



**Property Casualty Insurers**  
Association of America  
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February 27, 2017

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

**RE: 2017 TRIA Data Collection Form Comments, Docket ID/TREAS-TRIP-2017-0002**

The Property Casualty Insurers Association of America (PCI) is pleased to provide the following comments on the Treasury Department's Request for Comments on the 2017 TRIA Data Collection Forms. PCI is composed of nearly 1,000 member companies, representing the broadest cross section of insurers of any national trade association. PCI members write more than \$202 billion in annual premium -- 35 percent of the nation's property casualty insurance. Member companies write 33 percent of the commercial property and liability market and 34 percent of the private workers compensation market.

**General Comments**

**Annual Reporting Deadline:** PCI was very pleased that Treasury considered input from our members and other industry stakeholders in regard to moving the Annual Reporting Deadline from March 1<sup>st</sup> to May 15<sup>th</sup>. The March 1<sup>st</sup> deadline date conflicted with the deadline for insurers to file their statutory annual financial statements with the state regulators.

**Coordination with State Regulators:** The 2015 reauthorization legislation added Section 104(h)(4) to the statute, which is labeled "Advance Coordination." It requires Treasury to "coordinate with the appropriate state insurance regulatory authorities and any relevant government agencies or publicly available sources to determine if the information to be collected is available from, and may be obtained in a timely manner by, individually or collectively, such entities" (emphasis added)." Data calls can be quite costly to insurers, and the purpose of this provision was to minimize unnecessary data calls on insurers.

In 2016, all states and the District of Columbia issued a mandatory Terrorism Risk Insurance Data Call with a deadline date of November 1, 2016 and insurers complied. Many members of industry, as well as state regulators, had hoped that this state data call would provide an opportunity for states to collect data that would be useful to Treasury for its statutorily required data call, thus, eliminating or minimizing state-federal duplication.

PCI has previously urged Treasury to coordinate in advance (as the statute requires) with state regulators so that state regulators could collect data that would be useful to Treasury and obviate (or at least minimize) the need for separate federal and state data calls. However, this has not happened, with the result that, in both 2016 and 2017, insurers are burdened with two data calls, which have some similarities. We urge Treasury to reach out to the state regulators to determine how the data that was collected in November of 2016 could be used to meet the needs for the 2017 federal data call, and also to begin now coordinating in advance with state regulators to determine whether and how the 2017 state data call can be amended to collect data that would be useful to Treasury for its 2018 data call.

**Definition of Small Insurer:** As indicated in previous comments, PCI continues to have concerns regarding the definition of “small insurer.” Treasury is defining a small insurer as one whose policyholder surplus and direct earned premium (DEP) for the preceding year each is less than five times the Program Trigger for the current year. The level of surplus an insurer holds is not necessarily a reliable indicator of its size and may be affected by other factors including, for example, the extent to which the insurer cedes risk to reinsurers and is thus able to reduce surplus. We therefore suggest that defining small insurer solely with respect DEP is preferable. Although we recognize that this could capture some larger insurers that write only a small amount of TRIA coverage, the overall effect is to exclude insurers that are very small players in the terrorism insurance market. This seems appropriate.

**Workers Compensation Data:** With respect to Treasury’s data call, we note that comprehensive data on workers compensation insurers and their participation in the terrorism insurance market is available from the National Council on Compensation Insurance (NCCI). PCI believes that the NCCI can coordinate the submission of workers compensation data with the other independent advisory bureaus as well. This approach would provide FIO with a largely complete workers compensation data set. Indeed, NCCI has performed this function for the state data calls, which provides another example of how state/federal advance coordination could benefit all.

**Help Line:** Treasury provided a Help Line for the 2016 data call, which our members found to be very helpful. The Help Line responded quickly to questions and was very accessible. Per Treasury’s 2016 *Report on the Overall Effectiveness of the Terrorism Risk Insurance Program*, the 2016 data call was done on a voluntary basis. Overall, fifty-two insurer groups provided some or all of the requested information, which represented only 25% of insurers that would be required to report in 2017. Considering that the 2017 data call is mandatory, there will be a significant number of insurers who will be dealing with the details and the complexity of this data call for the first time. PCI recommends that additional resources be deployed to assist the Help Line. In addition, PCI believes that overall quality of the data call will be improved if the Help Line could maintain a log on the questions/responses and make it available to insurers for reference.

We thank you for considering these comments and would be pleased to provide information or assistance that may be helpful to Treasury in the collection of TRIA data.

Sincerely,

A handwritten signature in black ink, appearing to read "Rita Nowak". The signature is fluid and cursive, with the first name "Rita" being more prominent than the last name "Nowak".

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A handwritten signature in black ink, appearing to read "Robert W. Woody". The signature is fluid and cursive, with the first name "Robert" being more prominent than the last name "Woody".

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