satisfy the disclosure requirements of the Act and the insurer uses the most current forms that are available at the time of disclosure. These forms may be found on the Treasury Web site at http://www.treasury.gov/trip.


§ 50.18 Notice required by reinstatement provision.

(a) Nullification of terrorism exclusion. Any terrorism exclusion in a contract for property and casualty insurance that was in force on November 26, 2002, is void to the extent it excludes losses that would otherwise be insured losses.

(b) Reinstatement of terrorism exclusion. Notwithstanding paragraph (a) of this section, an insurer may reinstate a preexisting provision in a contract for property and casualty insurance that was in force on November 26, 2002, and that excludes coverage for an act of terrorism only if:

(1) The insurer has received a written statement from the insured that affirmatively authorizes such reinstatement; or

(2) The insurer provided notice at least 30 days before any such reinstatement of the increased premium for such terrorism coverage and the rights of the insured with respect to such coverage, including the date upon which the exclusion would be reinstated if no payment is received, and the insured fails to pay any increased premium charged by the insurer for providing such terrorism coverage.


§ 50.19 General disclosure requirements for State residual market insurance entities and State workers’ compensation funds.

(a) Policies in force on October 17, 2003, or renewed or issued on or before January 15, 2004. For policies in force on October 17, 2003, or renewed or issued on or before January 15, 2004, the disclosure required by section 103(b) of the Act as a condition for Federal payment is waived for those State residual market insurance entities and State workers’ compensation funds that since November 26, 2002, have not provided disclosures to policyholders, until January 15, 2004, after which disclosures are to be made to policyholders for policies then in force and subsequently issued.

(b) Residual Market Mechanism Disclosure. A State residual market insurance entity or State workers’ compensation fund may provide the disclosures required by this subpart B to policyholders using normal business practices, including forms and methods of communication used to communicate similar policyholder information to policyholders. The disclosures may be made by the State residual market insurance entity or State workers’ compensation fund itself, the individual insurers that participate in the State residual market insurance entity or a State workers’ compensation fund, or its servicing carriers. The ultimate responsibility for ensuring that the disclosure requirements have been met rests with the insurer filing a claim under the Program.

(c) Other requirements. Except as provided in this section, all other disclosure requirements set out in this subpart B apply to State residual insurance market entities and State workers’ compensation funds.

(d) Prior safe harbor superseded. This section supersedes the disclosure safe harbor provisions found at paragraph C.4 of the Interim Guidance issued by Treasury in a notice published on December 18, 2002, and published at 67 FR 78864 (December 26, 2002).

[68 FR 59719, Oct. 17, 2003]

Subpart C—Mandatory Availability

SOURCE: 68 FR 19307, Apr. 18, 2003, unless otherwise noted.

§ 50.20 General mandatory availability requirements.

(a) Transition Period and Program Years 1 and 2—period ending December 31, 2004. Under section 103(c) of the Act (unless the time is extended by the Secretary as provided in that section) during the period beginning on November 26, 2002 and ending on December 31, 2004 (the last day of Program Year 2), an insurer must: