

Observations on the Current Program

- Since inception and in perpetuity, if there is a clean reauthorization of TRIA, a substantial amount of risk is transferred to the private sector.
- Policyholders have run and will continue to run significant economic risk through the recoupment feature and the program cap.
- Insurers' have significant and increasing retained risk through their deductible and copay levels relative to policyholder's surplus capital
- The program is generally effective, with some shortcomings as respects small/specialized companies and the potential for free-riders.

Time Series Projections of Changes to the Terrorism Risk Insurance Program

Assumptions:

- Clean reauthorization of current law after 2020
- Premium growth shown for 5%, 4%, and 3% CAGR options
 - 5% historical CAGR w/market cycle adj.
 - 4% 2011-2018 avg. P&C premium CAGR (CBO nominal GDP forecast)
 - 3% closer to OMB assumptions



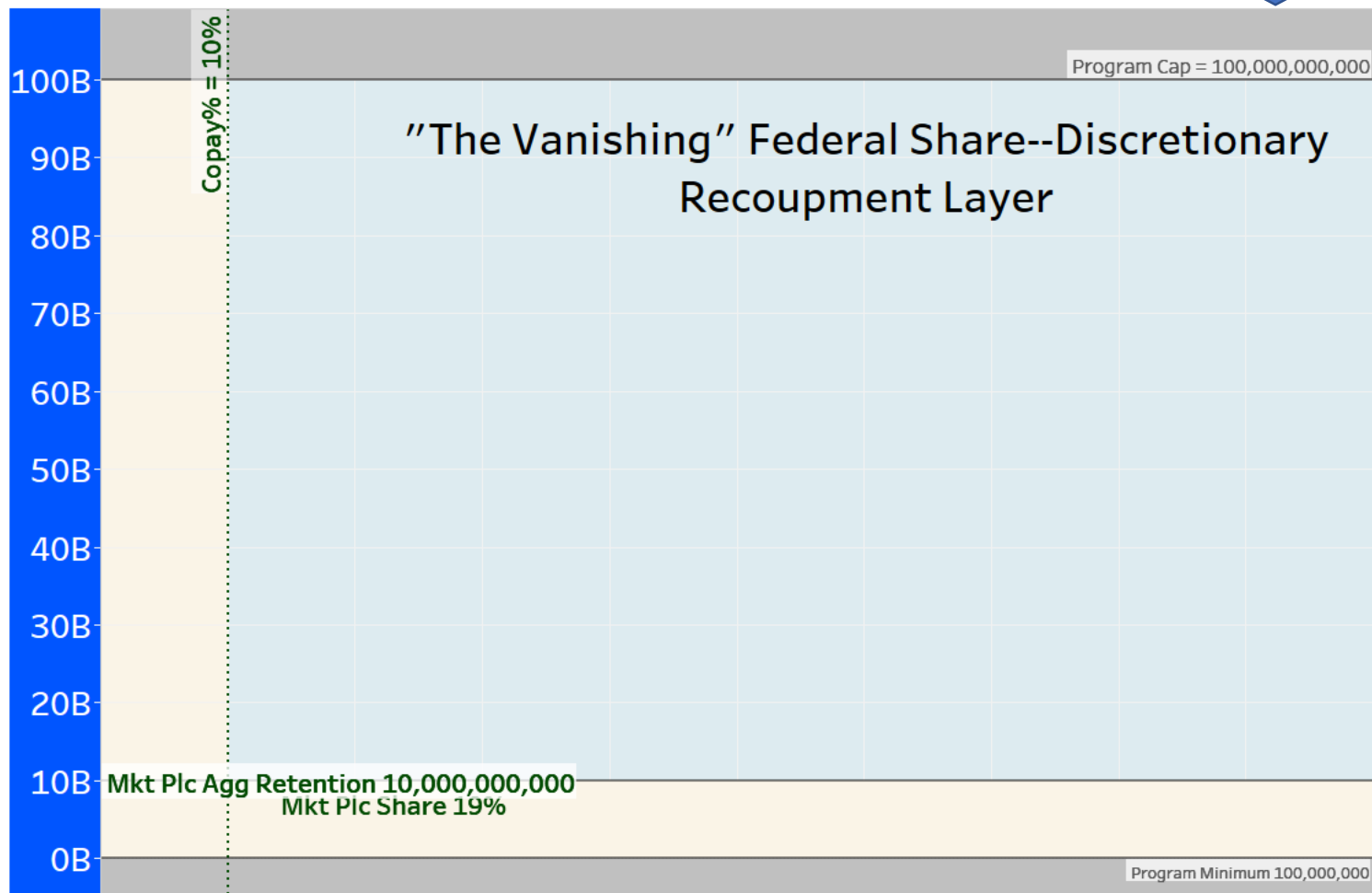
Premium Growth Rate (CAGR)

596

2003

2003

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2003



Program Minimum	100,000,000
Program Cap	100,000,000,000
Insurers' Individual Deductible %	7%
Insurers' Copay %	10%
Insurers' Copay Above Mkt Plc Retention	9,000,000,000
Marketplace Aggregate Retention	10,000,000,000
Marketplace Share of Loss	19,000,000,000
Federal Share of Loss--Discretionary Recoupment Layer	81,000,000,000
Marketplace Share Pct	19%
Federal Share Discretionary Recoupment Pct	81%



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Terrorism Risk Insurance Program (TRIP)

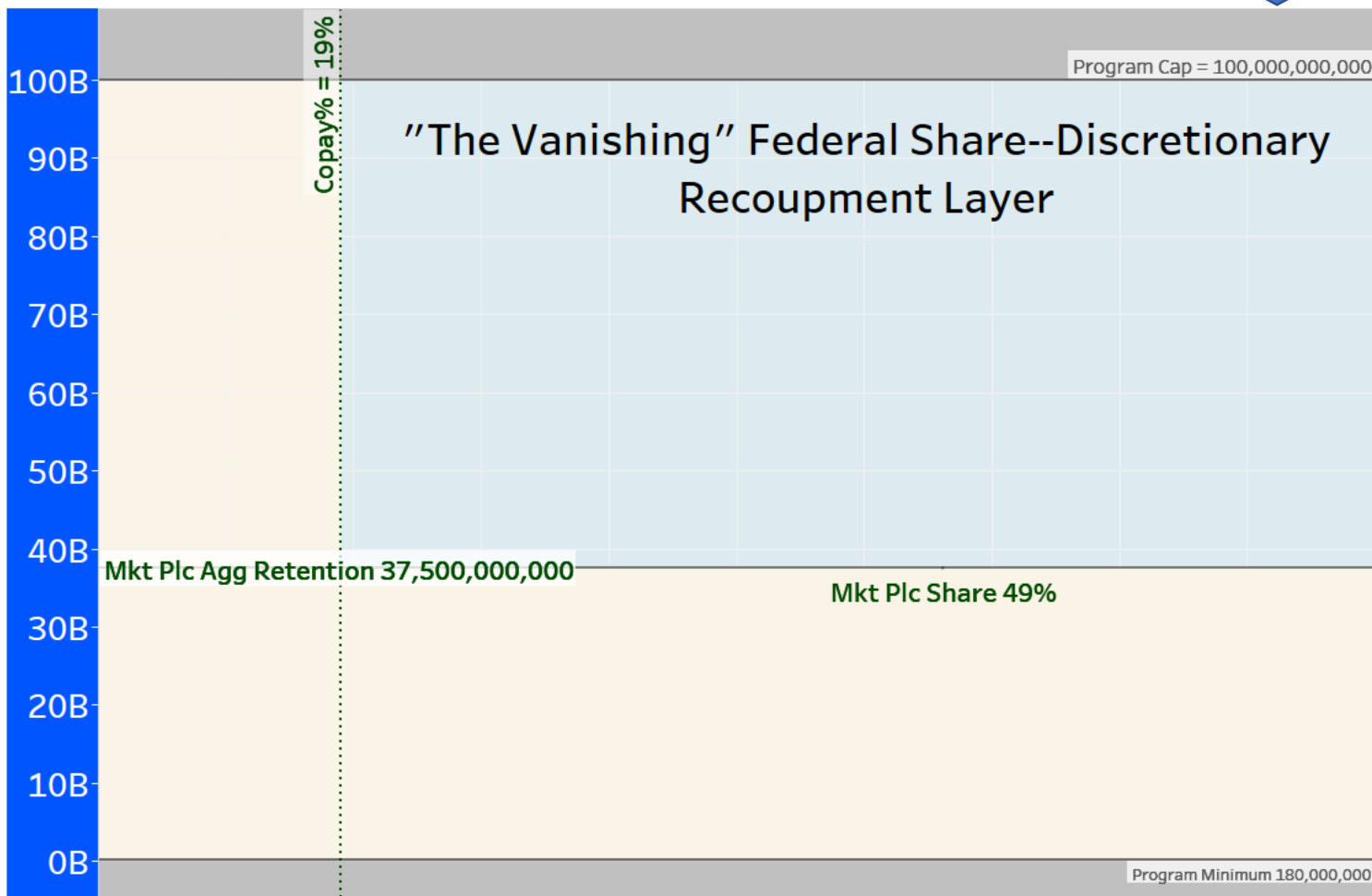
Premium Growth Rate (CAGR)

