Billing Code 4810-25-M

DEPARTMENT OF THE TREASURY

Departmental Offices

Interim Guidance Concerning Definition of Insurers, Scope of Insurance Coverage, and Disclosures Mandated by the Terrorism Risk Insurance Act of 2002

AGENCY: Department of the Treasury, Departmental Offices.

ACTION: Notice.

SUMMARY: This notice provides additional interim guidance concerning entities that are "insurers" as defined in Title I of the Terrorism Risk Insurance Act of 2002 (Pub.L.107-297) and, therefore, are required to be participants in the Department of Treasury's Terrorism Risk Insurance Program. This notice also provides interim guidance concerning the scope of insurance coverage under the Program, including guidance to assist participating insurers in estimating their "insurer deductible," prior to the issuance of regulations, based on how they report their "direct earned premium" (or comparable format). Additional guidance concerning required disclosures under the Act is also provided by this notice.

DATES: This notice is effective immediately and will remain in effect until superceded by regulations or by subsequent notice.

FOR FURTHER INFORMATION CONTACT: Mario Ugoletti, Deputy Director, Office of Financial Institutions and GSE Policy 202-622-2730; Martha Ellett, Attorney-Advisor, Office of the Assistant General Counsel (Banking and Finance) 202-622-0480.

SUPPLEMENTARY INFORMATION: This notice provides additional interim guidance to assist insurers in ascertaining whether they are covered by, and how they may comply with, certain immediately applicable provisions of Title I of the Terrorism Risk Insurance Act of 2002 (the Act) prior to the issuance of regulations by the Department of the Treasury (Treasury). The interim guidance contained in this notice, along with interim guidance issued previously by Treasury, may be relied upon by insurers in complying with these statutory requirements and is intended to assist insurers prior to the issuance of regulations on these issues. This interim guidance remains in effect until superceded by regulations or subsequent notice.

I. Background

On November 26, 2002, the President signed into law the Terrorism Risk Insurance Act of 2002. The Act became effective immediately. It establishes a temporary federal program of shared public and private compensation for insured commercial property and casualty losses resulting from an "act of terrorism," as defined in the Act. The Terrorism Risk Insurance Program is administered and implemented by Treasury and will sunset on December 31, 2005.

II. Interim Guidance

Treasury will be issuing regulations to administer and implement certain elements of the Terrorism Risk Insurance Program (Program). To assist insurers in complying with certain statutory requirements prior to the issuance of regulations, Treasury issued initial interim guidance at 67 FR 76206 (December 11, 2002) (also located on Treasury's Terrorism Risk Insurance Program website at www.treasury.gov/trip). This notice contains additional interim guidance concerning entities within the definition of "insurer" in section 102(6) of the Act. This notice also provides interim guidance concerning the scope of insurance coverage based on the definition of "insured loss" and guidance to assist insurers in estimating their "insurer deductible" under the Program prior to the issuance of regulations by Treasury. This notice also provides additional guidance concerning the Act's disclosure requirements.

A. Insurer Participation in General

What Entities Must Participate in the Program?

Section 103(a)(3) of the Act requires that each entity that meets the definition of insurer in section 102(6) of the Act shall participate in the Program. Under the Act, among other requirements, participation means that insurers must comply with the "make available" requirements and the disclosure provisions in section 103, as further described in Treasury's initial interim guidance at 67 FR 76206. In addition, participation in the Program means that an insurer is subject to the policy surcharge (recoupment) provisions of the Act on the insurer's property and casualty insurance policies as provided in section 103(e)(8).

What Entities Are "Insurers" for Purposes of the Program?

Section 102(6) of the Act defines the term "insurer" for purposes of the Program to mean, any entity, including an affiliate of that entity, that meets the statutory requirements contained in section 102(6)(A),(B) and (C), as described below.

First, to be an insurer, an entity must fall within at least one of the categories in section 102(6)(A):

(i) Licensed or admitted to engage in the business of providing primary or excess insurance in any State ("State" includes the District of Columbia and territories of the United States);
(ii) Not so licensed or admitted, but is an eligible surplus line carrier listed on the Quarterly Listing of Alien Insurers of the National Association of Insurance Commissioners;
(iii) Approved for the purpose of offering property and casualty insurance by a Federal agency in connection with maritime, energy or aviation activity; or
(iv) A State residual market insurance entity or State workers' compensation fund.

