

**UNITED STATES DEPARTMENT OF THE TREASURY
ADVISORY COMMITTEE ON RISK SHARING MECHANISMS
SUMMARY OF PUBLIC MEETING**

The Advisory Committee on Risk Sharing Mechanisms was convened at 1:00 P.M. on February 16, 2016, in Media Room A at the U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, D.C., with Wendy Peters, Chair, presiding.

In accordance with the provision of the Federal Advisory Committee Act, the meeting was open to the public.

Committee Members Present:

WENDY PETERS, Executive Vice President, Financial Solutions – Terrorism and Political Violence, Willis Towers Watson, *Chair*
JONATHAN CLARK, Managing Director, Guy Carpenter & Company LLC
KEAN DRISCOLL, Vice President and CEO, Validus Reinsurance, Ltd.
GREG HENDRICK, CEO, XL Catlin Reinsurance
SEAN MCGOVERN, Chief Risk Officer and General Counsel, Lloyd's
EDWARD RYAN, Senior Managing Director, Aon Benfield
MICHAEL SAPNAR, President & CEO, Transatlantic Holdings, Inc.
JOHN SEO, Managing Principal, Fermat Capital Management LLC
KEITH WOLFE, President US P&C – Regional & National, Swiss Re

Also Present:

MICHAEL MCRAITH, Director, Federal Insurance Office, U.S. Department of the Treasury
BRETT HEWITT, Designated Federal Officer, Federal Insurance Office, U.S. Department of the Treasury

Introduction

Director McRaith introduced the members of the Advisory Committee on Risk Sharing Mechanisms (ACRSM) and provided a brief overview of each Committee member's qualifications.

Ethics Guidelines for Committees

Director McRaith reviewed slides prepared by the Department of Treasury's Office of General Counsel summarizing requirements for the Committee's operations under the Federal Advisory Committee Act (FACA), and reviewing ethical considerations for Committee members.

Appointment of Committee Chair

Director McRaith announced Wendy Peters would serve as the first chairperson of the Committee.

Chairwoman Peters provided an introductory statement.

Adoption of Bylaws

Director McRaith reviewed the Committee's Charter.

Director McRaith reviewed the proposed bylaws.

Discussion of Movement of Risk to Private Sector

Director McRaith provided perspectives on the potential goals of the Committee and asked each Committee member for thoughts on their ideas for the Committee.

Mr. Driscoll discussed Validus Reinsurance's role within the market. He discussed variables to be considered in increasing the role of private entities in the traditional coverage market, and the need for additional industry-wide data to inform decision-making. Mr. Driscoll also discussed pricing in the market.

Mr. Clark discussed Guy Carpenter's role within the market.

Mr. McGovern discussed Lloyd's interests in serving on the Committee and the importance of looking at other countries' experiences in dealing with terrorism insurance.

Mr. Wolfe discussed the need for additional data to properly underwrite and price terrorism risk, and posed questions about how a transition to the private market should occur.

TRIA Section 111

Director McRaith discussed Treasury's obligation to perform a data collection process and write a report discussing the effectiveness of the Terrorism Risk Insurance Program, and asked the Committee to provide feedback on whether they believed additional data points should be collected. Mr. Driscoll responded and discussed the reinsurance industry's current infrastructure for data collection.

Director McRaith discussed previous stakeholder sessions held to discuss data collection processes.

Committee Member Statements

Each Committee member shared their thoughts on ideas for the Committee's work and goals.

Implementation of Measures under Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA)

Richard Ifft of the Federal Insurance Office provided an update on the implementation of new requirements under TRIPRA, including a report provided to Congress in October 2015, rules regarding the certification process and other changes under TRIPRA, data collection, and reports to Congress based on collected data.

Director McRaith advised the Committee members to review approaches taken to terrorism risk insurance in other countries and consider their potential applicability for the United States, as well as to consider industry capacity issues.

Director McRaith suggested that meetings for the ACRSM be held on a quarterly basis.

At 2:30 P.M., Director McRaith concluded the meeting.

I hereby certify these minutes of the February 16, 2016 Advisory Committee on Risk Sharing Mechanisms public meeting are true and correct to the best of my knowledge.



Wendy Peters, ACRSM Chair