



Wisconsin Compensation Rating Bureau

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## CIRCULAR LETTER 2979—JANUARY 23, 2006

### PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the Wisconsin Rating Committee  
NCCI Proposal Item P-1404 Terrorism Risk Insurance Extension Act of 2005

Pursuant to ch 626, Wis. Stats., the State of the Wisconsin, Office of the Commissioner of Insurance has advised that the action taken by the Rating Committee has been approved effective January 1, 2006, applicable to new and renewal business only.

On December 23, 2005, the Terrorism Risk Insurance Extension Act of 2005 (Extension Act) was signed into law. The Extension Act extends the provisions of TRIA. The cost of an event needed to trigger the Extension Act is:

\$5,000,000 through March 31, 2006;  
\$50,000,000 from April 1, 2006–December 31, 2006;  
\$100,000,000 in 2007.

The Extension Act will expire December 31, 2007.

NCCI Item P-1404 Terrorism Risk Insurance Extension Act of 2005 provides the:

1. Withdrawal of Terrorism Risk Insurance Act Endorsement WC 0004 20.
2. Withdrawal of the Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Act of 2002 WC 00 01 12.
3. Amendment to the Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents Premium Endorsement WC 00 04 21. This proposal amends the definition of DTEC so that it does not overlap with any other definition of terrorism. This is a premium bearing endorsement and the approved charges are not being changed.
4. Creates Terrorism Risk Insurance Extension Act Endorsement WC 00 01 13 (replaces WC 00 04 20). This is a non-premium bearing endorsement and is intended to be used in conjunction with Foreign Terrorism Premium Endorsement (WC 00 04 22). Endorsement WC 00 04 22 provides coverage for any act of foreign terrorism while WC 00 01 13 provides for any terrorist act that is certified by the Secretary of the Treasury.

The NCCI has commissioned a study to determine the adequacy of the current DTEC and Foreign Terrorism charges and no changes are proposed at this time.