The definition of "insurer" in section 102(6)(A)(v) also includes captive and self-insurance arrangements, not otherwise covered in clauses (i)-(iv) above, *to the extent provided in rules issued by Treasury under this section 103(f) (emphasis supplied).* Treasury has not issued such rules.

In addition to coming within a category in section 102(6)(A), to be an "insurer" under the Act, an entity must receive "direct earned premiums" on any type of commercial "property and casualty insurance." (Section 102(6)(B) excepts state residual market insurance entities and captives and self-insurance arrangements that do not fall into the categories listed in section 102(6)(A)(i),(ii) or (iii) from this direct earned premium requirement.)

Third, the entity must meet "any other criteria that the Secretary of the Treasury may reasonably prescribe" under section 102(6)(C).

May An Affiliate of an Insurer Participate in the Program if the Affiliate Itself Does Not Meet the Requirements for an Insurer in section 102(6)(A) and (B)?

No. To participate in the Program, an entity, including an affiliate of an insurer, must itself meet all of the requirements of section 102(6)(A)and (B) as well any requirements that may be prescribed under section 102(6)(C).

If a Parent Company Meets the Requirements of section 102(6)(A) and (B), But Not All of the Parent Company's Affiliates Meet the Requirements for an Insurer Under section 102(6)(A) and (B), How Will These Entities be Treated Purposes of the Program?

Treasury intends to consider the parent company, and all affiliates that meet the requirements of "insurer" in section 102(6)(A) and (B) (and, if issued (C)), to be, collectively one "insurer" for purposes of the Program. Any affiliate that does not meet these statutory requirements is not an insurer under the Act, and therefore is not a participant in the Program. For example, if an insurance company is licensed or admitted to engage in the business of providing primary or excess insurance in a State and receives direct earned premiums as required in section 102(6)(B), and three out of four of its affiliate insurance companies also are State licensed and meet the requirements of section

102(6)(B), then the parent company and the three affiliates that meet the requirements of section 102(6)(A) and (B) are collectively, one insurer for purposes of the Program. The affiliate that does not fall within one of the categories in section 102(6)(A) or fails to meet all the requirements to be an "insurer" under section 102(6) is not included in the Program.

If an Entity Meets the Definition of Insurer But Its Parent Company Does Not, Is the Entity an Insurer for Purposes of the Act?

Yes. Any entity that meets the requirements of section 102(A) and (B) (and, if issued, (C)), is an "insurer" under the Act, and therefore is required to participate in the Program under section 103(a)(3) of the Act. If an entity is "under common control *with* the insurer," and that entity meets the requirements of section 102(A) and (B) (and if issued (C)) Treasury intends to consider that entity collectively with the other insurer (its affiliate) as one "insurer" for purposes of the Program. For example, assume that two insurance companies are licensed to engage in the business of providing primary or excess insurance in any State (either in one State or in separate States) and both receive direct earned premiums as required by section 102(6)(B). Each company, therefore, meets the definition of "insurer," but assume that the common parent of the two companies does not fall into any of the categories in section 102(6)(A). Treasury intends to consider the two affiliated companies to be, collectively, one insurer for purposes of the Program, but their parent company is not an insurer and not included in the Program.

If an Entity Falls Within More Than One Category in Section 102(6)(A), How is it Treated for purposes of the Program?

An entity that falls within two categories will be considered as falling within the first category it meets under section 102(6)(A)(i)-(v), as described in further detail below in part C of this interim guidance.

Is Reinsurance Included in the Program?

No. Although the legislative history and design of the Act envision reinsurance arrangements as an important component of capacity within the insurance market, the Act excludes reinsurance from the federal loss sharing Program. Section 103(g) of the Act expressly provides that the Act does not limit or prevent "insurers" from obtaining reinsurance coverage for "insurer deductibles" or "insured losses" retained by insurers. For the purposes of this interim guidance, if an entity does not receive direct earned premiums as required by section 102(6)(B), then the entity is not an "insurer" under the Act.

B. Scope of Coverage in General

What is an Insured Loss under the Program?

