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DEPARTMENT OF THE TREASURY

Study on Improving the Certification Process for the Terrorism Risk Insurance Program

AGENCY: Departmental Offices, U.S. Department of the Treasury.

ACTION: Notice and request for comment.

SUMMARY: Section 107 of the Terrorism Risk Insurance Program Reauthorization Act of 2015 (Reauthorization Act) requires the Secretary of the Treasury (Secretary) to conduct a study on the certification process in the Terrorism Risk Insurance Act of 2002, as amended (TRIA). The Secretary also must submit a report on the results of its study to Congress. To assist the Secretary in conducting the study and formulating the report, the Federal Insurance Office (FIO) is issuing this request for comment.

DATES: Comments must be submitted not later than March 6, 2015.

ADDRESSES: Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>, in accordance with the instructions on that site. In general, the Department will post all comments to www.regulations.gov without change, including any business or personal information provided such as names, addresses, e-mail addresses, or telephone numbers. The Department will also make such comments available for public inspection and copying in the Treasury's Library, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, on official business days between the hours of 10:00 a.m. and 5:00 p.m. Eastern Time. You can make an appointment to inspect comments by telephoning (202) 622-0990. All comments, including attachments and other supporting materials, are part of the public record and subject to public disclosure. You should submit only information that you wish to make available publicly.

Electronic submissions are encouraged.

Comments may also be mailed to the Department of the Treasury, Federal Insurance Office, MT 1410, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

Additional Instructions. Responses should also include: (1) The data or rationale, including examples, supporting any opinions or conclusions; (2) approaches and options respecting improvement of the certification process, if any; and, (3) any specific legislative, administrative, or regulatory proposals for carrying out such approaches or options.

FOR FURTHER INFORMATION CONTACT: Brett D. Hewitt, Policy Advisor, Federal Insurance Office, Room 1410, Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, at (202) 622-5892 (this is not a toll-free number). Persons who have difficulty hearing or speaking may access this number via TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

Section 107(b) of the Reauthorization Act (Pub. L. 114-1) requires the Secretary to conduct a study on the process by which the Secretary determines whether to certify an act as an “act of terrorism” under section 102(1) of TRIA (“Certification Study”). Section 107(c) of the Reauthorization Act prescribes certain factors that the Certification Study must examine. After completing the Certification Study, the Department of the Treasury (Treasury) must submit a report on its results to Congress.

II. Solicitation for Comments

A. Collecting information and views on the factors that must be analyzed in the Certification Study will enhance the accuracy and value of the study and report to Congress. Accordingly, comments are sought on:

1. The establishment of a reasonable timeline by which the Secretary must make an accurate determination on whether to certify an act as an act of terrorism;
2. The impact that the length of any timeline proposed to be established may have on the insurance industry, policyholders, consumers, and taxpayers as a whole;
3. The factors the Secretary would evaluate and monitor during the certification process, including the ability of the Secretary to obtain the required information regarding the amount of projected and incurred losses resulting from an act which the Secretary would need in determining whether to certify the act as an act of terrorism;
4. The appropriateness, efficiency, and effectiveness of the consultation process required under section 102(1)(A) of TRIA and any recommendations on changes to the consultation process; and
5. The ability of the Secretary to provide guidance and updates to the public regarding any act that may reasonably be certified as an act of terrorism.

B. In addressing the considerations set forth in section 107(c) of the Reauthorization Act (as described in Paragraph (II)(A) of this notice), commenters are invited to submit views on:

1. The manner and extent to which the certification timeline and the Secretary's ability to make an accurate determination on whether to certify an act as an act of terrorism may be influenced by domestic or international law enforcement processes; and

2. The implications for insurers or policyholders if one or more events are certified as acts of terrorism but the aggregate, calendar-year insured losses do not exceed the amount required for Treasury to make payments for insured losses.

Dated: February 4, 2015

Michael T. McRaith
Director, Federal Insurance Office

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