



Oklahoma INSURANCE Department  
State of Oklahoma

## **BULLETIN NO. PC 2005-03**

**TO: ALL PROPERTY AND CASUALTY INSURERS LICENSED IN OKLAHOMA  
ALL RATING AND ADVISORY ORGANIZATIONS  
ATTENTION: STATE FILING DIVISION**

**FROM: OKLAHOMA INSURANCE DEPARTMENT**

**RE: POST TRIA "CONDITIONAL" EXCLUSIONARY FORMS RELATED TO  
ACTS OF TERRORISM**

**DATE: April 21, 2005**

### **PURPOSE OF THIS BULLETIN**

This bulletin replaces Bulletin No. PC 2004-09 issued on October 21, 2004. The intent of this bulletin is to inform you of the change in the position in Oklahoma on terrorism exclusions, regarding coverage lines if TRIA is amended without the make available requirement, or is allowed to expire on 12/31/05. Exclusionary endorsements for all personal lines, workers' compensation, commercial auto liability for amounts required due to the financial responsibility laws, Federally backed crop and flood coverage will be disapproved. Exclusionary endorsements for all other lines will be accepted.

Oklahoma understands that reinsurance is available for terrorism coverage, however the amount may be capped or limited. As such, Oklahoma believes that insurance companies should make terrorism coverage available to policyholders in those amounts of insurance.

### **LINES OF INSURANCE FOR WHICH EXCLUSIONARY ENDORSEMENTS WILL NOT BE APPROVED**

However, any insurer that is able to demonstrate an actual threat to its solvency from possible terrorist attacks based on the amount, location and type of risks it has written in Oklahoma, may apply to the Insurance Department for consideration of an exclusion for a line of insurance listed in the first paragraph of this bulletin. The company will be expected to demonstrate that 1) it has lost terrorism reinsurance coverage, 2) it cannot obtain terrorism reinsurance coverage, 3) terrorism reinsurance coverage is obtainable

## **Bulletin PC 2005-03**

### **Page 2**

only at a cost that is so great as would make the primary types or lines of insurance unmarketable; or 4) the inability to exclude the risk of terrorism will adversely affect the company's solvency. Questions regarding this matter should be directed to Kathie Stepp at [kathiestepp@insurance.state.ok.us](mailto:kathiestepp@insurance.state.ok.us).

### **ISO ENDORSEMENTS**

The Department is working with the Insurance Services Office (ISO) on the submission of forms CA 23 79, CA 23 80, CA 23 86 and CA 23 87. During this process insurers who are members/subscribers of ISO may submit similar forms on an independent basis.

### **EXPEDITED TRANSMITTAL FORMS AND REVIEW PROCESS**

Oklahoma has chosen not to use the NAIC Expedited Transmittal form or the Review process that went into effect on 11/01/04. However, insurance companies may take advantage of Oklahoma's Self-certification Program available for form filings as outlined in Commissioner's Order 04 -1714 - PRJ, located on the Department website in the Property and Casualty Division's section, [www.oid.state.ok.us](http://www.oid.state.ok.us). Effective November 1, 2004, the rate and manual rule filings for each of the coverages listed on page 1 of this bulletin are under a "use and file" system thus making the NAIC Expedited process unnecessary in Oklahoma.

### **WHAT MUST THE INSURER FILE?**

As is the case with all filings, Oklahoma requires the form filing to be submitted separately from the manual rate and rule filing. Filings must include the filing forms, endorsements, manual pages containing rate and or manual rules, supplementary rate information and the supporting documentation. The interactive filing forms are located on the Department website in the Property and Casualty Division's section, [www.oid.state.ok.us](http://www.oid.state.ok.us).

**Questions applicable to this bulletin should be directed to [kathiestepp@insurance.state.ok.us](mailto:kathiestepp@insurance.state.ok.us) of the Property and Casualty Division, or [robertnoll@insurance.state.ok.us](mailto:robertnoll@insurance.state.ok.us) of the Legal Division of the Oklahoma Insurance Department, P. O. Box 53408, Oklahoma City, OK 73152-3408.**

**The Oklahoma Insurance Department encourages readers of this bulletin to periodically check the Department's web site ([www.oid.state.ok.us](http://www.oid.state.ok.us)) for news and updates to Bulletins, Board Position Letters, Board meeting dates, and other relevant material.**