



TERRORISM RISK INSURANCE PROGRAM

Certification Data Call General Instructions

1 General Instructions

1.1 Form Overview

The Terrorism Risk Insurance Act of 2002, as amended (TRIA), requires the Secretary of the Treasury (in consultation with the Attorney General and the Secretary of Homeland Security) to certify that an “act of terrorism” has taken place in order to trigger application of the Terrorism Risk Insurance Program (Program). No act of terrorism may be certified by the Secretary if commercial property and casualty insurance losses arising from the event in question do not exceed in the aggregate \$5,000,000.

31 CFR 50.62(a)(1) of the Program Rules permits Treasury to issue a data call to insurers to collect information regarding projected and actual losses in connection evaluating an act for certification as an act of terrorism. The information requested “may include actual loss reserves established by insurers in connection with the act under consideration, loss estimates generated by insurers in connection the act under consideration which have not yet been established as actual loss reserves, and information respecting an insurer’s property and casualty exposures in a particular geographic area associated with the act under consideration.”

Insurers should report loss payments, estimates, and potential policy exposures on Treasury Form TRIP 06 subject to the following general instructions. Insurers should only complete Form TRIP 06 to the extent instructed to do so by Treasury in the Federal Register Notice issuing the data call, as Treasury may seek to obtain relevant information through other means, depending upon the circumstances presented.

All fields are required for each line (record), unless otherwise noted or instructed.

1.2 Header Information

1. **INSURER NAME** - Enter the name of the insurer for which loss information is being reported.
2. **NAIC INSURER NUMBER** - Enter the corresponding NAIC number for the referenced insurer.
3. **INSURER TIN** - If the insurer referenced above does not have a NAIC number, enter the insurer’s Federal taxpayer ID number (TIN).
4. **CALENDAR YEAR** - Enter the four-digit calendar year in which the event in question occurred.
5. **DATE** - Enter the “as of” date for the data provided below.
6. **EVENT** - Enter the descriptive name of the event in question as identified in Treasury’s data call notice.

1.3 Claim Level Information

Information should be sorted by line of business (LOB).

1. **LINE OF BUSINESS CODE** - Provide the code for the line of business under which the claims, reserves, insured but not reported loss expense (IBNR), or other estimates arise, using the following table. Most of the codes correlate to the TRIP-eligible lines of insurance that are subject to the Program. Code 99.9 is to be used only if the claim cannot be identified under one of the other codes, but the losses in question are believed by the reporting insurer to be subject to the Program.



This code should also be used to accommodate reporting of losses from alien surplus lines insurers and losses allocated to participating insurers from residual market mechanisms where there is not a one-to-one correspondence with another code.

<u>Description</u>	<u>Code</u>
Fire	1.0
Allied Lines	2.1
Commercial Multi-Peril (non-liability)	5.1
Commercial Multi-Peril (liability)	5.2
Ocean Marine	8.0
Inland Marine	9.0
Workers' Compensation	16.0
Other Liability	17.0
Products Liability	18.0
Aircraft (all perils)	22.0
Boiler and Machinery	27.0
Other	99.9

2. **TOTAL CUMULATIVE LOSS PAYMENTS** - Enter the amount of cumulative loss payments to date, net of punitive damages paid and salvage and subrogation recovered. Do not net out reinsurance recoveries or any Federal share received under TRIA. Exclude lines of business not covered under the Program.¹ In addition, some losses within lines of business listed in number 2, above, should be included, specifically losses for types of insurance that do not meet the definition of commercial property and casualty insurance under TRIA, even if reported under a line of business otherwise included. If no losses have been paid, enter zero.
3. **ALAE PAID** - Enter allocated loss adjustment expense (ALAE) paid to date. Include cumulative amounts paid electronically or via check/draft as of the date of the report. Expense incurred but not yet paid should not be included. For the Program, ALAE includes loss adjustment expense incurred by an insurer in connection with the insured loss, and allocated and identified by claim file in insurer records, including expenses incurred in the investigation, adjustment, and defense of claims, but excluding staff salaries, overhead, and other insurer expenses that would have been incurred notwithstanding the insured loss. If no ALAE have been paid, enter zero.
4. **LOSS CASE RESERVES** - For open or re-opened claims, report the total outstanding case reserve for loss payments as of the date of this report. Do not reduce any reserve figures on account of the failure, if any, of the policyholder in question to have obtained terrorism risk insurance. Otherwise calculate amounts using the guidance in number 2. If all claims are closed, enter zero.
5. **ALAE CASE RESERVES** - For open or re-opened claims, report the total amount of ALAE reserved in association with the loss case reserves reported in number 4.
6. **LOSS IBNR** - Enter the amount of IBNR loss expenses. Do not reduce any IBNR figures on account of the failure, if any, of the policyholder in question to have obtained terrorism risk insurance. Otherwise calculate amounts using the guidance in number 2.

¹ Insurance coverages specifically not subject to the Program are: Federal crop insurance issued or reinsured under the Federal Crop Insurance Act; any other type of crop or livestock insurance that is privately issued or reinsured (including crop insurance reported on either Line 2.1 – Allied Lines or Line 2.2. – Multiple Peril Crop); Line 3 – Farmowners Multiple Peril; Line 12 – Earthquake; Line 19.3 – Commercial Auto No-Fault (personal injury protection); Line 19.4 – Other Commercial Auto Liability; Line 21.2 – Commercial Auto Physical Damage; Line 24 – Surety; Line 26 – Burglary and Theft; Professional Liability insurance as defined in 31 CFR 50.4(t); private mortgage insurance; title insurance; financial guaranty insurance when issued by a monoline financial guaranty insurance corporation; medical malpractice insurance; health or life insurance, including group life insurance; Federal flood insurance; and reinsurance or retrocessional reinsurance. Workers' compensation insurance provided directly to qualified self-insureds is not reinsurance for purposes of the Program.



7. **ALAE IBNR** - Enter the amount of ALAE reserved in association with the loss amounts reported in number 6.
8. **OTHER LOSS ESTIMATES** - Enter any additional loss estimates or projections that have been generated in connection with the event in question, even if those estimates have not yet been posted as case reserves or IBNR estimates. Deduct amounts which are now memorialized as loss payments, reserves, or IBNR and reported in the previous columns. Do not reduce any estimates on account of the failure, if any, of policyholders to obtain terrorism risk insurance. If no such estimates have been made, enter zero.
9. **TOTAL** - Enter the total sum of Columns 2 through 8.