

of FMVSS No. 213, "Interface Profile of Tether Hook," specifies numerous dimensional limits for the tether hook, not only the overall tether hook height limit of 20 mm that is the subject of this inconsequential noncompliance application. Importantly, Detail A of Figure 11 specifies dimensional limits for the inside portion of the tether hook that actually attaches to the vehicle tether anchorage. NHTSA believes that adherence to these dimensional limits provides assurance that the tether hook will be able to be properly fastened onto the vehicle anchorage, even if the overall height of the tether hook is up to 0.39 mm greater than the 20 mm allowed in the standard. The tether hooks in question complied with these internal dimensional requirements, and NHTSA does not believe that the minor discrepancy in overall height will result in a safety problem in real-world applications.

In its application, Evenflo stated:

Although Evenflo cannot be certain of the number, we estimate that at least one hundred (100) dynamic sled tests were conducted (using the protocol set forth in FMVSS No. 213) on restraints which likely would have been equipped with tether hooks that did not meet the dimensional requirements of S5.9(b) and Figure 11. In none of these tests did the tether hook malfunction or improperly perform in any manner. Evenflo is confident that the non-compliance has no adverse impact of the dynamic performance of the child restraints.

As noted earlier, NHTSA has determined that the magnitude of the noncompliance is so small that it will not adversely affect a consumer's ability to use (attach/detach) his/her tether. Similarly, and as demonstrated by the lack of test failures observed by Evenflo during dynamic testing conducted using tether hooks that exceed the maximum height requirement, NHTSA does not believe that the additional fraction of a millimeter in overall tether anchorage height will result in any perceptible negative affect on the performance of the child restraint in a crash scenario.

For these reasons, the agency has decided that Evenflo has met its burden of persuasion that the noncompliance at issue is inconsequential to safety and its application is granted. Accordingly, Evenflo is hereby exempted from the notification and remedy provisions of 49 U.S.C. 30118 and 30120.

(49 U.S.C. 30118 and 30120; delegations of authority at 49 CFR 1.50 and 501.8)

Issued on: June 24, 2004.

Roger A. Saul,

Director, Office of Crashworthiness Standards.

[FR Doc. 04-14873 Filed 6-29-04; 8:45 am]

BILLING CODE 4910-59-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

Release of Waybill Data

The Surface Transportation Board has received a request from Washington State University (WB968-6/8/04), for permission to use certain data from the Board's Carload Waybill Samples. A copy of the request may be obtained from the Office of Economics, Environmental Analysis, and Administration.

The waybill sample contains confidential railroad and shipper data; therefore, if any parties object to these requests, they should file their objections with the Director of the Board's Office of Economics, Environmental Analysis, and Administration within 14 calendar days of the date of this notice. The rules for release of waybill data are codified at 49 CFR 1244.9.

Contact: Mac Frampton, (202) 565-1541.

Vernon A. Williams,

Secretary.

[FR Doc. 04-14816 Filed 6-29-04; 8:45 am]

BILLING CODE 4915-01-P

DEPARTMENT OF THE TREASURY

Submission for OMB Review; Comment Request

June 24, 2004.

The Department of the Treasury has submitted the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Pub. L. 104-13. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 11000, 1750 Pennsylvania Avenue, NW., Washington, DC 20220.

Dates: Written comments should be received on or before July 30, 2004 to be assured of consideration. The TRIP forms can be reviewed at <http://www.treas.gov/trip>.

Departmental Offices/Terrorism Risk Insurance Program (TRIP)

OMB Number: New.

Form Numbers: TRIP 01 and TRIP 02.

Type of Review: New collection.

Title: Terrorism Risk Insurance Program Loss Reporting.

Description: Information collection made necessary by the Terrorism Risk Insurance Act of 2002 and Treasury implementing regulations to pay Federal share to commercial property and casualty insurers for terrorism losses.

Respondents: Business or other for-profit, Not-for-profit institutions.

Estimated Number of Respondents/Recordkeepers: 100.

Estimated Burden Hours per Respondent/Recordkeeper: 28 hours, 45 minutes.

Frequency of Response: On occasion.

Estimated Total Reporting/Recordkeeping Burden: 4,200 hours.

Clearance Officer: Lois K. Holland, (202) 622-1563, Departmental Offices, Room 2110, 1425 New York Avenue, NW., Washington, DC 20220.

OMB Reviewer: Joseph F. Lackey, Jr., (202) 395-7316, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503.

Lois K. Holland,

Treasury PRA Clearance Officer.

[FR Doc. 04-14794 Filed 6-29-04; 8:45 am]

BILLING CODE 4811-16-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Proposed Collection; Comment Request for Form 1023

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Pub. L. 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

DATES: Written comments should be received on or before August 30, 2004 to be assured of consideration.