5%

2019

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2019

2019



Program Minimum 180,000,000

Program Cap 100,000,000,000

Insurers' Individual Deductible % 20%

Insurers' Copay % 19%

Insurers' Copay Above Mkt Plc Retention 11,875,000,000

Marketplace Aggregate Retention 37,500,000,000

Marketplace Share of Loss 49,375,000,000

Federal Share of Loss--Discretionary Recoupment Layer 50,625,000,000

Marketplace Share Pct 49%

Federal Share Discretionary Recoupment Pct 51%



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Terrorism Risk Insurance Program (TRIP)

5% CAGR

Premium Growth Rate (CAGR)

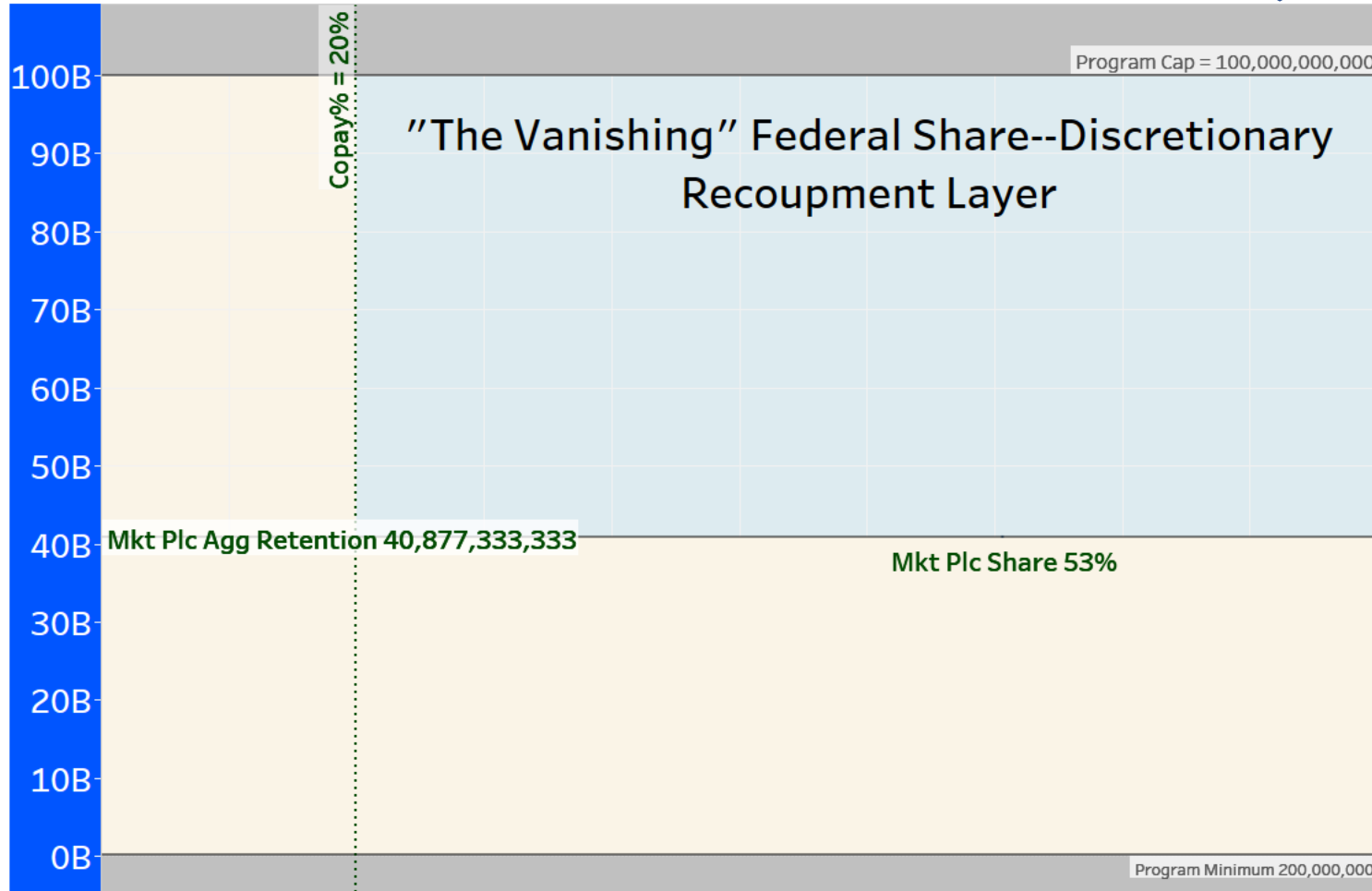
5%

2020

5%

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2020

2020



Program Minimum 200,000,000

Program Cap 100,000,000,000

Insurers' Individual Deductible % 20%

Insurers' Copay % 20%

Insurers' Copay Above Mkt Plc Retention 11,824,533,333

Marketplace Aggregate Retention 40,877,333,333

Marketplace Share of Loss 52,701,866,666

Federal Share of Loss--Discretionary Recoupment Layer 47,298,133,334

Marketplace Share Pct 53%

Federal Share Discretionary Recoupment Pct 47%

RAA 2019 TRIP Legislative Model V1.2



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Terrorism Risk Insurance Program (TRIP)

Premium Growth Rate (CAGR)

