restoration, business interruption, and extortion payments.

This attack scenario was applied to the entire 2026 TRIP portfolio, as well as individual portfolios of each of the 61 anonymized insurers. The total portfolio AAL was \$238.9 million. As shown in Figure 72, the AEP loss analysis shows that this attack is an extreme tail event with no losses in the 20- or 50-year return period, and then significant losses ranging from \$3.29 billion in the 100-year return period to \$49.21 billion in the 1000-year return period.

²¹² A similar type of attack was the 2017 WannaCry ransomware worm that affected approximately 300,000 computers across 150 countries, which resulted in an estimated \$4 billion in economic and \$60 million in insured losses. See "Total WannaCry Losses Pegged at \$4 Billion," *Reinsurance News*, September 25, 2017, <https://www.reinsurancene.ws/total-wannacry-losses-pegged-4-billion/>.

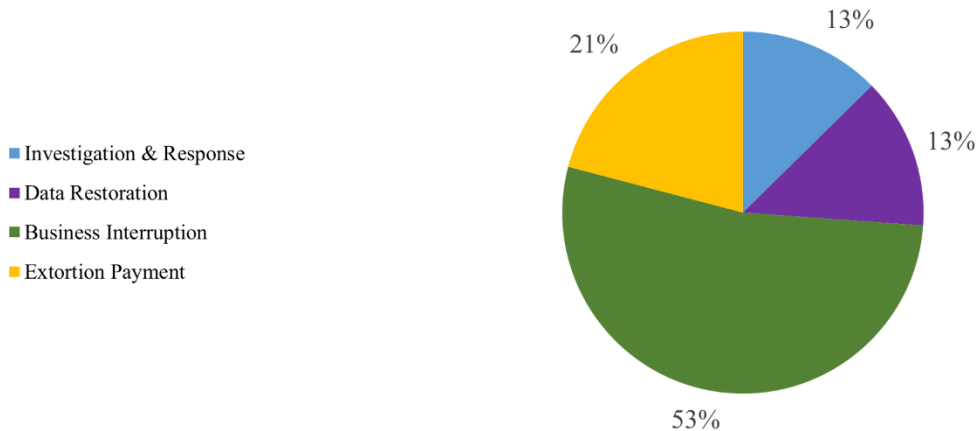
Figure 72: 2024 TRIP Total Portfolio (61 Insurers) AEP Losses (Ransomware Attack Against Endpoint Operating System)



Source: 2025 TRIP data call and Cyber Model

As shown in Figure 73, coverage losses stem from business interruption (52.9 percent of the total), followed by extortion payments (20.9 percent), data restoration (13.5 percent), and investigation and response (12.6 percent).

Figure 73: 2024 TRIP Total Portfolio Distribution of Losses by Coverage Type (Ransomware Attack Against Endpoint Operating System)



Source: 2025 TRIP data call and Cyber Model

With the losses outlined above, and assuming certification of the event, the Program Trigger could be met between the 50- and 100-year return period. TRIP reimbursement would be subject to the size of the insurer’s TRIP deductible, which could lead to some insurers with large TRIP deductibles not receiving any reimbursement.

* * * * *

Cyber modeling demonstrates that a large cyber attack, if certified as an act of terrorism, could cause insured losses that result in payments of the federal share of compensation under the Program. Various scenarios project that this could occur for insurers whose aggregated cyber limits exceed \$1 billion, and whose policies include coverage for investigation and response, data restoration, business interruption, contingent business interruption, and extortion payments. However, insurers with portfolios containing such large aggregated cyber limits are also likely to have large TRIP deductibles, which could reduce the likelihood of potential Program payments.

X. ADVISORY COMMITTEE ON RISK-SHARING MECHANISMS

The 2015 Reauthorization Act established the ACRSM.²¹³ The Committee is composed of representatives of the insurance industry involved, or seeking to become involved, in nongovernmental terrorism risk-sharing mechanisms.²¹⁴ Its role is to provide Treasury with advice and recommendations concerning the creation and development of such mechanisms and FIO's administration of TRIP.²¹⁵

Treasury renewed the Committee's charter in June 2025.²¹⁶ In July 2025, Treasury published a Federal Register notice soliciting expressions of interest for service on the Committee, and these responses are under review.²¹⁷ Going forward, the ACRSM will continue to provide a forum for collaboration with industry stakeholders and to support robust, policy-focused discussions on terrorism risk insurance issues important to the economic security and market resilience of the insurance industry.

XI. INTERNATIONAL FORUM OF TERRORISM RISK (RE)INSURANCE POOLS

IFTRIP is a global organization established to strengthen collaboration among sovereign-backed terrorism (re)insurance programs by facilitating the exchange of information, best practices, and policy approaches. IFTRIP serves as a platform for governments, insurers, and reinsurers to coordinate on issues related to terrorism risk financing and resilience.

The United States, through FIO, served as Chair of IFTRIP from 2023 through 2025, providing strategic direction to the organization and advancing priorities aligned in maintaining stable and effective terrorism risk insurance markets. As IFTRIP Chair, FIO expanded international cooperation on emerging terrorism risks and reinforced the importance of public-private risk sharing frameworks. This included advancing work with the Geneva Association on researching shifts in the NBCR risk landscape and identifying gaps in existing insurance and reinsurance arrangements.²¹⁸ IFTRIP also engaged on cyber-enabled terrorism and hybrid threats, stressing

²¹³ 2015 Reauthorization Act, § 110.

²¹⁴ 2015 Reauthorization Act, § 110(b)(3).

²¹⁵ 2015 Reauthorization Act, § 110(b)(2).

²¹⁶ See ACRSM, *ACRSM Report*.

²¹⁷ "Request for Expressions of Interest in Membership on the Federal Insurance Office's Advisory Committee on Risk-Sharing Mechanisms," 90 Fed. Reg. 35,759 (July 29, 2025).

²¹⁸ The Geneva Association, *Insurance and Chemical, Biological, Radiological, and Nuclear Risks* (2025), <https://www.genevaassociation.org/publication/macro-geoeconomic-shifts/insurance-and-chemical-biological-radiological-and-nuclear>.

the importance of clear program structures, disciplined governance, and the ongoing role of government backstops in promoting market stability. Through these initiatives, FIO highlighted TRIP as a framework that continues to support market stability and maintain private sector participation over time, while noting the importance of ongoing assessments of evolving risks.

FIO continues to engage in IFTRIP activities, including attending the annual IFTRIP conference in March 2026.²¹⁹ Discussions in the 2026 conference highlighted increasing complexity in the global terrorism risk environment, including challenges related to attribution, cross-border events, and the convergence of terrorism with cyber and other systemic risks. The 2026 conference also included a multinational tabletop exercise designed to examine these issues, which underscored the importance of coordination among national programs and the potential value of sovereign-backed insurance schemes.

XII. INDUSTRY-UNIVERSITY COOPERATIVE RESEARCH CENTER

TRIP, through FIO and in collaboration with the National Science Foundation (NSF), in April 2024, solicited participation in a proposed IUCRC program focusing on insurance risk modeling and underwriting related to terrorism and catastrophic cyber risks.²²⁰ Established in 1973 to facilitate long-term public-private partnerships, the IUCRC Program creates opportunities for industry innovators, academic teams, and government agencies to work collaboratively to generate breakthrough research across different fields.²²¹

The goal of FIO's joint IUCRC project with NSF is to facilitate the development and refinement of terrorism and catastrophic cyber insurance modeling and underwriting with a view to strengthening the resilience of the U.S. financial system.²²² The objectives of the IUCRC include: (1) helping insurers to estimate risk with greater certainty, thereby improving insurance pricing, coverage, and policyholder uptake; (2) contributing to the potential expansion of reinsurance and capital markets to help support these risks; and (3) informing the treatment of terrorism and catastrophic cyber risks in government programs.²²³

NSF has issued planning grants to five sites comprising two proposed centers: Cybersecurity, Insurance, and Resilience Center for Understanding and Innovation in Technology; and Cyber

²¹⁹ “Conference Theme: Terrorism Risk and Resilience for the Pacific Rim in an Unpredictable Era,” IFTRIP, <https://iftrip2026.arpc.gov.au/>.

²²⁰ See “IUCRC Proposals for Research and Thought Leadership on Insurance Risk Modeling and Underwriting Related to Terrorism and Catastrophic Cyber Risks: A Joint [National Science Foundation (NSF)] and U.S. Department of the Treasury Federal Insurance Office Call,” NSF, April 24, 2024, <https://www.nsf.gov/funding/opportunities/dcl-iucrc-proposals-research-thought-leadership-insurance-risk> (“IUCRC Dear Colleague Letter”).

²²¹ See “Accelerating Impact through Partnerships: Industry-University Cooperative Research Centers (IUCRC),” NSF, <https://iucrc.nsf.gov/>; “About the IUCRC Program,” NSF IUCRC, <https://iucrc.nsf.gov/about/>.

²²² See IUCRC Dear Colleague Letter.

²²³ See IUCRC Dear Colleague Letter.

and Terrorism Insurance Studies.²²⁴ Both centers are currently in the planning phase of the IUCRC process.

XIII. PROGRAM REAUTHORIZATION

Under the 2019 Reauthorization Act, the Program is set to expire effective December 31, 2027. Congress has taken recent steps regarding a long-term reauthorization of the Program.

The House Financial Services Committee’s Subcommittee on Housing and Insurance held a hearing on September 17, 2025, “The Reauthorization of the Terrorism Risk Insurance Act of 2002.”²²⁵ This hearing had five witnesses, representing stakeholders and industry, including the NAIC and the Congressional Research Service. The witnesses were broadly supportive of the continuation of the Program.²²⁶

On January 16, 2026, H.R. 7128, a bill to extend TRIP was introduced and referred to the House Committee on Financial Services.²²⁷ This bill would extend the Program through December 31, 2034, with certain changes to the certification process, but no changes to the existing Program sharing mechanisms. After a mark-up session on January 22, 2026, the bill was ordered to be reported as amended to the full House by a vote of 51 to 2.²²⁸

In the U.S. Senate, S. 4395, a bill to reauthorize the Terrorism Risk Insurance Act of 2002, co-sponsored by a bipartisan group of 23 Senators, was introduced on April 27, 2026, and referred to the Senate Committee on Banking, Housing, and Urban Affairs.²²⁹ S. 4395 also provides for an extension of the Program through December 31, 2034, without any other changes.

Stakeholders responding to Treasury’s request for comments also broadly supported a long-term reauthorization of the Program, citing its importance in providing market stability and in making terrorism risk insurance available and affordable.²³⁰ Many of those stakeholders emphasized the

²²⁴ See “Cybersecurity, Insurance, and Resilience Center for Understanding and Innovation in Technology (CIRCUIT),” Indiana University, <https://ostromworkshop.indiana.edu/research/cybersecurity-internet/circuit/index.html>; “Cyber & Terrorism Insurance Studies Center (CATIS),” <https://catis.org/about.php>.

²²⁵ *The Reauthorization of the Terrorism Risk Insurance Act of 2002*, Before the House Financial Services Committee Subcommittee on Housing and Insurance, 119th Cong. (September 17, 2025), <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=410849> (*Reauthorization Hearing*).

²²⁶ See, e.g., *Reauthorization Hearing* (testimony of Andrew N. Mais, Connecticut Insurance Department, for the NAIC), 3, <https://docs.house.gov/meetings/BA/BA04/20250917/118613/HHRG-119-BA04-Wstate-MaisC-20250917.pdf>; *Reauthorization Hearing* (testimony of Elizabeth Heck, Chairman, President and CEO, Greater New York Insurance Company, for NAMIC), 5, <https://docs.house.gov/meetings/BA/BA04/20250917/118613/HHRG-119-BA04-Wstate-HeckE-20250917.pdf>.

