To the Members of the Board

RE: New York Workers Compensation Notification Endorsement – WC 00 01 12

The Rates Committee has adopted, and the New York State Insurance Department has approved, for policies effective January 1, 2005 and thereafter, the Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Act of 2002 (WC 00 01 12).

The Terrorism Risk Insurance Act (TRIA), which became effective on November 26, 2002, provides for a three-year program under which the Federal Government shares in the payment of insured losses caused by certain acts of terrorism. It is scheduled to expire on December 31, 2005 and it is unknown, at this time, whether or not Congress will take action to extend TRIA beyond this date.

Currently, the Terrorism Risk Insurance Act Endorsement (WC 00 04 20) is attached to the standard policy and outlines the provisions of TRIA. Also shown on the endorsement and the Information Page of the policy is the premium impact for TRIA coverage.

To address the uncertainty of the extension of TRIA, it is recommended that WC 00 01 12 (attached) be used to inform insureds that TRIA may or may not be extended and that the amount shown on the policy and endorsement may continue or change for new, renewal and in force policies in effect on or after December 31, 2005.

A revised manual page will be distributed as soon as it is available.

Very truly yours,

Monte Almer

President
NOTIFICATION ENDORSEMENT OF PENDING LAW CHANGE TO TERRORISM RISK INSURANCE ACT OF 2002

This endorsement is being sent to you with respect to your workers compensation and employers liability insurance policy. This endorsement does not replace the separate Terrorism Risk Insurance Act Endorsement (WC 00 04 20) that is attached to your current policy and which remains in effect as applicable.

The Terrorism Risk Insurance Act of 2002 (TRIA) took effect on November 26, 2002 and provides for a three-year program under which the Federal Government will share in the payment of insured losses caused by certain acts of terrorism. In the absence of affirmative U.S. Congressional action to extend, update or otherwise reauthorize in whole or in part, TRIA is scheduled to expire December 31, 2005.

Since the timetable for any further Congressional action respecting TRIA is unknown at this time, and the exposure to acts of terrorism remains, we are providing our policyholders with relevant information concerning their workers compensation policies in effect on or after January 1, 2005 in the event of TRIA’s expiration.

Your policy provides coverage for workers compensation losses caused by acts of terrorism or war, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions and conditions in your policy.

The premium charge for the coverage your policy provides for terrorism or war losses is shown in Item 4 of the Information Page or the Schedule in the Terrorism Risk Insurance Act Endorsement (WC 00 04 20) that is attached to your policy, and this amount may continue or change for new, renewal, and in force policies in effect on or after December 31, 2005 in the event of TRIA’s expiration, subject to regulatory review in accordance with applicable state law.

You need not do anything further at this time.