**TERRORISM RISK INSURANCE PROGRAM
INITIAL NOTICE OF INSURED LOSS**

Pursuant to 31 C.F.R. 50.52, this notice is required to be submitted to Treasury when the estimated incurred aggregate insured losses (including reserves for “incurred but not reported”) for an insurer, or collectively for a group of affiliated insurers, exceed an amount equal to 50 percent of the Program Year insurer deductible. One form is to be submitted based on insured losses incurred for all certified acts of terrorism that occurred to date in the Program Year. An updated form may be requested, eg., should there be subsequent occurrences of certified acts in the same Program Year. In order to receive payment of the Federal share of compensation, the insurer must enroll in the Treasury, Financial Management Service, Automated Standard Application for Payments (ASAP) system. Further information can be obtained via the internet at www.treas.gov/trip.

Insurer or Insurer Group Name: _____

NAIC Insurer (or Group) Number (or TIN if no NAIC #): _____

List all affiliated insurers in the group:

<u>Name</u>	<u>NAIC # (or TIN if no NAIC #)</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(insurers may add more lines as needed)

Program (calendar)Year: _____ ISO/PCS Catastrophe Code(s) _____

Occurrence Date(s) of certified act(s) of terrorism: _____

Estimated incurred aggregate insured losses for the act(s) of terrorism: \$ _____

Estimated insurer deductible for Program Year: \$ _____
(see Certification of Loss Schedule A for guidance, even if Schedule A not submitted at this time)

Estimated Federal Share of Compensation: \$ _____
(90% of amount in Excess of Deductible)

Point of contact for loss and compliance certifications and for payments of Federal share of compensation (in the case of affiliated insurers, a single insurance entity to act as the single point of contact must be supplied):

Contact's Name: _____

Contact's Title: _____

Insurer Name: _____

Mailing Address: _____

Telephone Number(s): _____

Fax Number(s): _____

E-mail Address: _____

Optional Schedule A "Declaration of Direct Earned Premium and Insurer Deductible" attached (Y or N)? _____

Submitted by:

Name: _____

Title: _____

Signature: _____

Date: _____



**TERRORISM RISK INSURANCE PROGRAM
CERTIFICATION OF LOSS**

Pursuant to 31 C.F.R 50.53 this form is to be used by insurers claiming the Federal Share of Compensation under the Terrorism Risk Insurance Program. The initial, and if necessary, supplemental, Certification(s) of Loss are to include data relevant to all insured losses paid or that will be paid as specified in 31 C.F.R. 50.53(b)(2)(i) based on all certified acts of terrorism occurring within a Program Year. Schedules A, B, and C (see below) are required supporting documentation for this Certification of Loss form. Treasury must receive, or have received, an Initial Notice of Insured Loss for the relevant Program Year in order to process a Certification of Loss. In order to receive payment of the Federal share of compensation, the insurer must enroll in the Treasury, Financial Management Service, Automated Standard Application for Payments (ASAP) system. Further information can be obtained via the internet at <http://www.treas.gov/trip>.

Insurer or Insurer Group Name: _____

NAIC Insurer (or Group) Number (or TIN if no NAIC #): _____

Initial ___ or Supplementary ___ Certification Program (calendar) Year: _____

Data as of: ___/___/___ ISO/PCS Cat Code(s) _____

Calculation of Federal Share of Compensation Claimed (*amounts from Bordereau):

1. Total Cumulative Losses Paid and To be Paid*	\$ _____
2. Plus Total Allocated Loss Adjustment Expenses Paid*	\$ _____
3. Less Punitive Damage Amounts Paid*	\$ _____
4. Subtotal Insured Losses Paid	\$ _____
5. Less Total Salvage and Subrogation Recovered*	\$ _____
6. Subtotal Adjusted Insured Losses Paid	\$ _____
7. Less Insurer Deductible (from Schedule A)	\$ _____
8. Subtotal Excess of Deductible	\$ _____
9. Gross Federal Share (90% of subtotal Excess of Deductible)	\$ _____
10. Less Excess Insurer Recoveries (see below)	\$ _____
11. Less Duplicate Federal Recoveries*	\$ _____
12. Total Net Federal Share of Compensation	\$ _____
13. Less Prior Claimed Federal Share of Compensation	\$ _____
14. Federal Share of Compensation due Insurer (due Treasury) ¹	\$ _____

Calculation of Excess Insurer Recoveries (if required):

15. Total Reinsurance Recoveries	\$ _____
16. Less Recoveries Repaid to Reinsurers	\$ _____
17. Subtotal Net Reinsurance Recoveries	\$ _____
18. Plus Gross Federal Share (line 9)	\$ _____
19. Subtotal Total Insurer Recoveries	\$ _____
20. Less Adjusted Insured Losses Paid (line 6)	\$ _____
21. Total Excess Insurer Recoveries	\$ _____
(if less than zero, enter zero above)	

Supporting Schedules Attached (check all that apply):

- ___ Schedule A: Declaration of Direct Earned Premium and Insurer Deductible
(Required unless already submitted with Initial Notice of Loss)
- ___ Schedule B: Certification of Compliance (Required)
- ___ Schedule C: Loss Bordereau (Required)

Certification

I hereby certify that the statements, data, calculations and supporting documentation used to determine the Total Federal Share of Compensation claimed herein are accurate and complete to the best of my information, knowledge and belief. Any false or fraudulent statements or claims may subject the insurer and signatory to criminal, civil, or administrative penalties.

Name	Officer Title	Date
Signature		

¹When the insurer is required to reimburse Treasury, payment may be remitted by check or wire transfer. Checks should be made payable to U.S. Treasury and addressed to Department of the Treasury, Office of Financial Management, Attn: Metropolitan Square, 6th Floor, 1500 Pennsylvania Ave., NW, Washington, DC 20220. Wire transfers should be made to ABA number 021030004, Account number 20010001. Please provide a brief description/identification number in the comments area.



Schedule A
TERRORISM RISK INSURANCE PROGRAM
DECLARATION OF "DIRECT EARNED PREMIUM" AND
CALCULATION OF "INSURER DEDUCTIBLE" UNDER
TERRORISM RISK INSURANCE ACT OF 2002 (TRIA)

Insurer or Insurer Group Name: _____

NAIC Insurer (or Group) Number (or TIN if no NAIC #): _____

Program (calendar) Year: _____

Calendar Year of Direct Earned Premium (see instructions for guidance): _____

List all affiliated insurers in the group:

<u>Name</u>	<u>NAIC # (or TIN if no NAIC #)</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(insurers may add more lines as needed)

STEP 1:

Direct Earned Premiums from the Annual Statement Exhibit of Premiums and Losses (Statutory Page 14), Column 2 for commercial lines of business, or from another appropriate reporting mechanism. See instructions for guidance.

<u>Annual Statement Line of Business</u>	<u>Direct Earned Premium</u> <u>(Column 2 - Statutory Pg. 14)</u>
Line 1 – Fire	\$ _____
Line 2.1 – Allied Lines	\$ _____
Line 3 – Farmowners Multiple Peril	\$ _____
Line 5.1 – Commercial Multiple Peril (non-liability portion)	\$ _____

Annual Statement Line of Business

**Direct Earned Premium
 (Column 2 - Statutory Pg. 14)**

Line 5.2 – Commercial Multiple Peril (liability portion)	\$ _____
Line 8 – Ocean Marine	\$ _____
Line 9 – Inland Marine	\$ _____
Line 16 – Workers’ Compensation	\$ _____
Line 17 – Other Liability	\$ _____
Line 18 – Products Liability	\$ _____
Line 19.3 – Commercial Auto No-Fault (personal injury protection)	\$ _____
Line 19.4 – Other Commercial Auto Liability	\$ _____
Line 21.2 – Commercial Auto Physical Damage	\$ _____
Line 22 – Aircraft (all perils)	\$ _____
Line 24 – Surety	\$ _____
Line 26 – Burglary and Theft	\$ _____
Line 27 – Boiler and Machinery	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

(insurers may add more lines as needed)

STEP 1 TOTAL \$ _____

STEP 2:

Direct Earned Premiums included in the numbers reported under Step 1 that are for insurance coverage not to be included for purposes of TRIA. See instructions for guidance.

<u>Annual Statement Line of Business</u>	<u>Direct Earned Premium Not to be Included per TRIA</u>	<u>Reason for Exclusion of Premium</u>
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

(insurers may add more lines as needed)

STEP 2 TOTAL \$ _____

STEP 3:

Direct Earned Premium, for lines of business included for purposes of TRIA, that were included in the numbers reported under Step 1 and were ceded to a state residual market under a servicing carrier arrangement. See instructions for guidance.

<u>Annual Statement Line of Business</u>	<u>Direct Earned Premium Ceded to Residual Market</u>	<u>Name of Residual Market for Which Insurer Serves as Servicing Carrier</u>	<u>State of Residual Market</u>
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____

(insurers may add more lines as needed)

STEP 3 TOTAL \$ _____

STEP 4:

Direct Earned Premiums for lines of business subject to TRIA that were NOT included in the numbers reported under Step 1 and were distributed to the insurer by commercial lines state residual market entities.

<u>Annual Statement Line of Business</u>	<u>Earned Premium Received From Residual Markets</u>	<u>Name of Residual Market Entity</u>	<u>State of Residual Market</u>
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____

(insurers may add more lines as needed)

STEP 4 TOTAL \$ _____

Schedule A

Direct Earned Premium and Insurer Deductible

1 General Instructions

1.1 *Filing of Form*

This form is required in order to determine each insurer's Program Year deductible under the Terrorism Risk Insurance Act of 2002 ("TRIA"). It must be completed, certified by an officer of the insurer, and submitted to Treasury with an Initial Certification of Loss or at the insurer's option, with the Initial Notice of Loss.

Reported data must be consolidated for all affiliates. Do NOT report separately for individual companies in a group of affiliated insurers. For guidance on definitions of affiliates and issues of corporate control, please visit the TRIP website at www.treas.gov/trip.

Insurers should maintain all worksheets and other documentation for the purposes of later auditing by the Terrorism Risk Insurance Program (see 31 C.F.R. Part 50 Subpart G for guidance). This includes such materials for the individual insurers within an affiliated group.

1.2 *Lines of Business Subject to TRIA*

Commercial property and casualty lines of business included in the Program (including excess insurance, workers' compensation insurance, and surety insurance), means only the following lines of business from the NAIC's Exhibit of Premiums and Losses (commonly known as Statutory Page 14): Line 1 -- Fire; Line 2.1 -- Allied Lines; Line 3 -- Farmowners Multiple Peril; Line 5.1 -- Commercial Multiple Peril (non-liability portion); Line 5.2 -- Commercial Multiple Peril (liability portion); Line 8 -- Ocean Marine; Line 9 -- Inland Marine; Line 16 -- Workers' Compensation; Line 17 -- Other Liability; Line 18 -- Products Liability; Line 19.3 -- Commercial Auto No-Fault (personal injury protection); Line 19.4 -- Other Commercial Auto Liability; Line 21.2 -- Commercial Auto Physical Damage; Line 22 -- Aircraft (all perils); Line 24 -- Surety; Line 26 -- Burglary and Theft; and Line 27 -- Boiler and Machinery. Insurance coverage that is written on a dwelling policy form, but for which premiums are reported under the above lines of business (e.g., 1-4 family dwelling), is still included in the Program.

Other lines of business from Statutory Page 14 are not included in the Program. Other insurance coverages not included in the Program are: Federal crop insurance issued or reinsured under the Federal Crop Insurance Act; any other type of crop or livestock insurance that is privately issued or reinsured (including crop insurance reported on either Line 2.1 – Allied Lines or Line 2.2. – Multiple Peril Crop); private mortgage insurance; title insurance; financial guaranty insurance when issued by a monoline financial guaranty insurance corporation; medical malpractice insurance; health or life insurance, including group life insurance; Federal flood insurance; earthquake insurance reported under Line 12 of Statutory Page 14; and reinsurance or retrocessional reinsurance. Workers' compensation insurance provided directly to qualified self-insureds is not reinsurance for purposes of the Program.

1.3 *Direct Earned Premium*

Direct earned premium to be reported on this form includes premium for all commercial property and casualty lines of insurance listed above issued by any insurer for insurance against all losses. Generally, direct earned premium amounts are to be included in the reporting on this form as they

were reported to the NAIC or through an equivalent reporting requirement for the immediately prior calendar year. However, certain adjustments may be necessary as described below.

Direct earned premium should be included in the calculations only to the extent that commercial property and casualty coverage is issued for losses occurring at the following locations:

1. Within the United States;
2. In the case of an air carrier (as defined in section 40102 of title 49, United States Code), or a United States 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), losses occurring anywhere; and
3. At the premises of any United States mission.

Premiums for personal property and casualty insurance coverage (coverage primarily designed to cover personal, family or household risk exposures), or premiums for any other insurance coverage that does not meet the definition of commercial property and casualty insurance, should not be included in the calculation of direct earned premiums for purposes of the Program.

If a property and casualty insurance policy covers both commercial and personal risk exposures, insurers may either treat the entire premium as commercial or allocate the premium in accordance with the proportion of risk between commercial and personal components in order to ascertain direct earned premium for Program purposes. If a policy includes insurance coverage that meets the definition of commercial property and casualty insurance for losses occurring at the locations specified above, but also includes other coverage, insurers may likewise allocate the premiums in accordance with the proportion of risk attributable to the components, in order to ascertain direct earned premium for Program purposes.

Premiums for personal property and casualty insurance, or other insurance coverage, that includes only incidental TRIA qualifying commercial property and casualty coverage because of the line of business or because of the location of losses covered, may be fully excluded by an insurer from the calculation of direct earned premium. For purposes of the Program, commercial coverage is incidental if less than 25 percent of the total direct earned premium is attributable to that coverage or combination of qualifying TRIA coverages. If an insurer elects to fully exclude premiums for insurance policies with incidental commercial coverage, it must do so for all policies within a particular category (eg. policy form, risk classification, underwriting rule) and not on a policy by policy basis. It should be noted that if the premiums for the commercial coverages are excluded, then insured losses under those coverages will not be compensated under the Program and do not count towards satisfying an insurer's deductible.

1.4 *Affiliated Insurers*

Direct earned premium of affiliated insurers is to be consolidated for reporting on this form. The affiliated group is based on the corporate structure of affiliations at the time of the occurrence of the certified act of terrorism. The amount of direct earned premium for each individual insurer within the affiliated group is based on that individual insurer's earned premium reported to the NAIC (or the equivalent) for the prior year.