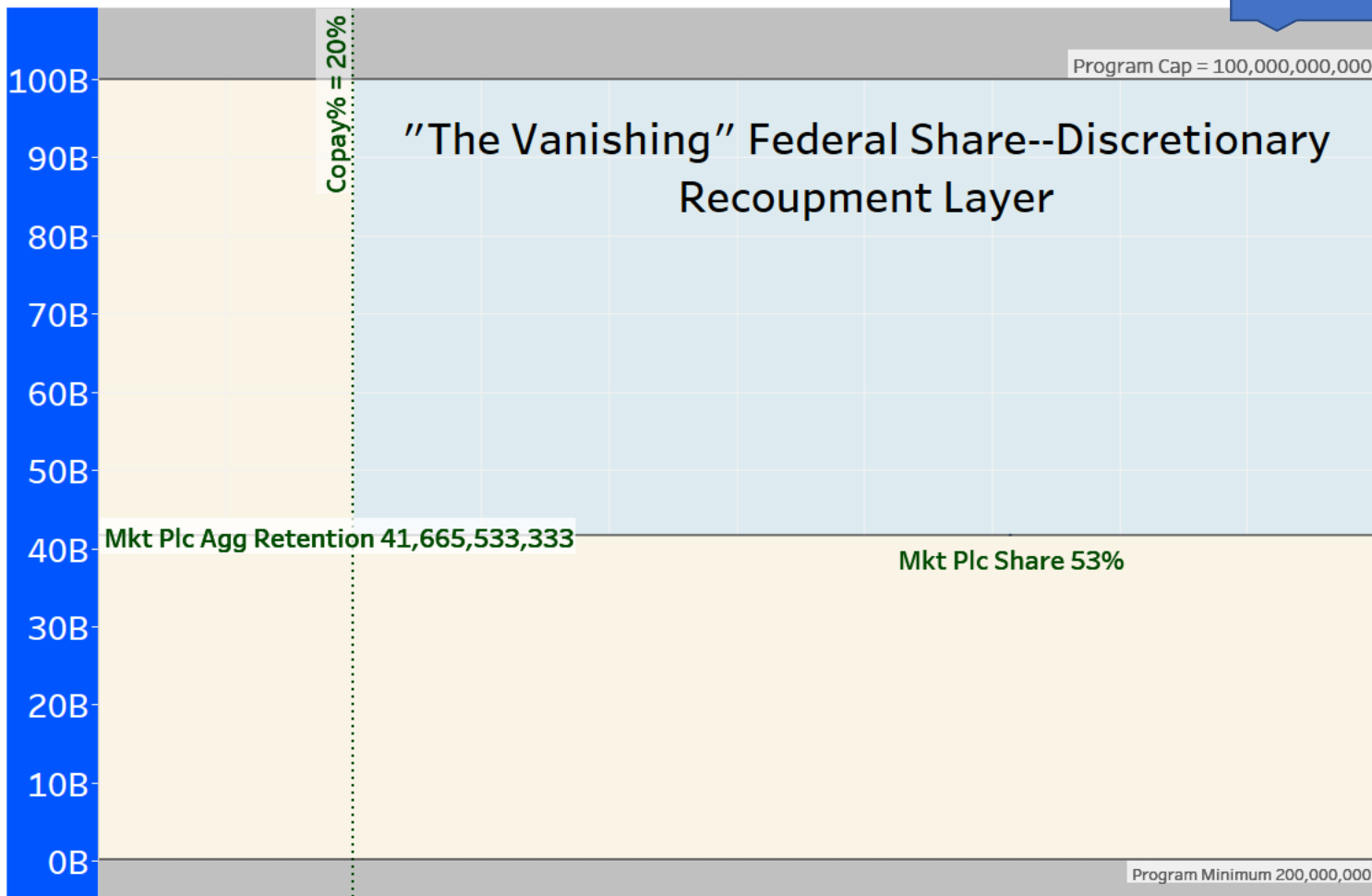
5% CAGR

2021

5%

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2021

2021



Program Minimum 200,000,000

Program Cap 100,000,000,000

Insurers' Individual Deductible % 20%

Insurers' Copay % 20%

Insurers' Copay Above Mkt Plc Retention 11,666,893,333

Marketplace Aggregate Retention 41,665,533,333

Marketplace Share of Loss 53,332,426,666

Federal Share of Loss--Discretionary Recoupment Layer 46,667,573,334

Marketplace Share Pct 53%

Federal Share Discretionary Recoupment Pct 47%

RAA 2019 TRIP Legislative Model V1.2



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Terrorism Risk Insurance Program (TRIP)

5% CAGR

Premium Growth Rate (CAGR)

5%

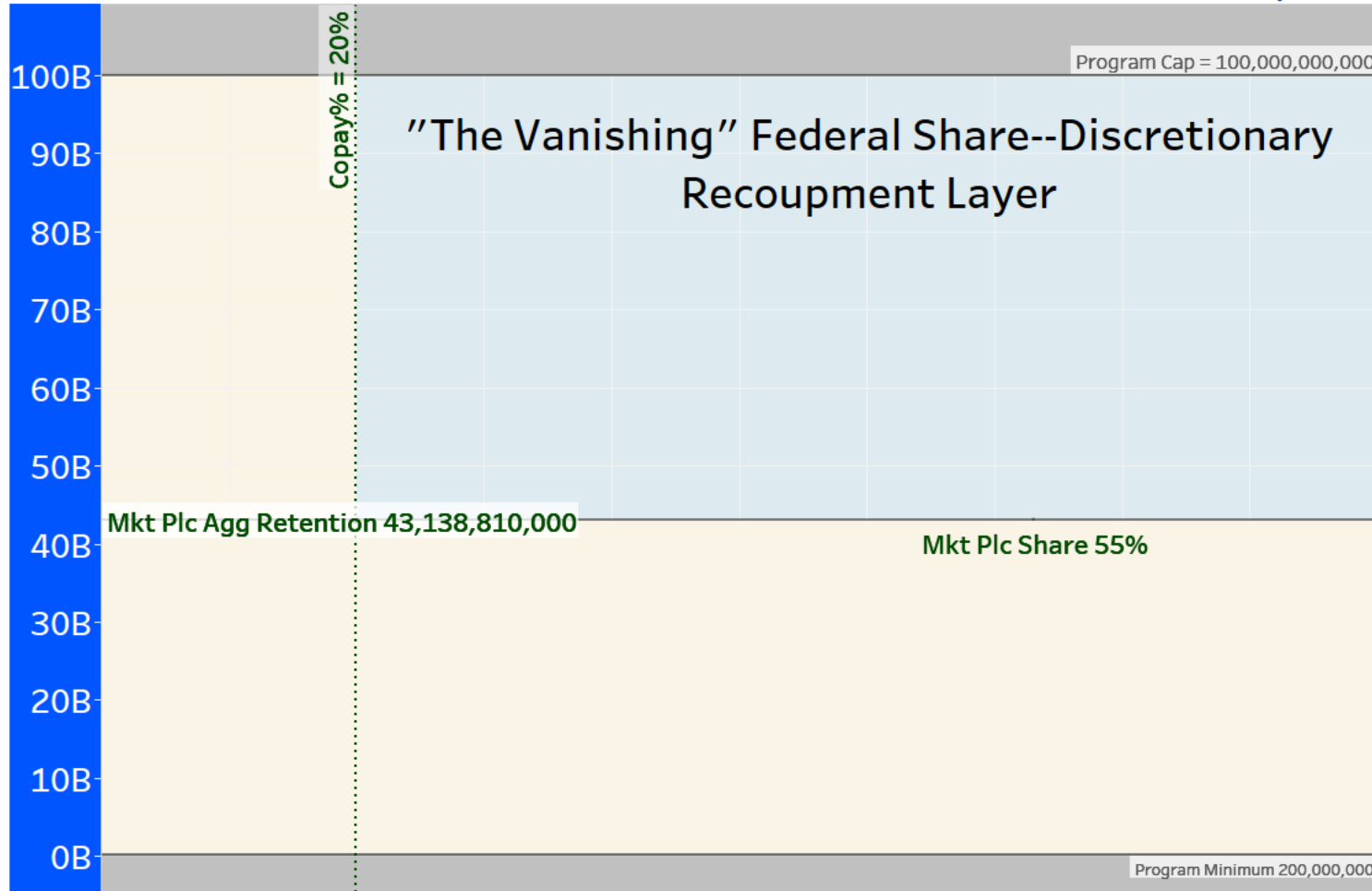
2022

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TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2022

2022



Program Minimum 200,000,000

Program Cap 100,000,000,000

Insurers' Individual Deductible % 20%

Insurers' Copay % 20%

Insurers' Copay Above Mkt Plc Retention 11,372,238,000

Marketplace Aggregate Retention 43,138,810,000

Marketplace Share of Loss 54,511,048,000

Federal Share of Loss--Discretionary Recoupment Layer 45,488,952,000

Marketplace Share Pct 55%

Federal Share Discretionary Recoupment Pct 45%

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Terrorism Risk Insurance Program (TRIP)

5% CAGR

Premium Growth Rate (CAGR)

5%

2023

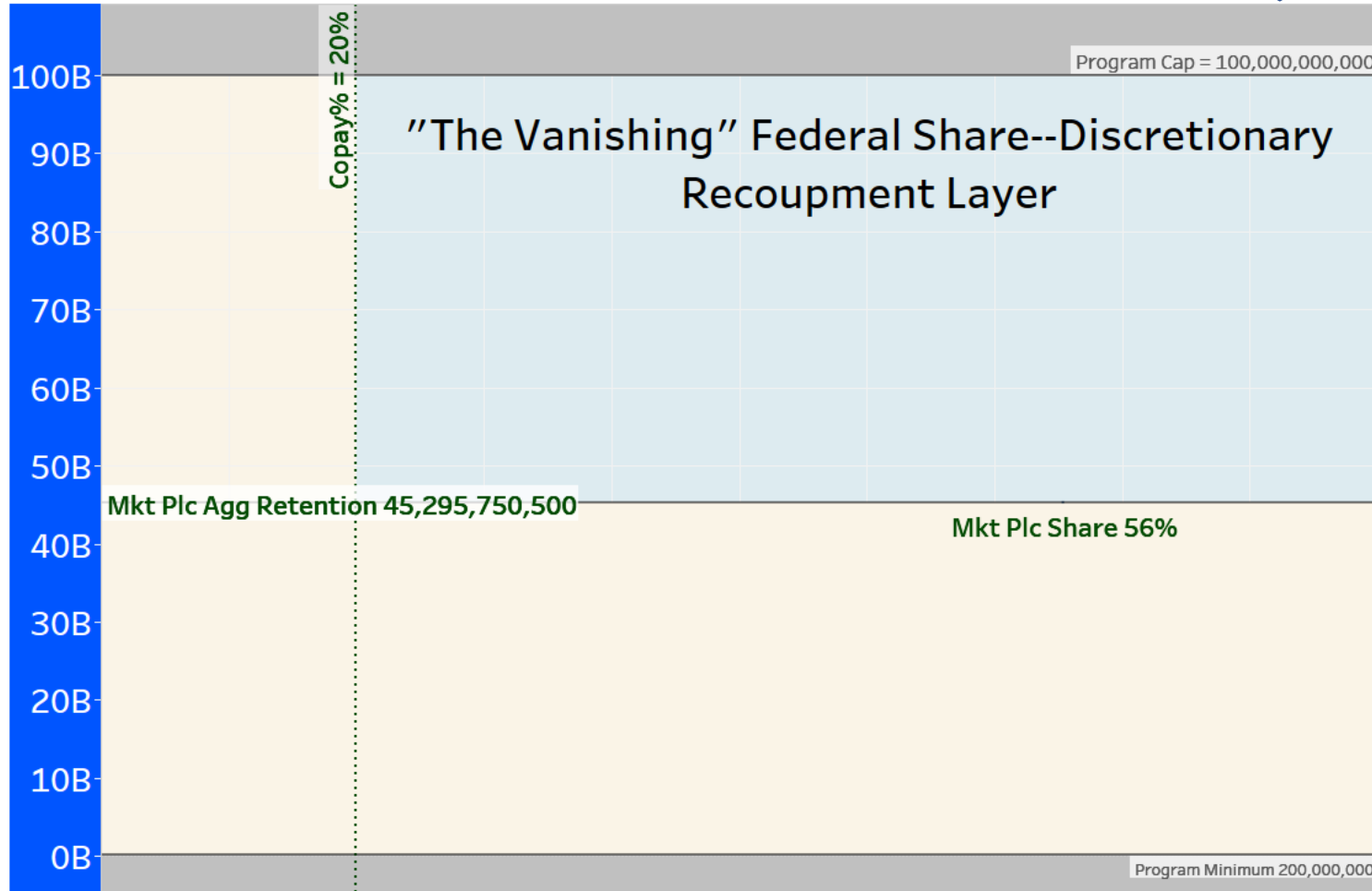
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TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2023