²²⁷ See H.R. 7128, 119th Cong., <https://www.congress.gov/bill/119th-congress/house-bill/7128>.

²²⁸ See “All Actions: H.R. 7128 – 119th Congress (2025-2026),” Congress.gov, <https://www.congress.gov/bill/119th-congress/house-bill/7128/all-actions>; see also H.R. Rep. 119-561 (2026), <https://www.congress.gov/committee-report/119th-congress/house-report/561/1?outputFormat=txt>.

²²⁹ See S. 4395, 119th Cong., <https://www.congress.gov/bill/119th-congress/senate-bill/4395>.

²³⁰ See NAIC Comments, 1-2 (“TRIP remains necessary, and Congress should reauthorize the program on a long-term basis well before its current December 31, 2027 expiration date.”); APCA Comments, 2 (“It is imperative that

importance of a timely reauthorization, long before the current Program expiration date. They noted that market disruption can begin to occur if insurers are required to begin issuing policies for terms extending beyond expiration of the existing Program effective date.²³¹

XIV. CONCLUSION

The 2019 Reauthorization Act extended the Program for an additional seven years until 2027, continuing the Program structure in place as of 2020. Treasury’s evaluation of the relevant data concerning the Program indicates—consistent with the views expressed by stakeholders—that TRIP continues to help make terrorism risk insurance available and affordable in the United States, and that the market for terrorism risk insurance has been relatively stable for some time since the enactment of TRIA.

While the Program does not mandate the purchase of terrorism risk insurance, a significant proportion of commercial policyholders nationwide have elected to obtain such insurance, and take up may be even higher in metropolitan areas. The Program is not limited to such metropolitan areas (where terrorism risk is perceived to be most substantial). Over the last few years there has been a small but measurable decline in the take up of terrorism risk insurance as measured by premium. However, when measured by policy count, 75 percent of all policies in the TRIP-eligible lines (apart from workers’ compensation, where take up is 100 percent) contain some amount of terrorism risk insurance. Treasury will continue to evaluate issues concerning the take up of terrorism risk insurance, including the potential effects of overall market conditions, and report on its findings.

Commercial reinsurance of terrorism risk has significantly increased since the inception of the Program. There is now increased reinsurance capacity for those exposures that remain wholly with the private market under TRIP. Nonetheless, commercial reinsurance capacity does not exist for all exposures currently covered by the Program, as is reflected in the more limited amount of reinsurance available for NBCR events, which pose the greatest risk of causing

TRIP be renewed as soon as possible. Insurers need to address policy renewals far in advance and are beginning to negotiate commercial insurance contracts with policy terms extending past the program’s current expiration date.”); NAMIC Comments, 2 (“NAMIC supports a long-term private/public terrorism insurance program as terrorism remains fundamentally an uninsurable risk due to the inability of insurers to predict when events will occur and because of the potentially catastrophic costs of an attack.”); Aon Comments, 1 (“Based on these findings, Aon supports long term reauthorization of TRIP without changes to its core financial structure, including deductibles, co-participation, or trigger thresholds.”); AEGIS Comments, 3 (“AEGIS strongly supports reauthorization of the Program beyond its current expiration on December 31, 2027.”); Lloyd’s Comments, 3 (“Lloyd’s has supported TRIP since its inception and we strongly support reauthorization of the program beyond its current 2027 expiration date.”); CIAT Comments, 2 (“CIAT and our members unequivocally support a long-term reauthorization of TRIA.”); EEI Comments, 4 (“While the need is regularly debated, EEI and its member companies favor this federal support as essential for both the viability and affordability of terrorism risk insurance.”).