1.5 *Insurers Coming into Existence After November 26, 2002*

If an insurer, or an insurer entity within an affiliated group, did not exist until after November 26, 2002, then that insurer's or insurer entity's direct earned premium to be used in calculating the insurer deductible is the direct premium earned in the Program Year for which the Certification of Loss is being submitted. Estimated amounts for such insurers are permitted in submitting Schedule A with a Certification of Loss. Final calculations of direct earned premium and deductible are to be submitted when available at the end of the Program Year on an updated Schedule A. If the

insurer has not had a full year of operations during the applicable Program Year, the direct earned premiums are to be annualized to a full year basis.

2 Special Instructions

2.1 *State Licensed or Admitted Insurers that Report to the NAIC via Statutory Page 14.*

For a State licensed or admitted insurer that reports to the NAIC, direct earned premium is the premium information for commercial property and casualty insurance coverage reported by the insurer on column 2 of the NAIC Exhibit of Premiums and Losses of the NAIC Annual Statement (commonly known as Statutory Page 14). (See instruction 1.2 above.)

2.2 *Insurers that do not Report to the NAIC via Statutory Page 14.*

An insurer that does not report to the NAIC via Statutory Page 14 should only report direct earned premium in Step 1 for classes or lines of business that include, at a minimum, the equivalent of one or more lines of business specified in General Instruction 1.2. Thus, regardless of the description of the premium on another reporting form, all direct earned premium in Step 1 must include the functional equivalent of a commercial line of business as specified in General Instruction 1.2. Insurers that may be required to extract direct earned premium information from other reporting forms include alien surplus lines insurers, farm mutual insurers, county mutual insurers, captive insurers and federally-approved insurers.

If such an insurer reports to its State regulator only on a written premium basis, then the accrual method must be applied to calculate direct earned premium.

An eligible surplus line insurer listed on the NAIC Quarterly Listing of Alien Insurers *that does not currently report earned premium*, may use its current reporting basis for purposes of calculating the insurer deductible provided that 1) it reports to the NAIC on an equivalent basis satisfactory to the NAIC, and 2) it is in transition to reporting on an earned premium basis. This permission is only granted for the duration of the transition period.

Other types of payments that compensate the insurer for risk of loss (such as contributions, assessments, etc. for certain farm and county mutual insurers) must also be considered as part of direct earned premium.

An insurer approved by a Federal agency for the purpose of offering property and casualty insurance in connection with maritime, energy or aviation activity should adjust its premium to reflect the limitations on scope of insurance coverage under the Program (i.e. to the extent of federal approval of commercial property and casualty insurance in connection with maritime, energy or aviation activities).

3 Step by Step Calculations

3.1 *Step One*

List Direct Earned Premiums (consolidated for all affiliated insurers) from the Annual Statement Exhibit of Premiums and Losses (Statutory Page 14), Column 2 for all lines of business included in the Program.

List premiums by line for all lines not reported via Statutory Page 14, but reported on a separate state form as discussed in Special Instruction 2.2. Use the blank lines at the end of the section.

Include all premiums reported for any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the U.S. Virgin Islands, and any other territory or possession of the United States.

Include all surplus lines written by affiliates and reported for any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the U.S. Virgin Islands, and any other territory or possession of the United States.

If a line of business reported in this section includes direct earned premiums both for lines of business or coverage included and not included in the Program, include the full amount of premiums reported on Statutory Page 14 or another reporting mechanism in Step 1. The premiums from lines or coverages not included in the Program will be reported in Step 2 and subtracted later.

3.2 Step Two

List Direct Earned Premiums included in the numbers reported under Step 1 that are not included in the Program. “Reasons for Exclusion of Premium” include:

1. Incidental Personal lines coverage within hybrid policies
2. Cross-border (Locations not covered by TRIA)
3. Incidental non-Commercial P&C (other than personal lines) within hybrid policies
4. Coverages within an included line but excluded from the Program (e.g., Crop reported on Line 2.1)
5. Other (explain)

3.3 Step Three

This step only applies to those insurers who act as servicing carriers for one or more state residual markets that write commercial lines of business included in the Program. List all direct earned premium for lines of business that were included in the numbers reported under Step 1, but not excluded under Step 2, and that were ceded to a state residual market under a servicing carrier arrangement.

3.4 Step Four

List all earned premiums for lines of business included in the Program that were NOT otherwise included in the data reported under Step 1 and were distributed to the insurer by state residual market mechanisms (note: this includes premiums received from state residual markets that were reported as assumed reinsurance).

3.5 Step Five

Complete the formula in order to determine the insurer’s Direct Earned Premium for purposes of TRIA and the resultant insurer deductible based on the Deductible Factor for the relevant Program Year.