2023



Program Minimum	200,000,000
Program Cap	100,000,000,000
Insurers' Individual Deductible %	20%
Insurers' Copay %	20%
Insurers' Copay Above Mkt Plc Retention	10,940,849,900
Marketplace Aggregate Retention	45,295,750,500
Marketplace Share of Loss	56,236,600,400
Federal Share of Loss--Discretionary Recoupment Layer	43,763,399,600
Marketplace Share Pct	56%
Federal Share Discretionary Recoupment Pct	44%

Terrorism Risk Insurance Program (TRIP)

5% CAGR

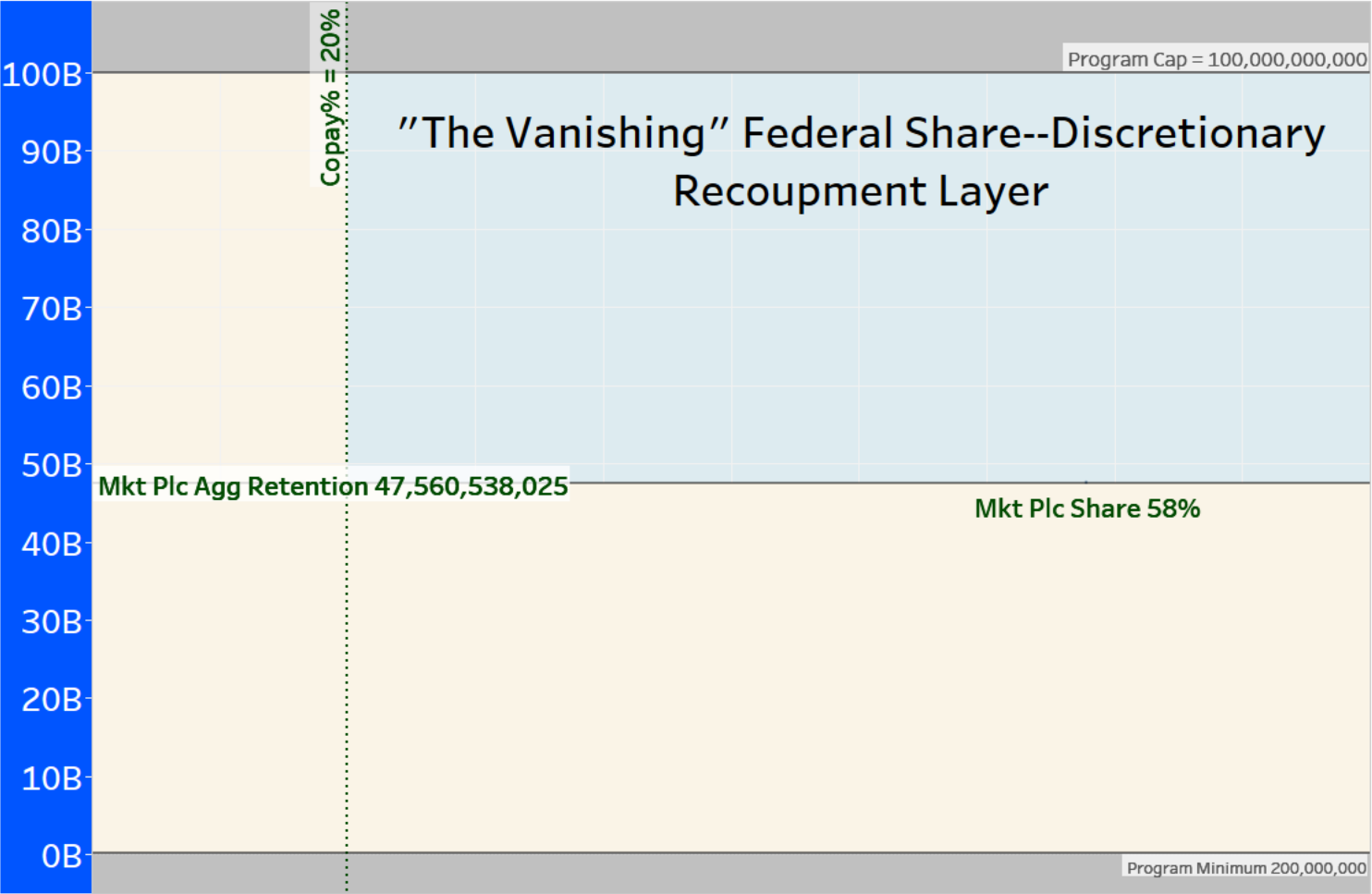
Premium Growth Rate (CAGR)

5%

2024

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2024

2024



Program Minimum	200,000,000
Program Cap	100,000,000,000
Insurers' Individual Deductible %	20%
Insurers' Copay %	20%
Insurers' Copay Above Mkt Plc Retention	10,487,892,395
Marketplace Aggregate Retention	47,560,538,025
Marketplace Share of Loss	58,048,430,420
Federal Share of Loss--Discretionary Recoupment Layer	41,951,569,580
Marketplace Share Pct	58%
Federal Share Discretionary Recoupment Pct	42%



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Terrorism Risk Insurance Program (TRIP)

5% CAGR

Premium Growth Rate (CAGR)

