

MARKET BULLETIN

From	Director, Worldwide Markets (extn 6677)
Date	23 December 2005
Reference	Y3714
Subject	US Terrorism Risk Insurance Extension Act of 2005 ("TRIEA")
Subject areas	To note the signing into law of the above Act. TRIEA extends the US Terrorism Risk Insurance Act of 2002 ("TRIA") for two additional years (2006-2007).
Attachments	None
Action points	Managing agents and Lloyd's brokers to note the contents of this bulletin
Deadlines	For immediate attention

Purpose of bulletin

To advise the market that President Bush signed the US Terrorism Risk Insurance Extension Act of 2005 ("TRIEA") into law yesterday (22 December, 2005).

Details of the Act were provided in Market Bulletin Y3706, issued on the 20 December, 2005. We will provide specific transition advice for the market in a separate market bulletin to be issued shortly.

Background

The US Terrorism Risk Insurance Act of 2002 ("TRIA") established Federal reinsurance support for commercial property and casualty exposures against an "act of terrorism" (as defined in the Act) in the US. It obliges insurers, including Lloyd's, to make available coverage for terrorism (for a defined "act of terrorism" under the Act) and restricts the exclusion of such coverage.

The Terrorism Risk Insurance Extension Act of 2005 ("TRIEA"), enacted yesterday, extends TRIA for two additional years (2006-2007).

Further information

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This market bulletin has been sent to active underwriters and to the compliance officers of managing agents and Lloyd's brokers.

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