



Circular

JANUARY 27, 2003

COUNTRYWIDE

CIF-03-01

B-1383--Catastrophe Provision--Certified Terrorism Losses (as Defined in Terrorism Risk Insurance Act of 2002)--Update

ACTION NEEDED

Please review attached matrix.

BACKGROUND

B-1383 was filed in NCCI jurisdictions to respond to the recently enacted Terrorism Risk Insurance Act of 2002. Typically, NCCI files a national item six months prior to the proposed effective date and adheres to each state's filing requirements (i.e., prior approval). However, during 2003, the Terrorism Risk Insurance Act preempts any state law or regulation requiring prior approval of filed rates and forms applying to acts of terrorism (and acts of war, in the case of workers compensation) covered under the Act. Thus, most states are not issuing any kind of formal "approval" notice since none is necessary.

Absence of an "approval" notice in our publications should **not** be interpreted to mean that a state has not approved B-1383. It only means that the state has not issued any formal, written approval. Most states may opt not to issue an approval notification. However, for those states that provide a formal acknowledgement or approval, we will indicate such.

NCCI has no role in the filing of carrier loss cost multipliers. The purpose of NCCI's terrorism charge is to establish a benchmark for insurer pricing decisions.

Carriers are advised to follow the normal procedures for using NCCI's filings. In most states, carriers do not need to take any additional action to adopt NCCI's filings. In some states, carriers must file affirmatively to adopt the filings made by NCCI.

State regulators have issued specific Terrorism Risk Insurance Act bulletins that may provide further guidance as to procedures for carriers to use when filing their adoption of NCCI's filing. NCCI's Web site has links to these bulletins. In the handful of states where no bulletin has been issued, carriers may want to consider the guidelines included in the NAIC's Model Bulletin, which directs that carriers make a filing within 30 days of when they begin applying the new premium charge.

IMPACT

Refer to the [attached document](#) as well as state Web sites, NAIC Model Bulletin on ncci.com, and *Filing Guide for Rates and Forms* for filing instructions.

NCCI ACTION

NCCI will:

- Release the national and state pages of *Basic Manual* shortly
- Update ncci.com frequently to notify users of new information
- Continue to maintain the monthly *Status of Item Filing Circular* with information on this item

PERSON TO CONTACT

If you have any questions regarding the rates or loss costs, please contact:

Jeff Eddinger
NCCI, Inc.
901 Peninsula Corporate Circle
Boca Raton, FL 33487
561-893-3133

If you have any questions regarding *Basic Manual* rules and algorithms, *Retrospective Rating Plan Manual*, or *Policy Forms and Endorsements Manual*, please contact:

AL, AZ, LA, MS, VA, WV

Bob Maxwell
NCCI, Inc.
One Perimeter Park South, Suite 125
Birmingham, AL 35243
205-967-8383

AK, HI

Carolyn Pearl
NCCI, Inc.
1001 Bishop Street, Suite 1550,
American Savings Bank Building
Honolulu, HI 96813
808-524-6196, ext. 222

AR, IN, KS, MO, ND

Terri Robinson
NCCI, Inc.
11430 Gravois Road, Suite 310
St. Louis, MO 63126
314-843-4001

CA, CO, NM, NV, UT

Maggie Karpuk
NCCI, Inc.
30501 Agoura Road, Suite 201
Agoura Hills, CA 91301
818-707-8374

IA, IL, NE, OK, MI, MN, TX, WI

Larry Hochstetler
NCCI, Inc.
2050 West Iles Avenue, Suite B
Springfield, IL 62704
217-793-1100

CT, MA, ME, NH, NJ, NY, RI, VT

Ken Christiansen
NCCI, Inc.
9 Cross Drive
Brentwood, NH 03833
603-679-9550

DC, DE, FL, MD, NC, PA

Lori Lovgren
NCCI, Inc.
901 Peninsula Corporate Circle
Boca Raton, FL 33487
561-893-3337

ID, OR, MT, SD, WA, WY

Mike Taylor
NCCI, Inc.
6975 SW Sandburg Road, Suite 160
Tigard, OR 97223
503-624-5890, ext. 1

GA, KY, SC, TN

Cathy Booth
NCCI, Inc.
212 Snake Hill Road
Trussville, AL 35173
205-655-2699