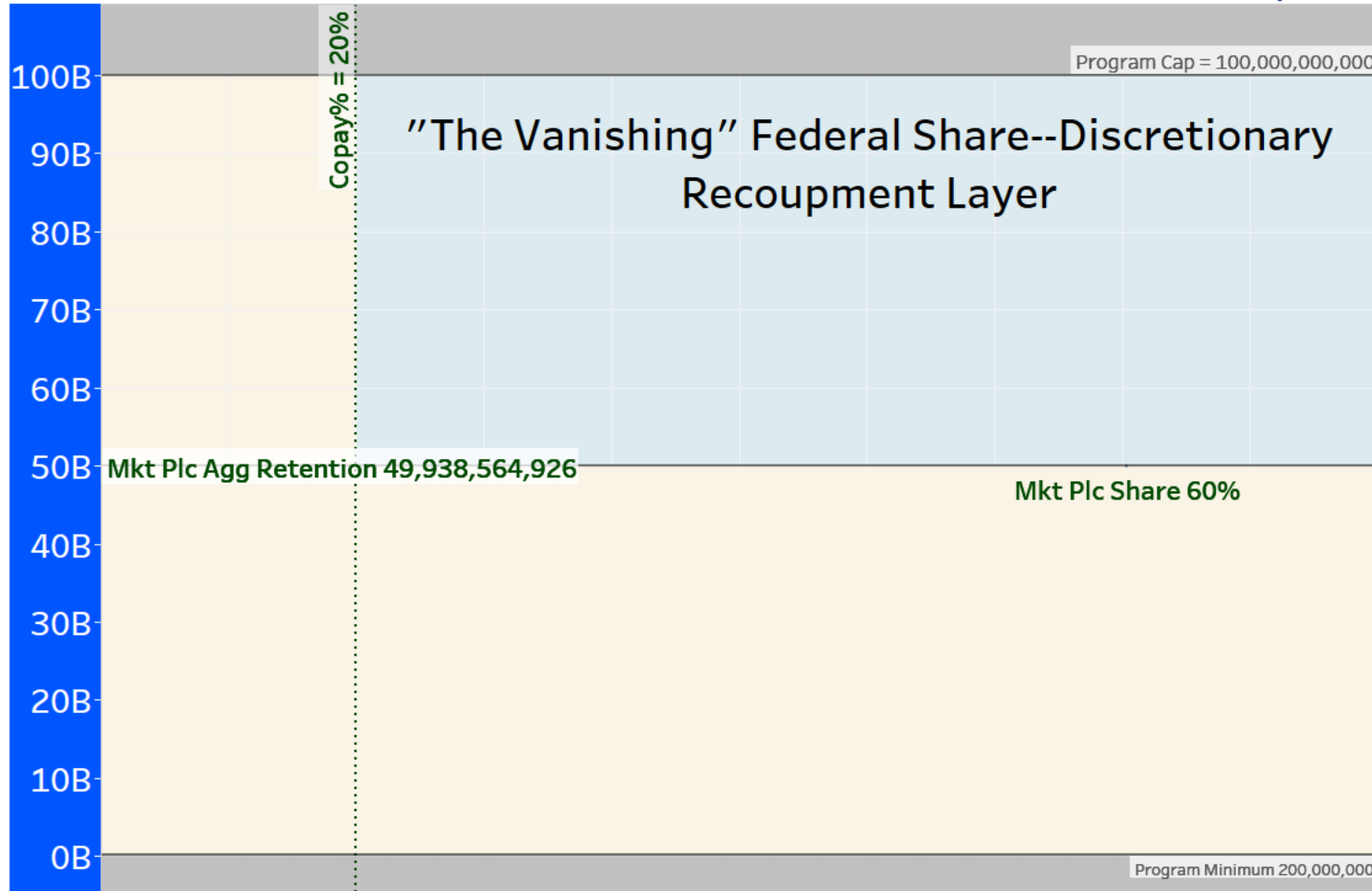
5%

2025

5%

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2025

2025



Program Minimum	200,000,000
Program Cap	100,000,000,000
Insurers' Individual Deductible %	20%
Insurers' Copay %	20%
Insurers' Copay Above Mkt Plc Retention	10,012,287,015
Marketplace Aggregate Retention	49,938,564,926
Marketplace Share of Loss	59,950,851,941
Federal Share of Loss--Discretionary Recoupment Layer	40,049,148,059
Marketplace Share Pct	60%
Federal Share Discretionary Recoupment Pct	40%



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Terrorism Risk Insurance Program (TRIP)

5% CAGR

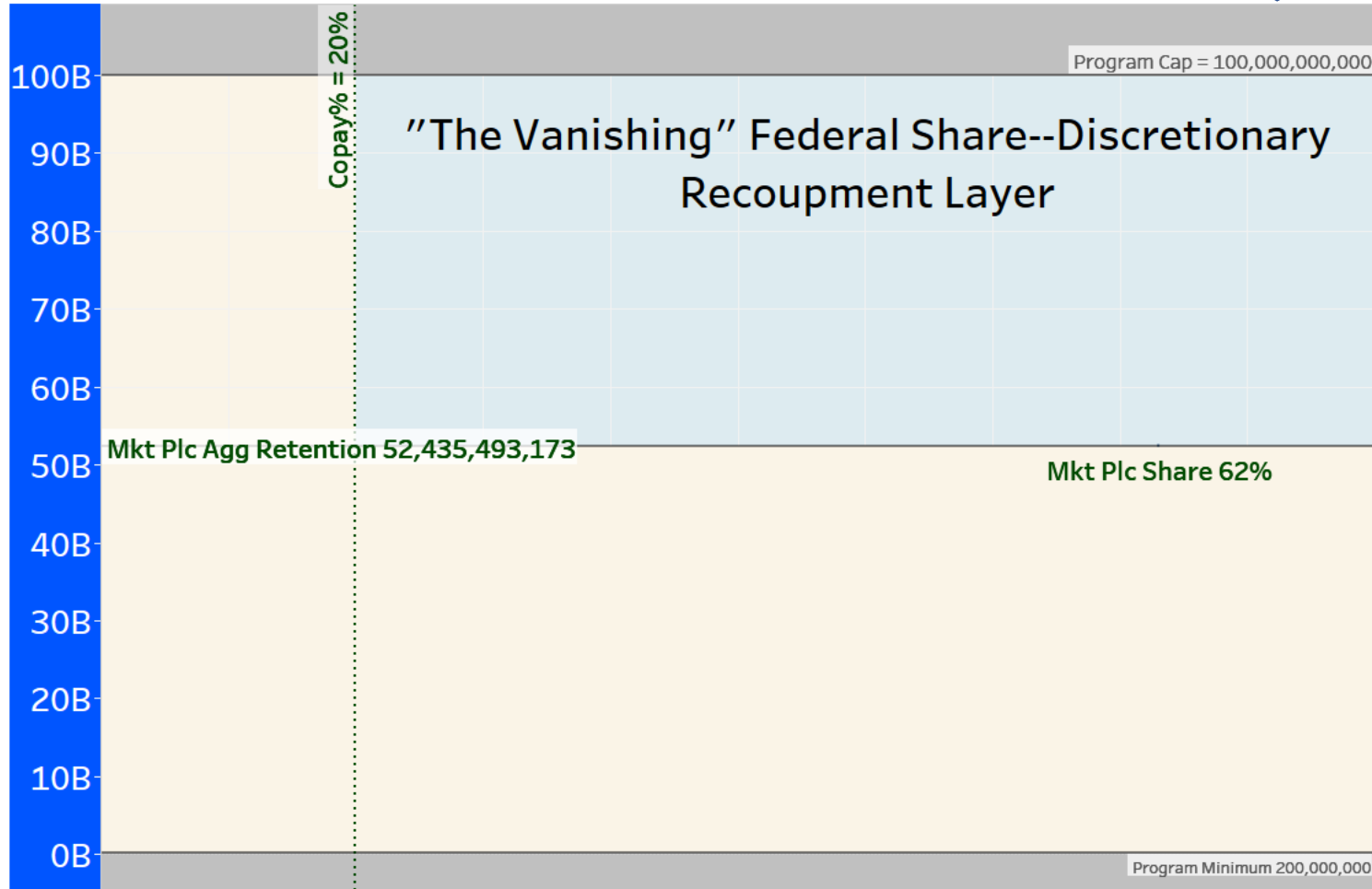
Premium Growth Rate (CAGR)

5%

2026

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2026

2026



Program Minimum 200,000,000

Program Cap 100,000,000,000

Insurers' Individual Deductible % 20%

Insurers' Copay % 20%

Insurers' Copay Above Mkt Plc Retention 9,512,901,365

Marketplace Aggregate Retention 52,435,493,173

Marketplace Share of Loss 61,948,394,538

Federal Share of Loss--Discretionary Recoupment Layer 38,051,605,462

Marketplace Share Pct 62%

Federal Share Discretionary Recoupment Pct 38%



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Terrorism Risk Insurance Program (TRIP)

