

National Risk Retention Association
16133 Ventura Blvd., Suite 1055, Encino, CA 9143

January 18, 2022

Submitted by Federal eRulemaking Portal <http://www.regulations.gov>

Federal Insurance Office
Attention: Richard Ifft
Room 1410 MT
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: 2022 TRIP Data Collection Comments

Dear Mr. Ifft:

We appreciate this opportunity to comment on the changes proposed by the U.S. Department of the Treasury (“Treasury”) to the data reporting requirements for captive insurers under the Terrorism Risk Insurance Program (“TRIP”). These comments are submitted on behalf of the National Risk Retention Association (“NRRA”), which is the national association representing risk retention groups and purchasing groups formed under the Liability Risk Retention Act of 1986. Most risk retention groups are formed as captive insurers.

Treasury has proposed a number of changes to the TRIP data reporting requirements for captives. The proposed changes would require captives to report more detailed information concerning their coverage of terrorism risk, including information reported on a line-by-line concerning deductible reimbursement coverage, information concerning non-TRIP eligible premiums and information concerning coverage written exclusively for nuclear, chemical, biological and radiological (“NBCR”) risks. The proposed changes also require the reporting of substantial new information concerning the coverage of cyber risks, including coverage for non-TRIP eligible lines of business.

The proposed changes to the TRIP data reporting requirements will add materially to the amount of time and resources captives must devote to the reporting requirements. Although we do not object to the changes, we ask that Treasury be mindful of the accumulating burden on captives presented by the data collection requirements. Captives are small entities and already bear the substantial expense of comprehensive annual financial, actuarial and regulatory reporting requirements as well as the cost of annual independent audits and periodic financial examinations. The proposed changes increase the burden on captives and further changes could make the cumulative burden insupportable.

We note that the Federal Register notice setting forth the proposed changes states, “As in prior years, captive insurers that write policies in TRIP-eligible lines of insurance are required to report unless they do not provide their insureds with any terrorism risk insurance that is subject to the Program.” 86 *Fed. Reg.* 64600, 64602 (Nov. 18, 2021). We fully support Treasury’s decision to exempt captives that do not write terrorism insurance from the reporting requirements. This approach is consistent with TRIA § 104(h) and avoids establishing burdensome reporting requirements that would produce no useful data.

The information sought by Treasury under the TRIP data reporting requirements is highly confidential. For this reason, we ask for confirmation that, consistent with the requirements of TRIA § 104(h)(3), Treasury will continue to contract with the Insurance Services Office (ISO) or another appropriate insurance statistical aggregator to take receipt of the data on a confidential basis and provide it to Treasury in aggregated or other de-identified form.

Thank you again for this opportunity to comment on the proposed changes to the TRIP data reporting requirements.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joe Deems', with a stylized flourish extending to the right.

Joseph E. Deems

Executive Director