The Act defines the term "insured loss" for purposes of the Program in section 102(5). An insured loss means any loss resulting from a certified "act of terrorism" covered by primary or excess "property and casualty insurance," that is issued by an "insurer," if such loss:

- "occurs within the United States" or
- occurs to an "air carrier"; a U.S. flag vessel or a vessel "based principally in the United States on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States, regardless of where the loss occurs", or
- occurs "at the premises of any United States mission."

The Act defines "United States" in section 102(15) as the several "States" (defined in section 102(14) and including the District of Columbia), as well as the territorial sea and the continental shelf of the United States, as those terms are defined in the Violent Crime Control and Law Enforcement Act of 1994 (18 U.S.C. §§ 2280, 2281).

What Insurance Coverage is Within the Scope of "Insured Loss"?

In general, if the property and casualty insurance coverage is provided within the geographic and other statutory parameters of the definition of "insured loss" in the Act as described above, and is provided by an "insurer" as defined in section 102(6) of the Act (whether or not the insurer is foreign based or owned), then such losses will be covered by the Program, subject to the conditions for payment and other requirements of the Act. However, if insurance coverage is provided by an entity that is not an "insurer" under the Act, then, even if a loss occurs within the United States, or otherwise meets the definitional parameters of "insured loss," *e.g.* occurs to an air carrier or vessel or mission as defined in the Act, the loss would not be covered by the Program. In addition, if insurance is provided by a U.S. insurer but the loss does not fall within the definition of "insured loss" *e.g.* occurs on foreign soil and not to a U.S. mission or covered air carrier or vessel, then the loss would not be covered by the Program.

C. Categories of Insurers under Section 102(6)(A)

1. State Licensed or Admitted

Which State Licensed or Admitted Insurance Companies Are Required to Participate in the Program?

For purposes of this interim guidance, this category includes any insurer that

- is licensed or admitted in *any* State as defined in the Act,

- and that provides direct property and casualty insurance coverage as defined in the Act and provided in Treasury's previous interim guidance at 67 FR 76206 (December 11, 2002),
- and that reports its direct earned premiums as described in Treasury's previous interim guidance (cited above), or that reports comparable direct earned premium information to any State, *e.g.* county mutual insurance companies.

What Insurance Coverage Provided by State Licensed and Admitted Insurers is Under the Program?

Treasury has issued interim guidance concerning lines of coverage included in the Program and "direct earned premiums" at 67 FR 76206 (December 12, 2002). The direct earned premium income for the lines of coverage included in the Program described in that guidance (direct premiums earned as reported to the NAIC in the Annual Statement in column 2 of the Exhibit of Premiums and Losses – commonly known as Statutory Page 14) primarily covers premiums and the associated policies for property and casualty insurance risks in the United States. Thus, this direct earned premium information is generally consistent with scope of "insured loss" as defined in the Act. If a State licensed or admitted insurer within this category provides insurance coverage that is not reported in the premium information submitted on Statutory Page 14, (or does not report comparable premium information to its licensing or admitting State, *e.g.* as a county mutual insurance company) then such insurance coverage will not be considered within the scope of the Program prior to the issuance of regulations. Insurers and other interested parties will have the opportunity to submit formal comments to Treasury on lines of commercial property and casualty insurance coverage that were specified in Treasury's initial interim guidance.

How May a State Licensed and Admitted Insurer Estimate its Insurer Deductible for Purposes of the Program?

The Act defines an "Insurer Deductible" in Section 102(7) for the various "Program Years" and other periods covered by the Program. For example, Section 102(7)(B) defines the insurer deductible for Program Year 1 (January 1, 2003 through December 31, 2003) as "the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 1 multiplied by 7 percent." Prior to the issuance of regulations, a State licensed or admitted insurer may estimate its insurer deductible by multiplying the applicable percentage (listed in the Act for the Transition Period and each of the Program Years) by the direct earned premium information that the insurer reports on Statutory Page 14, as described in Treasury's previous interim guidance at 67 FR 76206 (or as comparably reported by the insurer to its licensing or admitting State).

If An Entity is State Licensed or Admitted within Section 102(6)(A)(i) and also is a Self-Insured or Captive Insurance Company (or Risk Retention Group), How is the Entity Treated For Purposes of the Program?