5% CAGR

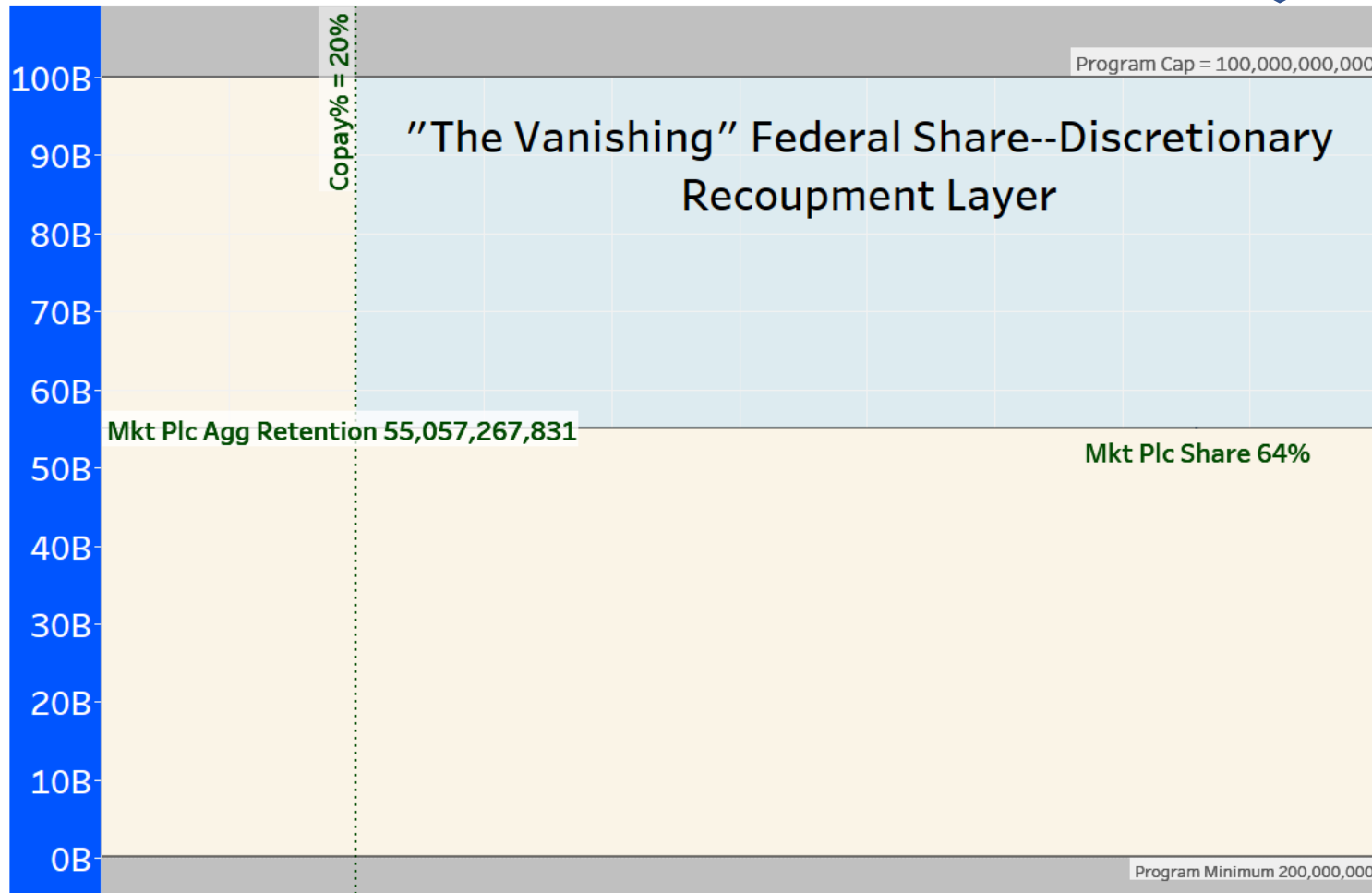
Premium Growth Rate (CAGR)

5%

2027

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2027

2027



Program Minimum	200,000,000
Program Cap	100,000,000,000
Insurers' Individual Deductible %	20%
Insurers' Copay %	20%
Insurers' Copay Above Mkt Plc Retention	8,988,546,434
Marketplace Aggregate Retention	55,057,267,831
Marketplace Share of Loss	64,045,814,265
Federal Share of Loss--Discretionary Recoupment Layer	35,954,185,735
Marketplace Share Pct	64%
Federal Share Discretionary Recoupment Pct	36%



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Terrorism Risk Insurance Program (TRIP)

5% CAGR

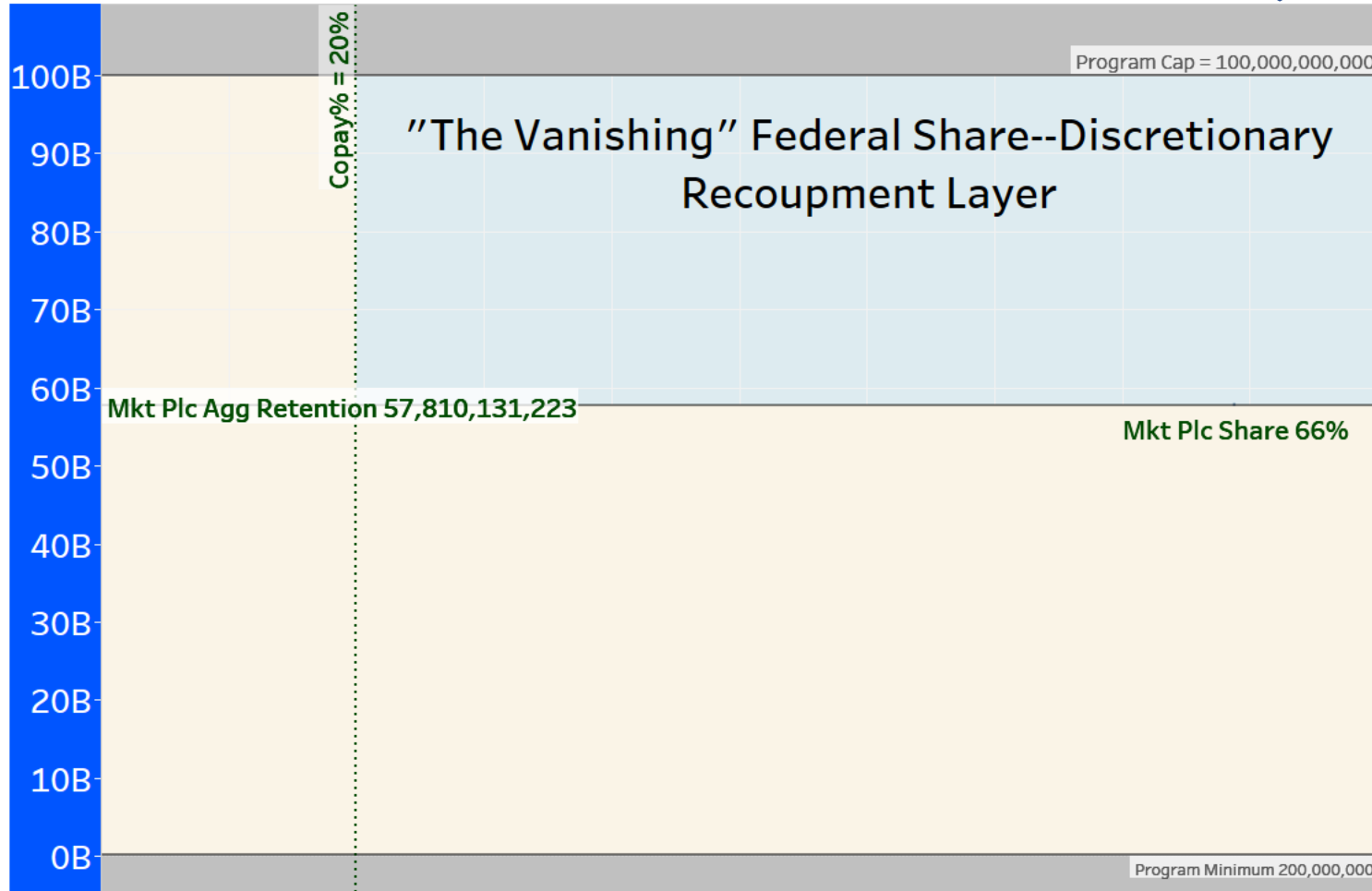
Premium Growth Rate (CAGR)

5%

2028

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2028

2028



Program Minimum	200,000,000
Program Cap	100,000,000,000
Insurers' Individual Deductible %	20%
Insurers' Copay %	20%
Insurers' Copay Above Mkt Plc Retention	8,437,973,755
Marketplace Aggregate Retention	57,810,131,223
Marketplace Share of Loss	66,248,104,978
Federal Share of Loss--Discretionary Recoupment Layer	33,751,895,022
Marketplace Share Pct	66%
Federal Share Discretionary Recoupment Pct	34%



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Terrorism Risk Insurance Program (TRIP)

5% CAGR

Premium Growth Rate (CAGR)

