



TERRORISM RISK INSURANCE PROGRAM

Monthly Claims Report General Instructions

1 General Instructions

1.1 Form Overview

The Terrorism Risk Insurance Act of 2002, as amended (TRIA), establishes a temporary federal program of shared public and private compensation for insured commercial property and casualty losses result from an act of terrorism. The Act authorizes Treasury to administer and implement the Terrorism Risk Insurance Program (Program), including the issuance of regulations and procedures. Under 31 CFR 50.53(a), “insurers shall report to Treasury information respecting insured losses arising from [an] act of terrorism.” The report must be filed within 60 days of establishing one or more claims associated with the act of terrorism, and on a monthly basis thereafter, “until all claims arising from the act of terrorism have been resolved.” Insurers must provide a listing of the claims, by insurer, with paid and reserved loss and expense amounts. See 31 CFR 50.53(b).

The purpose of the Monthly Claims Report is to provide Treasury, in advance of the time that a participating insurer may be required to provide information in support of payment of the federal share of compensation, with loss information arising from a certified act of terrorism under TRIA. Because Treasury’s obligation to pay the Federal share of compensation is not triggered until aggregate industry losses reach certain thresholds, Treasury requires up-to-date information concerning aggregate losses across whole industry so that it can determine when the payment obligation is triggered. The information requested is a portion of the claims information insurers will typically collect and maintain in connection with existing claims processes.

All fields are required for each line (record), unless otherwise noted or instructed. Only claims arising from the identified certified act of terrorism should be reported on this form. All such claims must be reported, including those that fall within the insurer deductible, and the amounts reported should reflect all aggregate losses arising from the event.

An insurer that is participating in a residual market mechanism (RMA) and is reporting losses that have been allocated to the insurer from the RMA should report the information as one claim record on the form. The name of the RMA should be reported as the “insured name”.

1.2 Header Information

1. **INSURER OR INSURER GROUP NAME** - Enter the name of the controlling insurer or group under which all Direct Earned Premium and TRIA deductibles are being accumulated.
2. **NAIC INSURER (OR GROUP) NUMBER** - Enter the corresponding National Association of Insurance Commissioners (NAIC) number for the referenced insurer or group.
3. **INSURER TIN** – If the insurer referenced above does not have a NAIC number, enter the insurer’s Federal taxpayer ID number (TIN).
4. **MONTH** – Enter the reporting month. Spell out the full name of the month (do not use abbreviations). If the insurer or group has failed to submit a prior month’s report, submit information for the most recent month only. Reports for prior months will not be accepted.
5. **CALENDAR YEAR** - Enter the four-digit Calendar Year in which the event in question occurred.



6. **DATA AS OF** - Enter the “as of” date for the information compiled below.

1.3 Claim Level Information

Information should be sorted by catastrophe code (Cat Code) and then by line of business (LOB).

1. **CAT CODE** - Enter the numeric code assigned to the event by the Property Catastrophe Service unit of the Insurance Services Office (ISO).
2. **LINE OF BUSINESS CODE** - Provide the code for the line of business under which the claim is being paid, using the following table. Codes 50.0, 51.0, 52.0, and 80.0 should only be used when the claim cannot be identified under one of the other codes. These four codes 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 |
| Energy | 50.0 |
| All Other Property Risks | 51.0 |
| All Other Casualty Risks | 52.0 |
| Residual Market (Multiple Coverages) | 80.0 |

3. **LOC OF LOSS/STATE CD** - Enter location of loss by state or territory code. Enter the two-character alpha code for the state or U.S. territory where the loss occurred. (American Samoa = AS; Guam = GU; Puerto Rico = PR; U.S. Virgin Islands = VI; Northern Mariana Islands = MP). If more than one state or territory is involved, use the state or territory where the majority of the losses occurred. For losses in other U.S. territories or possessions not listed herein, use OT. For losses occurring on the premises of any United States mission, use UM. Use AC for an air carrier or FV for a U.S. flag vessel if not located in a state, territory, or U.S. mission at the time of loss. If reporting losses from a residual market entity, enter state of coverage.
4. **DATE OF LOSS** - Date of Loss - Enter the date of loss in numeric format - month/day/year.
5. **INSURER NUMBER** - Enter the insurer's NAIC number (or TIN if no NAIC #) for the insurer that issued the policy under which a claim was made or is reporting an allocation of residual market losses. Maximum field length is 9 characters.
6. **INSURER NAME** - Enter the name of the insurer that issued the policy under which a claim was made or is reporting an allocation of residual market losses. Maximum field length is 100 characters.
7. **CLAIM #** - Enter the insured's claim number (alpha and/or numeric). If reporting losses allocated from a residual market mechanism, enter “RMA” or use RMA as a prefix to any insurer-assigned tracking identifier. In the case of workers' compensation, because claim information on this form is reported at the policy level, a primary or overall claim number should be reported or, alternatively, the policy number may be reported. Maximum field length is 25 characters.



8. **INSURED NAME** - Enter the name of the insured as this information appears on the policy, the first-named insured, or a similar reference as reflected in the insurer's system. In reporting losses allocated from a residual market mechanism, identify the mechanism here and include the date of that allocation by the residual market mechanism. Maximum field length is 50 characters.
9. **LOSS PAID AMOUNT** - The gross dollar amount paid. Enter the amounts paid electronically or via check/draft as of the date of the report. Do not include reserve amounts, deductible amounts that are the responsibility of the insured, allocated loss adjustment expense (ALAE), extra contractual obligations, or amounts paid excess of policy limits. The amount paid must include any punitive damages paid and is prior to any netting of salvage or subrogation recovery amounts. If there have been no losses paid, enter zero.
10. **ALAE PAID** - Allocated Loss Adjustment Expense - Enter ALAE paid to date. Include cumulative amounts paid electronically or via check /draft as of the date of the report. Expenses incurred but not yet paid should not be included. For the Terrorism Risk Insurance Program, ALAE includes loss adjustment expenses 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 has been paid, enter zero.
11. **TOTAL CURRENT LOSS AMOUNT** – Enter the sum of fields 9 and 10.
12. **RESERVES** - For open or reopened claims, report the total outstanding case reserves as of the date of this report, including both loss and ALAE. For closed claims, enter zero. Amounts reported for reserves should reflect reductions for any amounts paid for loss or ALAE as otherwise reported on this form.