Any entity that falls within the State "licensed or admitted" category 102(6)(A)(i), and receives and reports direct earned premiums in accordance with section 102(6)(B) and Treasury's interim guidance at 67 FR 76206 (or reports comparable information to its licensing or admitting State), will be considered by Treasury as an insurer under section102(6)(A)(i), even if the entity is also in a self-insured or captive arrangement. Such entities are required by section 103(a)(3) to participate in the Program. In contrast, if a captive insurance company or a risk retention group is licensed or admitted by a State, but does not collect direct earned premiums as required by section 102(6)(B), then such entities are not "insurers" under section 102(6)(A)(i). These other entities may be addressed under subsequent Treasury regulations, if issued for self-insured or captive entities under section 103(f).

2. **Eligible Alien Surplus Line Carriers**

What Entities Are Covered By The Alien Surplus Line Category?

Any eligible alien surplus line carrier listed on the NAIC Quarterly Listing of Alien Insurers (Quarterly Listing) that receives direct earned premiums as required in section 102(6)(B) is an insurer and required to participate under the Program.

What Portion of Insurance Coverage Provided by Eligible Surplus Line Carriers is Required to Come Under the Terrorism Risk Insurance Program?

The scope of insurance coverage provided by eligible surplus line carriers covered by the Program for policies that are in-force as of the date of enactment or that are entered into prior to January 1, 2003, may be determined by a surplus line carrier with reference to the geographic scope in the definition of "insured loss," and with reference to the covered property and casualty lines of insurance described in Treasury's previous interim guidance at 67 FR 76206, and with reference to premium information collected using a format consistent with Treasury's interim guidance for those entities that report to the NAIC (*i.e.* direct earned premium information reported on Statutory Page 14).

Treasury is coordinating with the NAIC and will be issuing regulations governing the scope of insurance coverage provided by eligible surplus line carriers under the Program for policies issued by them and entered into after January 1, 2003. For purposes of interim guidance, Treasury expects to propose that insurance coverage is within the Program if (i) provided for losses within the geographic scope of the definition of "insured loss" and (ii) within the lines of the property and casualty insurance described in Treasury's interim guidance at 67 FR 76206 and (iii) the premium income is calculated using a format consistent with the format referred to in that interim guidance (*i.e.* Statutory Page 14). Treasury also expects to propose that the premium for insurance

coverage within the geographic scope of "insured loss" must be priced separately by eligible surplus line insurers for policies issued after January 1, 2003.

How May Eligible Surplus Line Carriers Calculate Their Insurer Deductibles?

For purposes of this interim guidance, in calculating an "Insurer Deductible" as defined in Section 102(7), eligible surplus line carriers may use the premium base that corresponds to the coverage requirements described in the previous question. In calculating the deductible for Program Year 1, prior to the issuance of regulations, eligible surplus line carriers may use and rely on the same allocation methodologies contained within the NAIC's "Allocation of Surplus Lines and Independently Procured Insurance Premium Tax on Multi-State Risks Model Regulation" for allocating premium between coverage within the geographic scope of "insured loss" and all other coverage to estimate the appropriate percentage of premium income for such policies that applies to such risks. A similar procedure may be relied upon to calculate an eligible surplus line carrier's deductible for the Transition Period.

3. Insurers Approved by Federal Agencies

Which Federally Approved Insurers Are Required to Participate in the Terrorism Risk Insurance Program?

If an entity does not fall within section 102(6)(A)(i) or (ii), but the entity is approved by a Federal agency to offer property and casualty insurance in connection with maritime, energy or aviation activities *and* the entity receives direct earned premiums for any type of property and casualty insurance, then, for purposes of this interim guidance, such entity is considered by Treasury to be an "insurer" under section 102(6)(A)(iii). This category of federally approved insurers under section 102(6)(A)(iii) will be administered in a manner that is consistent with any other reasonable criteria that may be prescribed at a later date by Treasury pursuant to section 102(6)(C).

Examples of insurers under section 102(6)(A)(iii) are those insurers that do not fall within section 102 (6)(A)(i) or (ii) and are approved or accepted by a Federal agency under the following programs and/or statutes:

- Approval of Underwriters for Marine Hull Insurance (Maritime Administration, U.S. Department of Transportation)
- Aircraft Accident Liability Insurance (U.S. Department of Transportation)
- Oil Spill Financial Responsibility for Offshore Facilities (Minerals Management Service, U.S. Department of the Interior
- Oil Spill Financial Responsibility for Vessels (United States Coast Guard, U.S. Department of Transportation)
- Longshoremen's and Harbor Workers' Compensation Act (Employment Standards Administration, U.S. Department of Labor)

The above list of Federal insurance programs is not exclusive. Any entity that is approved by a U.S. agency to offer property and casualty insurance in connection with maritime, energy or aviation activities by a program that is not listed above is encouraged to notify the designated Treasury contacts in this notice prior to the issuance of Treasury regulations or to submit a comment once regulations are proposed.

