

September 24, 2015

Michael T. McRaith
Director, Federal Insurance Office
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Mike:

As you know, state insurance commissioners are moving forward with plans to collect data from U.S. insurers relative to their terrorism insurance exposure. Industry solvency is one of the primary missions of state regulation, and a core consumer protection. After all, insurers providing terrorism coverage for businesses big and small can be the same insurers offering homeowners and auto insurance to individual consumers. With the recent reauthorization of the Terrorism Risk Insurance Program, the insurance industry's share of losses before a federal backstop is triggered has been expanded, and we therefore have greater need than ever before to assess the potential impact on company solvency and identify market trends and concentrations. This is also a coverage for which traditional underwriting and actuarial analysis is limited with few historical examples, compounding concerns we have about industry exposure and concentrations of risk.

One of the foundational strengths of the national system of state-based insurance regulation is data collection

Respectfully,

Monica J. Lindeen
NAIC President and
Montana Commissioner of Securities and Insurance

John M. Huff
NAIC President-Elect and
Director, Missouri Department of Insurance



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Sharon P. Clark
NAIC Vice President
Kentucky Insurance Commissioner



Theodore K. Nickel
NAIC Secretary-Treasurer
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