



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 1176—FEBRUARY 9, 2015

TO: Members of the Bureau

FROM: Donna Knepper

RE: NCCI Proposal Item P-1412—Terrorism Risk Insurance Program Reauthorization Act of 2015 Endorsements

The Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA 2015) was recently enacted. The key provisions of the reauthorization are:

- The Act was extended for six years and will expire December 31, 2020
- An act of terrorism must be certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States

Beginning on January 1, 2016:

- The current 85% Federal share of compensation under the Terrorism Insurance Program (Program) decreases by one percentage point per calendar year until it is equal to 80%
- The current Program trigger for aggregate industry insured losses to exceed \$100 million increases by \$20 million per calendar year until it is equal to \$200 million.

The current \$27.5 billion insurance marketplace aggregate retention amount increases by \$2 billion per calendar year, beginning in 2015, until it is equal to \$37.5 billion, and is subject to further revision thereafter.

As a result of these changes, the following endorsements will be amended:

- WC 00 01 14 Notification Endorsement of Pending Law Changes to TRIPRA of 2007—Withdrawn
- WC 00 04 21 D Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement replaces WC 00 04 21 C
- WC 00 04 22 B Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement replaces WC 00 04 22 A

No change in the rate options for TRIPRA or Catastrophe is being proposed with this filing.

This filing is effective January 1, 2015, applicable to new, renewal and outstanding business.