Treasury intends to propose regulations providing that scope of insurance coverage under the Program for insurers that are within section 102(6)(A)(iii) is only the insurance coverage approved by the Federal Agency.

How May Insurers Approved by a Federal Agency Calculate Their Deductibles?

In estimating an "Insurer Deductible" as defined in Section 102(7), federally approved insurers may use the premium base that corresponds to the coverage approved by the Federal agency. In addition, Treasury expects to propose regulations that treat federally approved insurers in a manner consistent with eligible alien surplus line carriers as described above in the second question under Section C.2.

For the purposes of this interim guidance, because insurers approved by a Federal agency share many of the same characteristics as eligible surplus line carriers on the NAIC's Quarterly Listing of Alien Insurers, this class of insurers may estimate their insured deductible under the Program in a similar manner as described for eligible surplus line carriers. In calculating the deductible for Program Year 1, prior to the issuance of regulations, and because insurance policies issued by federally approved insurers may not have specifically allocated the percentage of premium income that is attributable to risks within the geographic scope of the definition of "insured loss," federally approved insurers may use the same allocation methodologies that are contained within the NAIC's "Allocation of Surplus Lines and Independently Procured Insurance Premium Tax on Multi-State Risks Model Regulation" for allocating premiums between coverage within the geographic scope of "insured loss" and all other coverage, to estimate the appropriate percentage of premium income for such policies that applies to such risks. A similar procedure may be relied upon to calculate a federally approved insurer's deductible for the Transition Period.

4. State Residual Insurance Market and Workers Compensation Funds

Which State Residual Insurance Market Entities or State Workers' Compensation Funds are Required to Participate in the Program?

These entities fall within section 102(6)(A)(iv) of the definition of insurer and are required to participate in the Program. For the purposes of this interim guidance, the Treasury, in consultation with the NAIC, has identified a group of entities that fall within this class of insurers (see attached list at the end of this interim guidance). Any state residual insurance market entity or state workers' compensation fund that is not on this list is encouraged to notify Treasury through the designated contacts in this interim guidance.

How Do the Provisions of the Act Apply to State Residual Market Insurance Entities or State Workers Compensation Funds?

Section 102(6)(A)(iv) provides a category for State residual market insurance entities and State workers' compensation funds within the definition of insurer. Section 102(6)(B) provides an exception for such insurers from the requirement that they receive direct earned premiums, but section 103(d) requires Treasury to issue regulations as soon as practicable to apply the provisions of the Act to these types of entities. Treasury is working with the NAIC on a methodology to address a data reporting anomaly that arises when insurers act as servicing carriers for residual market mechanisms. For purposes of interim guidance, insurers within this category that have insufficient information to issue disclosures under section 103(b)(2) are being given a waiver from these disclosure requirements until Treasury issues regulations governing how such requirements can and should be applied to State Residual Market Entities and State Workers Compensation Funds to fulfill the purposes of the Act. Treasury is giving priority consideration to the development and issuance of proposed rules applying provisions of the Act to State residual market insurance entities and State workers compensation funds, as required by section 103(d).

5. Newly Formed Insurers

How does an Insurer Determine its Insured Deductible if it was not in Business for the Full Calendar Year Prior to the Program Year?

Section 102(7) of the Act defines an "insurer deductible." In general, this is the value of a participating insurer's "direct earned premium" over the calendar year immediately preceding the Program Year (as defined). Section 102(7)(E) provides Treasury with authority to determine the appropriate methodology for measuring the direct earned premium if an insurer has not had a full year of operations during the calendar year immediately preceding the Program Year.

Because new companies have only had limited business operations, it is likely that their premium income will be somewhat volatile. Such volatility could persist throughout the life of the three-year Program. Thus, to administer these newly formed insurers in a manner that is consistent with other insurers under the Program and to prevent newly formed insurers from having the unfair advantage of lower relative deductibles, Treasury intends to propose that the deductible measure for new companies formed after the date of enactment (November 26) will be based on contemporaneous data for direct earned premium that corresponds to the current Program Year. If a newly formed insurer does not have a full year of operations within a particular Program year, Treasury intends to propose that insurer's direct earned premium for Program year will be annualized to determine an insurer's deductible.

