

STATE OF MARYLAND
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Bulletin 03-1

Date: February 14, 2003

To: All Property & Casualty Insurers Writing Commercial Lines Insurance Products

Re: Voluntary Expedited Filing Products For Compliance with the Provisions of the Terrorism Risk Insurance Act of 2002

From: Donna B. Imhoff - Deputy Commissioner

Background

The insurers providing commercial lines coverage have experienced uncertainty in the market because of substantial losses suffered on September 11, 2001. Soon after the tragic events of that day, many reinsurers announced that they did not intend to provide coverage for acts of terrorism in future reinsurance contracts. This led to a concerted effort on behalf of all interested parties to seek a temporary federal backstop to calm market fears over future terrorist attacks. In addition, an effort was undertaken to ensure that the insurance industry was capable of allocating capital to provide coverage for these unpredictable and potentially catastrophic events. Congress recently enacted and the President has signed into law, the Terrorism Risk Insurance Act of 2002 (The Act). This federal law provides a federal backstop for defined acts of terrorism and imposes certain obligations on insurers.

The Maryland Insurance Administration ("MIA") in order to assist insurers in complying with the Act, will follow the suggested response outlined in the National Association of Insurance Commissioners ("NAIC") [Terrorism Bulletin](#) dated November 26, 2002. (A copy of the NAIC Bulletin can be found on the MIA's web site www.mdinsurance.state.md.us. The MIA's web site also contains copies of the [Department of the Treasury Notices](#) relating to Interim Guidance Concerning New Statutory Disclosure and Mandatory Availability Requirements of the Terrorism Risk Insurance Act of 2002.)

Expedited Filing Process

The MIA will allow insurers to submit filings in accordance with the expedited filing process described in the NAIC Bulletin. The MIA will waive any required filing fees. In addition, the MIA will allow insurers to modify any pending filings with the MIA relating to terrorism in order to comply with the Act.

Questions regarding this Bulletin should be directed to Fred Santiago at 410-468-2317 or e-mail fsantiago@mdinsurance.state.md.us.

Donna B. Imhoff
Deputy Commissioner