3.6 Step Six

An appropriate executive officer of the insurer (e.g. listed in the NAIC annual statement) must certify the data and calculations used to determine the Direct Earned Premium and resulting insurer deductible.



Schedule B
TERRORISM RISK INSURANCE PROGRAM
CERTIFICATION OF COMPLIANCE WITH SECTION 103(b)
OF TERRORISM RISK INSURANCE ACT OF 2002

Insurer or Insurer Group Name: _____

NAIC Insurer (or Group) Number or TIN (if no NAIC #): _____

Program (calendar) Year: _____

I hereby certify that to the best of my information, knowledge and belief:

A. For each insurer with underlying losses included with this Certification of Loss:

1. The insurer has either (a) paid all underlying claims comprising the insured losses listed in the bordereau provided pursuant to 31 C.F.R. 50.53(b)(1) or (b) will pay such underlying claims upon receipt of an advance payment of the Federal share of compensation as soon as possible, consistent with the insurer's normal business practices, but not longer than five business days after receipt of the Federal share of compensation;
2. The underlying claims for insured losses were filed by persons who suffered an insured loss, or by persons acting on behalf of such persons;
3. The underlying claims for insured losses were processed in accordance with appropriate business practices and the procedures specified in 31 C.F.R. Part 50 Subpart F;
4. The insurer has provided clear and conspicuous disclosure to the policyholder of the premium charged for insured losses covered by the Program and the Federal share of compensation for insured losses under the Program by complying with the disclosure requirements of 31 C.F.R. 50.10 through 50.19 for each underlying insured loss that is included in the amount of the insurer's aggregate insured losses;
5. The insurer has made available, in all of its commercial property and casualty insurance policies, 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 by complying with the mandatory availability requirements of 31 C.F.R. 50.20 through 50.24; and

B. Disbursements of the Federal share of compensation to affiliated insurers, if applicable, will be accomplished in accordance with 31 C.F.R. Part 50 Subpart F.

Any false or fraudulent statements or claims may subject the insurer and signatory to criminal, civil, or administrative penalties.

Name	Officer Title	Date
Signature		



TERRORISM RISK INSURANCE PROGRAM

Schedule C - Bordereau General Instructions

The purpose of the Bordereau is to provide the necessary underlying claim information that substantiates and supports the initial and supplementary Certifications of Loss. The combination of these reports and certifications will promote the prompt payment of insurer submissions and provide the information needed for control purposes. Descriptions for each data element and field follow. ALL fields are required for each line (record), unless otherwise noted. Although reserve information is to be included in this report, all requests for payment of the federal share must be based on claim amounts already paid or to be paid as specified in 31 C.F.R. 50.53(b)(2)(i), and not based on reserves. All underlying claims must be reported, including those that fall within the insurer deductible.

In the case of workers' compensation, claim information on the bordereau is to be reported at the policy level, not at the individual claimant level. Up to three lines will be used for reporting claim information under a policy (at the policy level regardless of the number of individual claimants), breaking out the information by medical only, medical portion of indemnity, and indemnity portion of indemnity.

An insurer that is participating in a residual market mechanism and is reporting the losses that have been allocated to the insurer, will report the information as one claim record on the bordereau. In the case of workers' compensation, such an insurer will report up to three lines, breaking out medical only, medical portion of indemnity, and indemnity portion of indemnity. The name of the residual market mechanism will be reported as the "insured name".

HEADER INFORMATION

INSURER NAME - Enter the name of the controlling insurer or insurer group under which all direct earned premiums and TRIA deductibles are being accumulated.

INSURER (Group) NAIC # - Enter the corresponding NAIC number for the referenced insurer.

INSURER TIN - If the insurer referenced above does not have a NAIC number, enter the insurer's tax payer ID.

DATE - Enter the "as of" date for the information compiled below.

PROGRAM YEAR - Enter the four-digit TRIA Program Year.

CLAIM LEVEL INFORMATION

Information should be sorted by Catastrophe code (CAT) and then line of business (LOB).

1. **CAT CODE** - Enter the numeric code assigned to the event by the Insurance Services Office or Treasury.

2. **LOB** – Line of Business - Provide the code for the line of business under which the claim is being paid, using the following table. Codes 50.0, 51.0, 52.0, and 80.0 are to be used only if the claim cannot be identified under one of the other codes. These four codes will be used to accommodate reporting of losses from alien surplus lines insurers and losses allocated to participating insurers from residual market mechanisms where there is not a one to one correspondence with another code.