D. Additional Disclosure Guidance

If an Insurer Chooses to Use the NAIC's Model Disclosure Forms to Satisfy the Disclosure Requirements of Section 103, Does the Insurer Have to Follow the Model Disclosure Form Exactly?

No. As described in previous interim guidance, the NAIC disclosure forms are "model" forms. Treasury's previous interim guidance provides a safe harbor to insurers that use such model forms for the purposes described in that guidance, but that guidance states that this is not the exclusive means of complying with the disclosure provisions.

The NAIC's model disclosure forms reflect key information regarding the Terrorism Risk Insurance Program that is required to be disclosed to policyholders as a condition for federal payment under the Program, such as Federal participation in the Program and any premium that is being charged by the insurer for "insured losses." However, insurers may decide to modify such model forms to fit individual circumstances. For example, if an insurer is providing disclosures under Section 103(b) and there is no change in the premium, the signature line on the model form may be unnecessary. In addition, in complying with the disclosure requirements, an insurer may communicate the price to a policyholder in a manner that is consistent with standard business practice, which, in some cases, may be as percentage of overall policy premium.

Treasury intends to propose regulations that will indicate that compliance with the disclosure provisions may be evidenced by an insurer in a variety of ways, including but not limited to, a proof of mailing process, certificates of mailing, returned forms signed by the policyholders, and other methods consistent with the normal forms of communication with policyholders that demonstrate that the disclosures have been provided.

If Two or More Insurers Participate in Insuring a Single Commercial Risk Through a Joint Underwriting or Risk Sharing Plan, Would Policies Written Under Such Plans be Under the Program?

Yes, if the insurers meet the definition of insurer and the joint underwriting or risk sharing plans are authorized by the laws of the state where the risk is located and where the policy or policies are issued or delivered. To satisfy the "make available" requirement the policy or policies should make available to the insured, coverage for "insured losses" that does not differ materially from the terms, amounts and other coverage limitations applicable to losses arising from events other than acts of terrorism.

Are the Property and Casualty Lines of Coverage Described in Treasury's Initial Interim Guidance the Only Lines Covered Under the Program?

Until Treasury proposes and issues regulations concerning the definition of property and casualty insurance for purposes of the Program, insurers should refer to the definition contained within the Act and the guidance provided in Treasury's previous interim

guidance. As part of the rulemaking process, interested parties will have a chance to provide comments on Treasury's proposed regulation on this definition.

Are All Types of Insurance Coverage Reported Under the Lines of Coverage Listed Described in Treasury's Initial Interim Guidance Covered Under the Program?

Until Treasury proposes and issues regulations concerning the definition of property and casualty insurance for purposes of the Program, insurers should refer to the definition contained within the Act and the guidance provided in Treasury's previous interim guidance. As part of the rulemaking process, interested parties will have a chance to provide comments on Treasury's proposed regulation on this definition.

Dated: December 18, 2002

Wayne A. Abernathy
Assistant Secretary for Financial Institutions
Department of Treasury