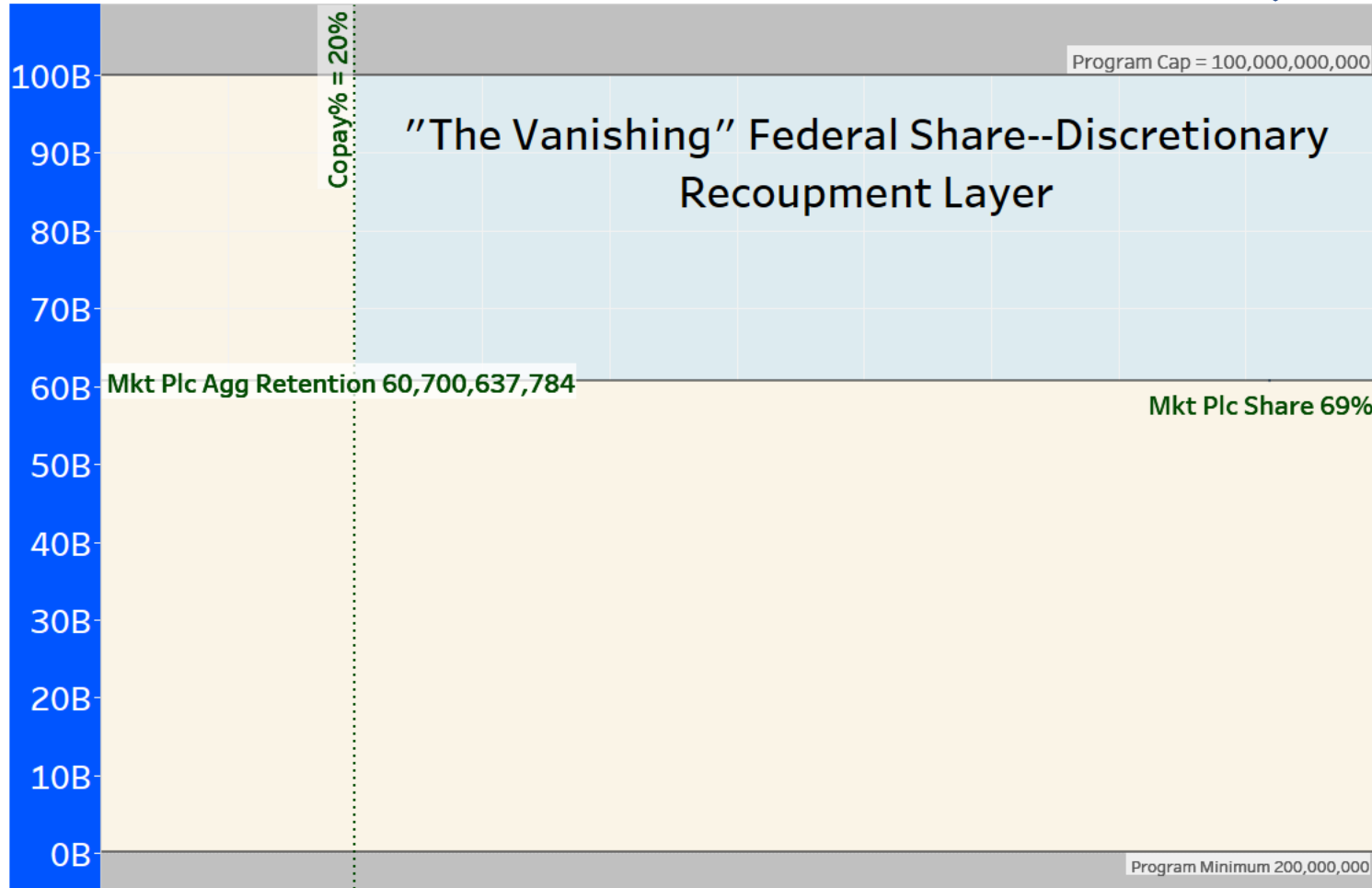
5%

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TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2029

2029



Program Minimum	200,000,000
Program Cap	100,000,000,000
Insurers' Individual Deductible %	20%
Insurers' Copay %	20%
Insurers' Copay Above Mkt Plc Retention	7,859,872,443
Marketplace Aggregate Retention	60,700,637,784
Marketplace Share of Loss	68,560,510,227
Federal Share of Loss--Discretionary Recoupment Layer	31,439,489,773
Marketplace Share Pct	69%
Federal Share Discretionary Recoupment Pct	31%



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Terrorism Risk Insurance Program (TRIP)

5% CAGR

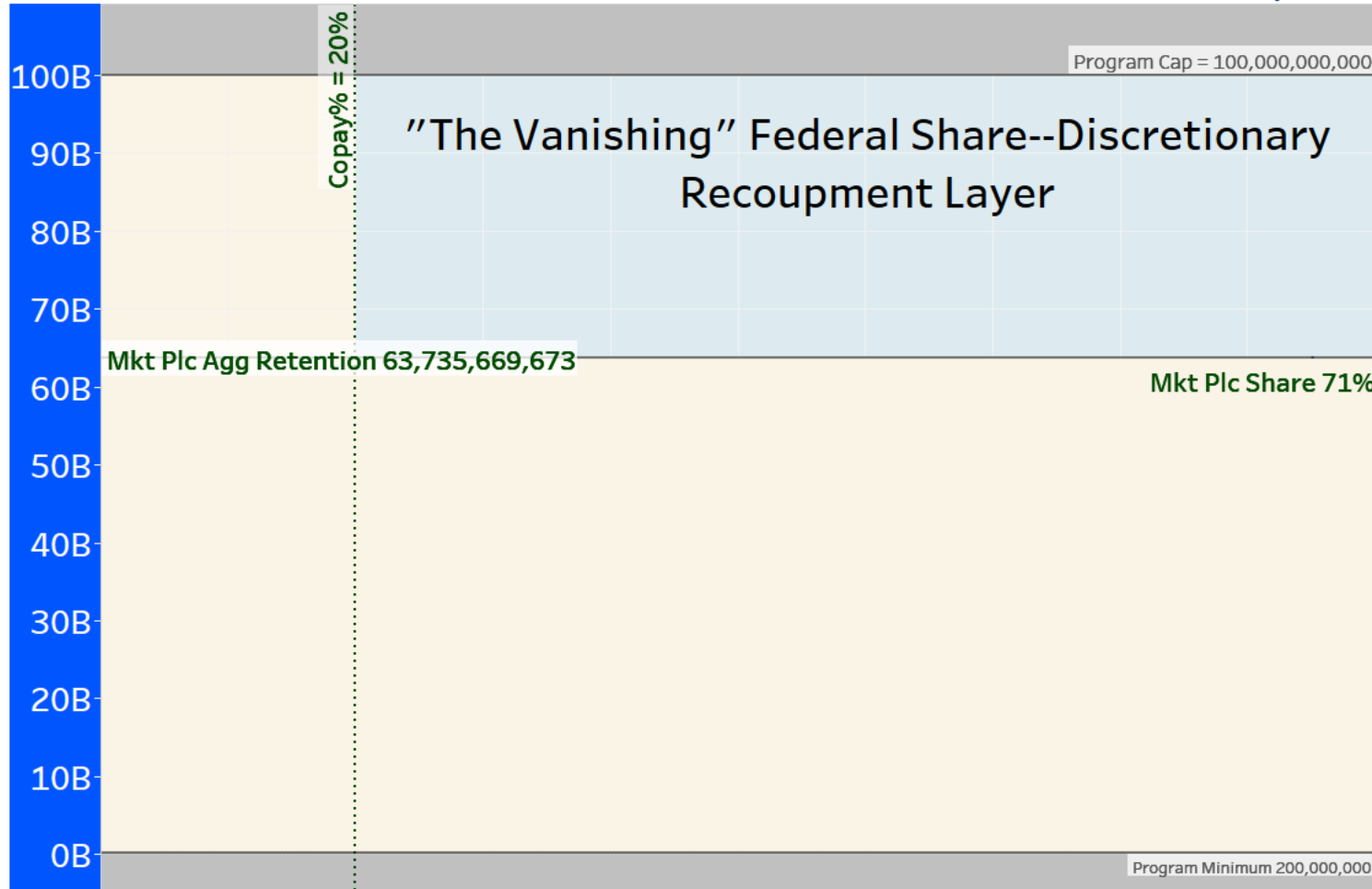
Premium Growth Rate (CAGR)

5%

2030

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2030

2030



Program Minimum 200,000,000

Program Cap 100,000,000,000

Insurers' Individual Deductible % 20%

Insurers' Copay % 20%

Insurers' Copay Above Mkt Plc Retention 7,252,866,065

Marketplace Aggregate Retention 63,735,669,673

Marketplace Share of Loss 70,988,535,738

Federal Share of Loss--Discretionary Recoupment Layer 29,011,464,262

Marketplace Share Pct 71%

Federal Share Discretionary Recoupment Pct 29%



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Terrorism Risk Insurance Program (TRIP)

