CIRCULAR LETTER 3107—SEPTEMBER 6, 2013

TO: Members of the Bureau

FROM: Donna Knepper

RE: NCCI Proposal Item P-1410 Establishment of Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA)

Pursuant to ch. 626, Wis. Stat., the Office of the Commissioner of Insurance has approved NCCI proposal Item P-1410 Establishment of Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA). The attached endorsement will advise insureds of the impending expiration of TRIPRA, which may result in an adjustment to their premium. The endorsement is optional for accounts written in the voluntary market, mandatory for the WWCIP accounts.
NOTIFICATION ENDORSEMENT OF PENDING LAW CHANGE TO TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007 (WC 00 01 14)

This endorsement is being sent to you with respect to your workers compensation and employers liability insurance policy. This endorsement does not replace the separate Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 A) that is attached to your current policy and which remains in effect as applicable.

The Terrorism Risk Insurance Act of 2002 (TRIA) as previously amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA), provides for a program under which the federal government will share in the payment of insured losses caused by certain acts of terrorism. In the absence of affirmative US Congressional action to extend, update, or otherwise reauthorize TRIPRA, in whole or in part, TRIPRA is scheduled to expire December 31, 2014.

Since the timetable for any further Congressional action respecting TRIPRA is unknown at this time, and exposure to acts of terrorism remains, we are providing our policyholders with relevant information concerning their workers compensation policies in effect on or after January 1, 2014 in the event of TRIPRA’s expiration.

Your policy provides coverage for workers compensation losses caused by acts of terrorism or war, including workers compensation benefit obligations dictated by state law, except in Pennsylvania where injuries or deaths resulting from certain war-related activities are excluded from workers compensation coverage. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy.

The premium charge for the coverage your policy provides for terrorism or war losses is shown in Item 4 of the Information Page or the Schedule in the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 A) that is attached to your policy, and this amount may continue or change for new, renewal, and in-force policies in effect on or after December 31, 2014 in the event of TRIPRA’s expiration, subject to regulatory review in accordance with applicable state law.

You need not do anything further at this time.