<u>Description</u>	<u>Code</u>
Fire	1.0
Allied Lines	2.1
Farmowners Multi-Peril	3.0
Commercial Multi-Peril (non-liability)	5.1
Commercial Multi-Peril (liability)	5.2
Ocean Marine	8.0
Inland Marine	9.0
Workers' Compensation	16.0
Other Liability	17.0
Products Liability	18.0
Commercial Auto No-Fault (personal injury protection)	19.3
Other Commercial Auto Liability	19.4
Commercial Auto Physical Damage	21.2
Aircraft (all perils)	22.0
Surety	24.0
Burglary and Theft	26.0
Boiler and Machinery	27.0
Energy	50.0
All Other Property Risks	51.0
All Other Casualty Risks	52.0
Residual Market (Multiple Coverages)	80.0

3. **LOC OF LOSS/STATE CD** - Enter location of loss by state or territory code. Enter the two-character alpha code for the state or U.S. territory where the loss occurred. (American Samoa = AS; Guam = GU; Puerto Rico = PR; U.S. Virgin Islands = VI; Northern Mariana Islands = MP). For losses in other U.S. territories or possessions not listed herein, use OT. If more than one state or territory is involved, use the state or territory where the majority of the losses occurred. For losses occurring on the premises of any United States mission, use UM. Use AC for an air carrier or FV for a U.S. flag vessel if not located in a state, territory, or U.S. mission at the time of loss. If reporting losses from a residual market entity, enter state of coverage.
4. **DOL** - Date of Loss - Enter the date which is established by the Secretary of the Treasury's certification of the act of terrorism. Enter in numeric format- month/day/year (XX/XX/XXXX).
5. **INSURER NUMBER** - Enter the insurer NAIC number (or TIN if no NAIC #) for the insurer that issued the policy under which a claim was made or is reporting an allocation of residual market losses.

6. **INSURER NAME** - Enter the name of the insurer that issued the policy under which a claim was made or is reporting an allocation of residual market losses.
7. **CLAIM #** - Enter the insured's claim number (alpha and/or numeric). If reporting losses allocated from a residual market mechanism, enter "RMA" or use RMA as a prefix to any insurer-assigned tracking identifier.
8. **INSURED NAME** - Enter the name of the insured as this information appears on the policy. In the case of reporting losses allocated from a residual market mechanism, identify that mechanism here.
9. **INSURED TIN** – Enter the tax id number of the insured, if available. If not available, leave blank.
10. **EFF DT** - Effective date- Enter the effective date of the policy in numeric format-month/day/year (XX/XX/XXXX). If reporting an allocation of residual market losses, leave blank.
11. **EXP DT** - Expiration date- Enter the expiration date of the policy in numeric format-month/day/year (XX/XX/XXXX). If reporting an allocation of residual market losses, leave blank.
12. **WC INDICATOR** - Workers Compensation information must be reported separately by medical only (MO), medical portion of indemnity (MI) and indemnity portion of indemnity (II). Note that if all three categories are applicable to a claim, three records would be reported for the same claim number (one line for each indicator). If any of the indicators are not applicable, do not report a record for that indicator. If not a Workers Compensation claim, leave this field blank.
13. **NUMBER OF WC CLAIMANTS** - For each of the records with a unique WC Indicator (MO, MI, II) named above, enter the corresponding number of claimants by category. If not a Workers Compensation claim, enter a zero.
14. **PRIOR CUMULATIVE LOSS PAYMENTS** – This field is the amount from field 16, "Total Cumulative Loss Payments", from the immediately prior bordereau for this claim. If claim is reported for the first time, this field is zero.
15. **CURRENT LOSS PAYMENT INFORMATION:**
 - a. **LOSS PAID AMOUNT** – The gross dollar amount paid since the previous bordereau submission (do not include amounts from the previous bordereau that were included as *LOSS TO BE PAID AMOUNT*). Enter the amounts paid electronically or via check or draft as of the date of the report. Do not include reserve amounts, deductible amounts that are the responsibility of the insured, ALAE, extra contractual obligations or amounts paid excess of policy limits. The amount paid must include any punitive damages paid and is prior to any netting of salvage or subrogation recovery amounts. If there have been no losses paid since the previous bordereau submission, enter zero.
 - b. **LOSS TO BE PAID AMOUNT** – The gross dollar amount that has already been determined and that will be paid within five business days after receipt of the Federal share of compensation. Do not include reserve amounts, deductible amounts that are the responsibility of the insured, ALAE, extra contractual obligations or amounts paid excess of policy limits. The amount to be paid must include any punitive damages to be paid and is prior to any netting of salvage or subrogation recovery amounts. If this field is not applicable, enter zero.