Attachment - List of State Residual Market Mechanisms

State	Automobile	Liability	Property	Workers' Compensation
Alabama	Assigned Risk Plan			NCCI
Alaska	Assigned Risk Plan			NCCI
American Samoa	None			
Arizona	Assigned Risk Plan	JUA—Liability		NCCI
Arkansas	Assigned Risk Plan			NCCI - Ark. Service Center
California	Assigned Risk Plan		Syndicate	State Compensation Insurance Fund
Colorado	Assigned Risk Plan	JUA—Commercial Lines		Colorado Compensati0on Insurance Authority
Connecticut	Assigned Risk Plan		Syndicate	NCCI
Delaware	Assigned Risk Plan	JUA—Property	Syndicate	Delaware Compensation Rating Bureau
District of Columbia	D.C. Auto Insurance Plan		Syndicate	NCCI
Florida	Joint Underwriting Assoc.	JUA—Unavailable Lines	Multiple Servicing Carrier	Florida W.C. JUA
Georgia	Assigned Risk Plan	JUA—Casualty	Syndicate	NCCI
Guam	None			
Hawaii	Assigned Risk Plan		Single Servicing Carrier	Hawaii Employers Mutual Insurance Company
Idaho	Assigned Risk Plan			NCCI
Illinois	Assigned Risk Plan		Syndicate	NCCI
Indiana	Assigned Risk Plan		Multiple Servicing Car	Indiana Compensation Rating Bureau
Iowa	Assigned Risk Plan	JUA—All P/C	Syndicate	NCCI
Kansas	Assigned Risk Plan	JUA—Liability	Single Servicing Carrier	NCCI
Kentucky	Insurance Plan		Syndicate	Kentucky Employers' Mutual Insurance Co.
Louisiana	Assigned Risk Plan		Single Servicing Carrier	Louisiana Workers' Compensation Corp.
Maine	Assigned Risk Plan			Maine Employers Mutual Insurance Company
Maryland	State Fund		Syndicate	Injured Workers' Insurance Fund
Massachusetts	Assigned Risk Plan & Reinsurance Facility		Syndicate	WCRIB of Massachusetts
Michigan	Placement Facility		Syndicate	Michigan Workers' Comp. Placement Facility
Minnesota	Assigned Risk Plan	JUA—Liability, except Product Liability	Syndicate	Minnesota Workers' Comp. Insurers' Assoc.
Mississippi	Assigned Risk Plan			NCCI
Missouri	Joint Underwriting Assoc.		Syndicate	Travelers Insurance Co.
Montana	Assigned Risk Plan			State Compensation Insurance Fund
Nebraska	Assigned Risk Plan			Travelers Insurance Co.
Nevada	Assigned Risk Plan	JUA—All Lines		NCCI

State	Automobile	Liability	Property	Workers' Compensation
New Hampshire	Insurance Plan & Reinsurance Facility	JUA—Liability		NCCI
New Jersey	Assigned Risk Plan		Syndicate	Compensation Rating and Inspection Bureau
New Mexico	Assigned Risk Plan	JUA—Essential Property	Single Servicing Carrier	NCCI - NM Service Center
New York	Assigned Risk Plan		Syndicate	NY State Insurance Fund
North Carolina	Reinsurance Facility	JUA—Essential Property		NC Rate Bureau
North Dakota	Assigned Risk Plan			ND Workmen's Compensation Bureau
Ohio	Assigned Risk Plan	JUA—Classes of Commercial Lines Designated by the Commissioner	Syndicate	Ohio Bureau of Workers' Compensation
Oklahoma	Assigned Risk Plan	JUA—Liability		OK State Insurance Fund
Oregon	Assigned Risk Plan	JUA—Liability	Single Servicing Carrier	NCCI
Pennsylvania	Assigned Risk Plan		Syndicate	State Workmen's Insurance Fund
Puerto Rico	Assigned Risk Plan			State Insurance Fund Corporation of Puerto Rico
Rhode Island	Assigned Risk Plan		Syndicate	Beacon Mutual Ins. Co.
South Carolina	JUA[1]/Assigned Risk Plan	JUA—Prof. Liability and Liability. for Daycare Providers		NCCI
South Dakota	Assigned Risk Plan			NCCI
Tennessee	Assigned Risk Plan	JUA—Unavailable Lines		Aon Risk Services
Texas	Assigned Risk Plan	JUA—Non-Profits		Texas Workers' Comp. Insurance Fund
Utah	Assigned Risk Plan	JUA—Unavailable Lines		Workers' Compensation Fund of Utah
Vermont	Assigned Risk Plan	JUA—Unavailable Lines, except Pollution		NCCI
Virgin Islands	None			
Virginia	Assigned Risk Plan	JUA—Commercial Line	Syndicate	NCCI
Washington	Assigned Risk Plan	JUA—Daycare	Single Servicing Carrier	Washington Department of Labor & Industry
West Virginia	Assigned Risk Plan	JUA—Fire & EC	Syndicate	West Virginia Workmen's Compensation Fund
Wisconsin	Assigned Risk Plan	JUA—Liability	Syndicate	Wisconsin Compensation Rating Bureau
Wyoming	Assigned Risk Plan			Wyoming Workers Safety and Compensation

[1] South Carolina operates a JUA until Feb. 28, 2002 and will convert to an assigned risk plan thereafter.