

Life insurance coverage for terrorism risk SB 45



Sept. 11, 2001

Sept. 11 terrorist attack was most expensive in U.S. history.

- 2/3 of losses paid by reinsurers
- Loss experience led to disappearance of reinsurance for terrorism coverage
- Led to primary insurers excluding terrorism coverage

Terrorism Risk Insurance Act (TRIA)

In response, congress passed TRIA and created the Terrorism Risk Insurance Program.

- TRIA acts as reinsurance for P&C insurance
 - Created a federal loss-sharing program
 - Coverage extended through Dec. 31, 2027
- No reinsurance backstop exists for life insurance
- Insurers may exclude life coverage for terrorism-related claims

ORS 742.005

State's ability to control insurance coverage exclusions limited to the guidelines in ORS 742.005.

Is the exclusion:

- Uncertain, ambiguous or likely to mislead a person?
- Prejudicial to the interests of the insurer's policyholders?
- Unjust, unfair or inequitable?

This bill would prohibit the exclusion of insurance coverage for loss of life due to terrorism.