



**STATE OF NEW YORK  
INSURANCE DEPARTMENT**  
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George E. Pataki  
Governor

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Superintendent

**Circular Letter No. 2 (2004)**  
**March 24, 2004**

**TO: All Licensed Property and Casualty Insurers**

**RE: Treasury Department Survey on the Terrorism Risk Insurance Program**

**STATUTORY REFERENCE: Terrorism Risk Insurance Act of 2002**

The Terrorism Risk Insurance Act of 2002 (TRIA) requires the Treasury Department to provide Congress with an assessment of the effectiveness of the Terrorism Risk Insurance Program, the likely capacity of the property and casualty insurance industry to offer terrorism risk insurance after the Program sunsets on December 31, 2005 and the availability and affordability of such insurance for various policyholders, including railroads, trucking and public transit. The report is due no later than June 30, 2005.

We have been advised that the Treasury Department has contracted with Westat to conduct the survey

Various insurers chosen at random were sent a survey requesting information on the cost and uptake of terrorism insurance, and information on changes in insurer financial condition, including the availability of reinsurance. Survey data is also being collected from re-insurers, to assess their capacity to offer coverage for this risk to primary insurers.

The completed survey for 2002 and 2003 data is due by April 1, 2004.

The Treasury Department has indicated that there has been, thus far, a low insurer response to the survey. The low response rate is of great concern to the Department. The survey information is of critical importance as Treasury and the Congress consider both the effectiveness of the current program and the implications of its expiration. Given the importance of these surveys, the Department fully expects that insurers will take all necessary steps to reply to the Treasury Department's survey by the due date.

Insurers are also advised that a second survey data collection, for 2004 data, is scheduled for April – June, 2004; and a third, for January-March, 2005.

Very truly yours,

Joseph A. DeMauro, JD, CPCU, ARe

Deputy Superintendent