²³¹ See NAIC Comments, 3 (“Uncertainty around the future of the program can therefore affect underwriting, pricing, and capacity, not to mention the broader macro-economy, before the program ever expires.”); APCIA Comments, 3 (“Insurance carriers require certainty around TRIP reauthorization well in advance of the program[’s] expiration date, as carriers will begin excluding coverage from policies with effective dates that begin after 1/1/2027, due to the significant impact an event could have on insurer balance sheets in the absence of TRIP.”); RAA Comments, 1 (“The RAA supports the long-term reauthorization in 2026 to ensure it is reauthorized in a timely fashion well in advance of its December 31, 2027 sunset date.”).

catastrophic industry losses on a broad scale. Modeling of risk provides some ability to estimate the risk exposure in connection with such events and can help support the commitment of additional insurance and reinsurance capital to the risk. Treasury, as part of FIO's administration of TRIP, will continue its analyses with models, including through its annual modeled loss questions and engagement with stakeholders.

The analysis in this Report is based principally on industry data received by Treasury from insurers. Treasury, through FIO, will continue to evaluate and analyze whether the Program is meeting its objectives. Changed circumstances and continued market developments must be assessed over time to ensure that the Program, established in the wake of the September 11 Attacks, remains appropriately tailored to efficiently support terrorism risk insurance markets. For example, recent developments in the cyber insurance markets, coupled with changes in the nature of cyber risk since the enactment of TRIA, highlight the importance of further evaluation in this area, particularly for catastrophic events. Treasury will also continue to evaluate and address the other areas identified by the ACRSM and other stakeholders.

Treasury's evaluation of the data collected since 2003, and particularly since the 2015 reauthorization of the Program, combined with its engagement with stakeholders, indicates that the Program has helped to maintain affordable and available terrorism risk insurance in the United States, and that the private terrorism insurance market remains unable to absorb the relevant terrorism exposure. Treasury believes that were the Program to sunset, or even lapse for a period of time, significant disruption in the private insurance market could result that could spill over into other, unrelated lines of coverage, potentially delaying projects in critical sectors of the economy. The Program remains a critical tool that should continue to be utilized to maintain stable insurance markets and promote U.S. financial growth.

APPENDIX 1: 2025 TAKE-UP RATES BY STATE

This table sets forth the 2025 take-up rates, based upon DEP (presented graphically in Figure 20 by state for small and non-small insurers combined). It provides the separate experiences of small and non-small insurers and then provides the combined figure as well. Workers’ compensation is not included within these figures, although excess workers’ compensation is included.

	Non-Small Insurers	Small Insurers	Combined
Alabama	58%	69%	59%
Alaska	46%	57%	49%
Arizona	59%	60%	59%
Arkansas	62%	58%	61%
California	54%	45%	54%
Colorado	57%	46%	56%
Connecticut	64%	47%	62%
Delaware	58%	61%	59%
District of Columbia	64%	66%	64%
Florida	44%	18%	40%
Georgia	60%	61%	60%
Hawaii	39%	44%	40%
Idaho	60%	75%	62%
Illinois	64%	63%	63%
Indiana	61%	77%	64%
Iowa	66%	66%	66%
Kansas	61%	59%	61%
Kentucky	63%	55%	63%
Louisiana	44%	32%	43%
Maine	67%	87%	70%
Maryland	67%	71%	68%
Massachusetts	63%	57%	62%
Michigan	65%	72%	66%
Minnesota	62%	61%	62%
Mississippi	58%	55%	58%
Missouri	63%	71%	64%
Montana	59%	57%	59%
Nebraska	63%	63%	63%
Nevada	58%	48%	57%
New Hampshire	66%	82%	68%
New Jersey	61%	59%	61%
New Mexico	64%	49%	63%
New York	59%	48%	58%
North Carolina	67%	72%	68%
North Dakota	55%	61%	56%
Ohio	65%	68%	66%

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	Non-Small Insurers	Small Insurers	Combined
Oklahoma	58%	60%	58%
Oregon	60%	60%	60%
Pennsylvania	66%	66%	66%
Rhode Island	63%	50%	62%
South Carolina	59%	60%	59%
South Dakota	56%	68%	57%
Tennessee	64%	61%	64%
Texas	49%	54%	50%
Utah	61%	47%	59%
Vermont	65%	89%	69%
Virginia	65%	68%	66%
Washington	56%	57%	56%
West Virginia	71%	52%	70%
Wisconsin	65%	69%	65%
Wyoming	60%	51%	58%

Source: 2026 TRIP data call

APPENDIX 2: 2025 TAKE-UP RATES BY STATE AND LINE GROUPS

This table contains more detailed take-up information for small and non-small insurers, by state and by groups of TRIP-eligible lines of insurance. To streamline the presentation and provide information by more general categories of information, Treasury displays the information by the following categories: (1) Property Insurance; and (2) Liability Insurance.²³² Evaluation of Appendix 2 permits identification of differences in take up, on a state-by-state basis, as between small insurers and non-small insurers, by the more general coverage categories identified.

