



# Update on the Terrorism Risk Insurance Program: Federal Insurance Office

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Federal Advisory Committee on Insurance  
June 2, 2022

- **Purpose:** Since the 2015 Terrorism Risk Insurance Program (TRIP) Reauthorization Act, FIO conducts an annual data call as required by the statute. The data informs Treasury's periodic analyses of the Program and is also used by FIO in its administration of the Program. In addition, the results of the data call are used in the annual calculation of the Insurance Marketplace Aggregate Retention Amount, or IMARA, which is the threshold that measures whether Treasury must recoup any payments it makes under the Program.
- **2022 Changes:** In 2021, FIO received approval for changes to the TRIP data call to obtain more granular information on both cyber insurance, including ransomware coverage and losses, and captive insurer participation in the Program. With respect to cyber, these changes will provide FIO with more detailed information concerning cyber insurance written in lines of insurance outside TRIP, how policyholders in different size categories are accessing cyber insurance, and the coverage that is available for ransomware losses, as well as information concerning insurance losses in this important area. These changes in the TRIP data call will assist FIO in administering the program, in evaluating the cyber insurance market generally, and in considering the role of terrorism risk insurance in connection with cyber-attacks.
- **Status:** The data call concluded on May 16, 2022. FIO has received the aggregated data reports from its data aggregator, and we have begun our analysis of this data.

# 2022 Program Effectiveness Report



- **Purpose:** The 2015 TRIP Reauthorization Act also requires Treasury to provide a biennial report to Congress on the effectiveness of TRIP. The next Program Effectiveness Report is due June 30, 2022 and will be the fourth such report that FIO has produced since the requirement was adopted.
- **Sources:** FIO relies heavily upon the data that it collects in the annual TRIP data calls in its effectiveness reports. In addition, FIO published a Federal Register notice seeking comments in connection with the report. FIO has received 18 responsive comments that will also inform its analysis in the upcoming effectiveness report.
- **Highlights:** Although preparation of the report is still in progress, FIO will be evaluating information from the new data elements collected this year for the first time, including information concerning cyber insurance and captive insurer participation in the Program.

# International Forum of Terrorism Risk Insurance Pools (IFTRIP) Livestream Event



- **IFTRIP:** IFTRIP is an association of about 15 national pooling mechanisms (most public/private, some exclusively public, and some exclusively private) that address terrorism risk in their individual jurisdictions. FIO participates in IFTRIP through its work on TRIP.
- **2022 Livestream Event:** On May 10, 2022, Treasury hosted, in association with IFTRIP, the 2022 Livestream Event, which featured panel discussions on the potential use of pooling arrangements in connection with pandemic risk insurance; the potential link between climate change and terrorism; and the role of the insurance industry in risk mitigation.
- **Highlights:** Treasury's Deputy Secretary, Wally Adeyemo, provided closing remarks for the conference, in which he focused on the ransomware threat, Treasury's efforts to address it, and the role of the insurance industry in promoting better standards and practices through the underwriting process.