



December 17, 2014

SENATE ADJOURNS BEFORE ACTING ON TRIA

On Tuesday evening, December 16, 2014 the Senate adjourned for the 113th Congress without acting on the reauthorization of TRIA. The Terrorism Risk Insurance Act (TRIA) is set to expire on December 31, 2014. The new Senate is scheduled to return on January 6, 2015.

The expiration of TRIA means that there is no longer a Federal backstop for losses certified by the United States Treasury as terrorism losses. Any terrorism loss occurring after December 31st will not be covered by the current federal terrorism reinsurance program.

Policies issued between January 2, 2014 and December 31, 2014 will fall partly under the provisions of TRIA. Last year, in anticipation of the expiration of TRIA, MSO, Inc. developed and filed several Terrorism endorsements. These endorsements provide for a “sunset” provision that states that the general pre-TRIA terrorism exclusion becomes effective as of January 1, 2015 if TRIA is not reauthorized.

In New York State, however, after December 31, 2014, there are no exclusions for terrorism.

Policyholder notices were also developed at that time. These endorsements and notices are available on the MSO website: <http://www.msonet.com>.