**Justification for Non-substantive Change**

**Terrorism Risk Insurance Program**

**1505-0257**

The Terrorism Risk Insurance Act of 2002 (TRIA), as amended, established the Terrorism Risk Insurance Program (TRIP). Treasury is required under TRIA to conduct an annual data call of information relating to the effectiveness of TRIP. Treasury has been conducting that annual data call since 2016 pursuant to forms approved by OMB under Control Number 1505-0257. Those forms were last approved by OMB in 2022, to incorporate more detailed information requests concerning cyber insurance. Two of the new categories of information sought requested the reporting of the number of policies and premium information allocated by small, medium, and large policyholders. The policyholder categories were measured by number of employees (100 or less for small, 101-500 for medium, and 501 or more for large). Feedback received after the first year of reporting indicates that many insurers would be better able to report those categories as measured by total sales/revenue, given the information that they typically collect during the insurance underwriting process.

Treasury has determined, based upon its own research and through engagement with external experts, that in terms of measuring the population of business entities in the United States, the revenue categories of under $10 million, $10 million to $100 million, and over $100 million approximate the percentages of business entities measured by number of employees in the tranches Treasury has used. Accordingly, Treasury is proposing to modify the language of the reporting forms and instructions in this regard to reflect that a reporting insurer may utilize ***either*** the number of employee measures, or the newly-identified revenue measures, to report the requested information.

This is a non-substantive change, in that there is no change to the information being requested (i.e., number of cyber policies and cyber premium allocated by size of policyholder); the change only provides reporting insurers an additional basis upon which they are permitted to make the allocation of what is a small, medium, or large policyholder. To accomplish the change, Treasury has updated the reporting forms and instructions as outlined below:

* **Cyber Reporting Forms –** Lines 12-17 of the Cyber (Nationwide) Worksheet modified (now shown in red on the attached exemplar) to reflect that the policyholder categories can be measured by either number of employees or revenue, as specified.
* **Instructions (Cyber) –** The instructions associated with Lines 12-17 of the Cyber (Nationwide) Worksheet modified (shown in Track Changes on the attached exemplar) to reflect that the policyholder categories are now measured by either number of employees or revenue.

These changes to the forms are not estimated to have any impact on the currently approved burden. As the changes permit reporting of the same information on a basis that may be easier for at least some insurers to evaluate, they may reduce the burden for some number of responding insurers. Our data aggregator should be able to identify for us whether a reporting insurer uses one basis or the other, meaning we can also analyze whether the information reported using one basis versus the other appears to be generally consistent.