16. **TOTAL CUMULATIVE LOSS PAYMENTS** – This field is the sum of fields 14 plus 15a plus 15b. It is the total amount of payments cumulatively paid or to be paid within five days of receipt of the Federal share of compensation.
17. **PUNITIVE DMG PD** - Punitive damages paid - Enter the cumulative amount of any punitive damages that have been paid or are to be paid as part of the “Loss to be Paid Amount” on this claim. Total “Punitive Damage Paid” will be subtracted from loss payments on the Loss Certification. If no punitive damages have been paid, enter zero.
18. **ALAE PAID** - Enter allocated loss adjustment expense paid to date. Include cumulative amounts paid electronically or via check or draft as of the date of the report. Expenses incurred but not yet paid are not included. For TRIP, ALAE includes loss adjustment expenses incurred by an insurer in connection with the insured loss, and that are allocated and identified by claim file in insurer records, including expenses incurred in the investigation, adjustment and defense of claims, but excluding staff salaries, overhead and other insurer expenses that would have been incurred notwithstanding the insured loss. If no ALAE has been paid, enter zero.
19. **SALV RECOVRD** - Salvage recovered- Enter the net dollar amount of the salvage recoveries booked as of the date of this report. Expenses (other than those included in ALAE) that are directly related to recovery of any salvage are to be subtracted from gross recoveries. If the company does not capture salvage and subrogation information separately, then enter zero.
20. **SUBRO RECOVRD** - Subrogation recovered- Enter the net dollar amount of the subrogation recoveries booked as of the date of this report. Expenses (other than those included in ALAE) that are directly related to any subrogation recovery are to be subtracted from gross recoveries. If the company does not capture salvage and subrogation information separately, then enter zero.
21. **SALV/SUBRO RECOVRD** – Enter the net dollar amount of salvage and subrogation recoveries booked as of the date of this report. Expenses (other than those included in ALAE) that are directly related to recovery of any salvage and subrogation are to be subtracted from gross recoveries. If salvage and subrogation have been reported separately under fields 19 and 20, then this field is the sum of those two fields. Total “Salvage and Subrogation Recovered” will be subtracted from loss payments on the Loss Certification. If there are no salvage or subrogation recoveries booked as of the date of this report, enter zero.
22. **REINS RECVRBLE** - Reinsurance Recoverable- If reinsurance recoveries have been or are expected to be received for this claim, enter **Y** (Yes); otherwise enter **N** (No).
23. **DUPLICATE FEDERAL COMPENSATION** – Pursuant to 31 CFR 50.51(b)(2), each insurer must inquire of its policyholders, insureds and/or claimants, regarding duplicate Federal compensation for the insured loss. Based on the response to the insurer, this element is an indicator for whether the person receiving insurance proceeds for this loss (1) has received, or expects to receive based on an already approved application, duplicate compensation from another Federal program (enter **Y**); or (2) if the preceding is not applicable, but possibly will receive future duplicate compensation (application not yet approved) from another Federal program (enter **P**); or (3) has no possibility of duplicate compensation (enter **N**).

24. **AMT ONE OF DUPLI FED COMP** - If Duplicate Federal Compensation is ‘Y’, then enter the dollar amount of compensation that the insured or claimant has identified as duplicative of the insured loss amount. Otherwise enter zero. If there is more than one source of duplicate payments, enter the largest amount in this field.
25. **SOURCE ONE OF FED COMP** – If Duplicate Federal Compensation is ‘Y’ or ‘P’, then enter the 3-letter code for the Federal source. Possible values are: FEM (FEMA/Dept. of Homeland Security); HUD (Dept. of Housing and Urban Development); SBA (Small Business Administration); DOT (Dept. of Transportation); HHS (Dept. of Health and Human Services); DOL (Dept. of Labor); AGR (Dept. of Agriculture); OTH (other). If there is more than one source of duplicate compensation, enter the source of the amount identified in field 24. If Duplicate Federal Compensation is ‘N’, then leave blank.
26. **AMT TWO OF DUPLI FED COMP** - If Duplicate Federal Compensation is ‘Y’, and there is more than one source, then enter the remaining dollar amount of compensation that the insured or claimant has identified as duplicative of the insured loss amount that has not already been included in field 24. Otherwise enter zero.
27. **SOURCE TWO OF FED COMP** – If Duplicate Federal Compensation is ‘Y’ or ‘P’, and if there are multiple sources, enter the 3-letter code (see field 25 instructions) for the Federal source of the next largest amount received or expected to be received. If Duplicate Federal Compensation is ‘N’ (or ‘Y’ or ‘P’, but from only one source), then leave blank.
28. **THIRD PARTY INDICATOR** - Indicate if this claim involves a third-party claimant. Enter Y(Yes) or N(No). Not applicable for workers’ compensation (leave blank).
29. **CLAIM STATUS** – Indicator for claim status as of the date of the report. Possible values are: O (open); C (closed); or R (reopened). For worker’s compensation, report claim status at the policy level by WC Indicator (field 12). If reporting an allocation of residual market losses, leave blank.
30. **RESERVES** - For open or reopened claims, report the case reserve amount as of the date of this report. For closed claims, enter zero. Reported case reserve amount should reflect draw downs for current “loss paid amount” and current “loss to be paid amount”.

SUMMARY INFORMATION

Grand totals (control totals) are to be provided for all columns having dollar values and for the number of records/lines of claim level information.

Schedule C: Bordereau Form