3% CAGR

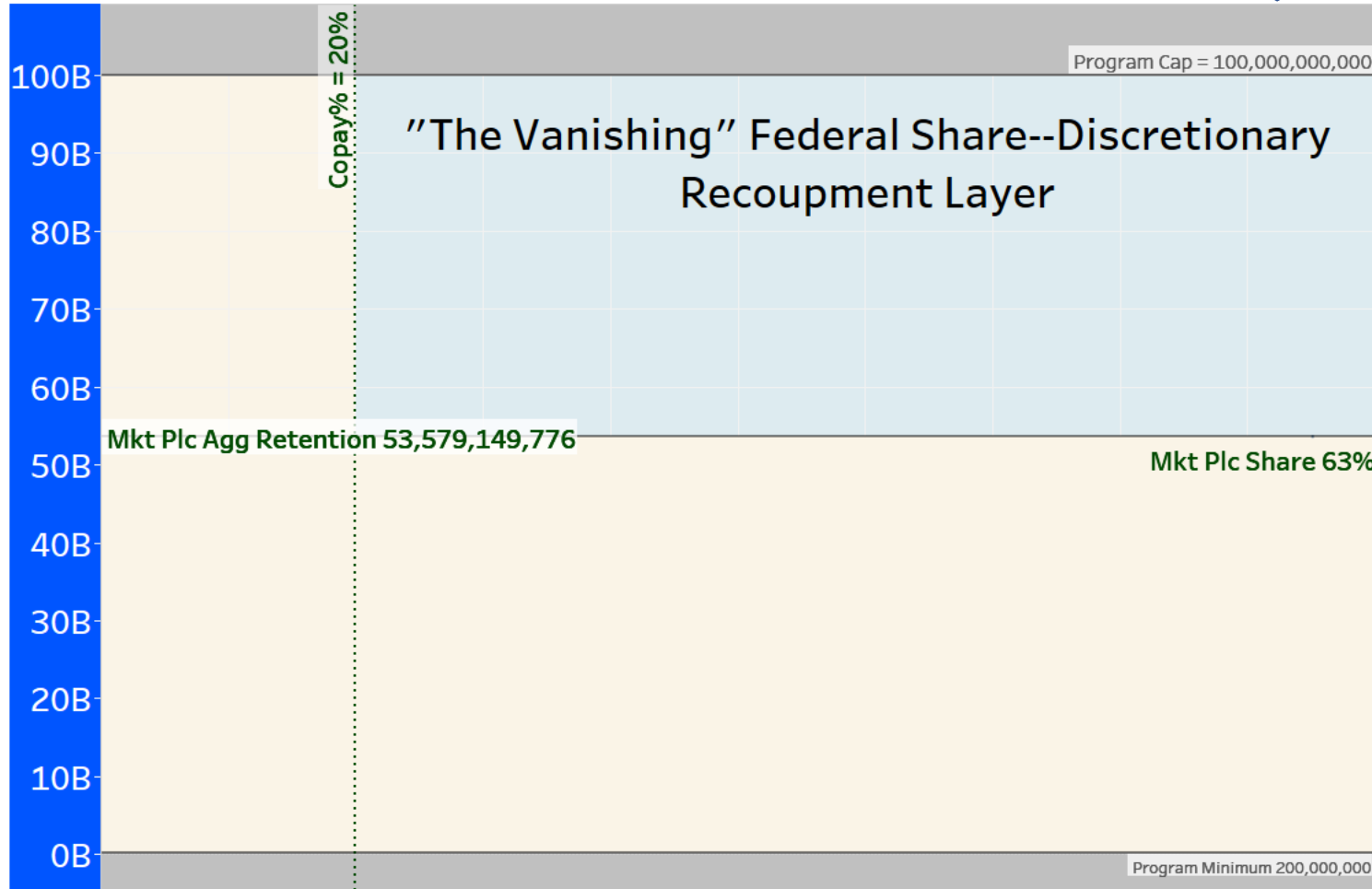
Premium Growth Rate (CAGR)

3%

2030

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2030

2030



Program Minimum 200,000,000

Program Cap 100,000,000,000

Insurers' Individual Deductible % 20%

Insurers' Copay % 20%

Insurers' Copay Above Mkt Plc Retention 9,284,170,045

Marketplace Aggregate Retention 53,579,149,776

Marketplace Share of Loss 62,863,319,821

Federal Share of Loss--Discretionary Recoupment Layer 37,136,680,179

Marketplace Share Pct 63%

Federal Share Discretionary Recoupment Pct 37%



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Terrorism Risk Insurance Program (TRIP)

4% CAGR

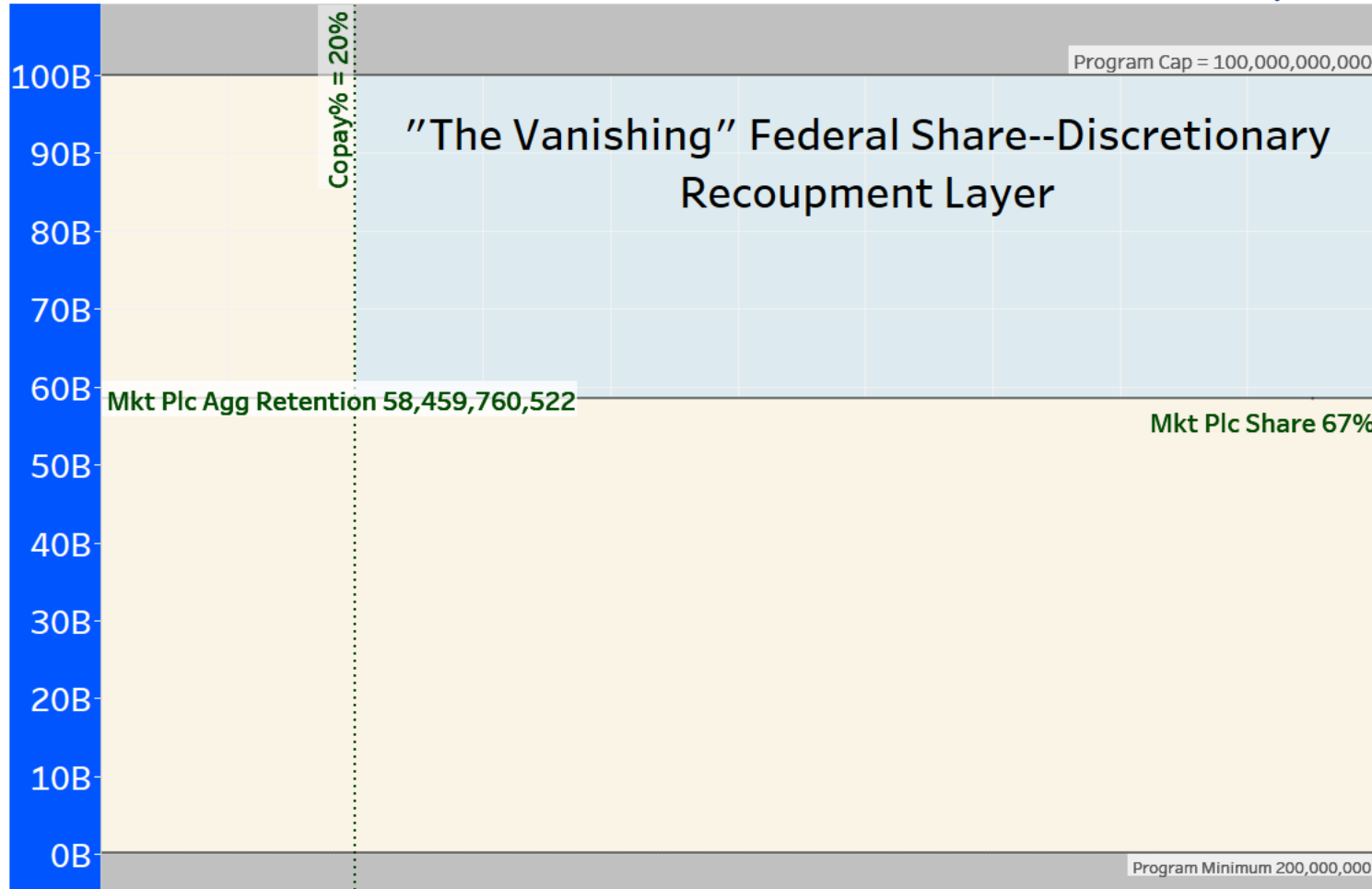
Premium Growth Rate (CAGR)

4%

2030

TRIP Coverage Map: Baseline (Max \$100B Program Loss Example) - 2030

2030



Program Minimum 200,000,000

Program Cap 100,000,000,000

Insurers' Individual Deductible % 20%

Insurers' Copay % 20%

Insurers' Copay Above Mkt Plc Retention 8,308,047,896

Marketplace Aggregate Retention 58,459,760,522

Marketplace Share of Loss 66,767,808,418

Federal Share of Loss--Discretionary Recoupment Layer 33,232,191,582

Marketplace Share Pct 67%

Federal Share Discretionary Recoupment Pct 33%