	Non-Small		Small		Combined	
	Property	Liability	Property	Liability	Property	Liability
Alabama	60%	56%	66%	74%	61%	58%
Alaska	58%	46%	55%	60%	57%	48%
Arizona	67%	54%	69%	55%	67%	54%
Arkansas	67%	58%	63%	50%	66%	57%
California	60%	52%	50%	40%	59%	51%
Colorado	64%	53%	54%	39%	63%	51%
Connecticut	74%	61%	55%	41%	72%	59%
Delaware	67%	55%	74%	55%	68%	55%
District of Columbia	75%	58%	69%	65%	75%	58%
Florida	37%	53%	7%	32%	29%	51%
Georgia	67%	57%	70%	56%	67%	57%
Hawaii	35%	46%	30%	64%	34%	49%
Idaho	63%	59%	79%	73%	66%	61%
Illinois	74%	58%	67%	61%	73%	58%
Indiana	65%	60%	80%	76%	67%	62%
Iowa	71%	60%	75%	70%	71%	61%
Kansas	65%	59%	64%	52%	65%	58%
Kentucky	66%	61%	55%	62%	65%	61%
Louisiana	42%	52%	38%	33%	41%	50%
Maine	78%	63%	90%	85%	80%	67%
Maryland	75%	64%	75%	67%	75%	64%
Massachusetts	71%	58%	63%	49%	70%	57%
Michigan	69%	60%	78%	67%	71%	61%
Minnesota	66%	59%	65%	58%	66%	59%
Mississippi	60%	59%	57%	51%	59%	59%
Missouri	69%	59%	73%	70%	69%	61%
Montana	65%	57%	63%	49%	65%	56%
Nebraska	71%	59%	70%	54%	71%	58%
Nevada	66%	56%	60%	40%	65%	54%
New Hampshire	73%	63%	86%	80%	76%	65%

²³² “Property Insurance” includes Fire, Allied Lines, Boiler & Machinery, and Commercial Multi-Peril (Property) combined. “Liability Insurance” includes Commercial Multi-Peril (Liability), Products Liability, and Other Liability combined.

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	Non-Small		Small		Combined	
	Property	Liability	Property	Liability	Property	Liability
New Jersey	69%	59%	73%	50%	70%	58%
New Mexico	73%	58%	70%	37%	73%	55%
New York	69%	57%	61%	43%	68%	55%
North Carolina	74%	62%	80%	68%	74%	63%
North Dakota	56%	53%	67%	56%	58%	54%
Ohio	71%	60%	70%	62%	71%	60%
Oklahoma	62%	55%	75%	36%	64%	53%
Oregon	67%	56%	67%	54%	67%	56%
Pennsylvania	74%	61%	71%	62%	73%	61%
Rhode Island	72%	62%	53%	45%	69%	61%
South Carolina	58%	62%	55%	64%	57%	62%
South Dakota	58%	54%	76%	61%	60%	54%
Tennessee	72%	60%	62%	61%	71%	60%
Texas	51%	49%	44%	37%	51%	48%
Utah	68%	58%	44%	49%	66%	57%
Vermont	73%	59%	92%	86%	77%	62%
Virginia	74%	62%	75%	73%	74%	63%
Washington	64%	55%	72%	50%	65%	54%
West Virginia	75%	69%	69%	33%	75%	67%
Wisconsin	71%	60%	70%	66%	71%	61%
Wyoming	66%	53%	61%	35%	65%	51%

Source: 2026 TRIP data call