

Participation of the CCS in the Third OECD International Meeting on Terrorism Risk Insurance

The Third International Meeting on Terrorism Risk Insurance was held in Washington D.C. on 10 September 2014, at the headquarters of the U.S. Department of the Treasury, under the title: "Terrorism Risk Insurance: a Global Perspective. Where Do We Go From Here?". The Meeting coincided with the anniversary of the 11 September 2001 terrorist attacks, in the context of an intense discussion, both in the political as well as the reinsurance market spheres in the U.S., on the advisability of renewing the mechanism for terrorism risk coverage. This mechanism was implemented in the United States as a result of the 9-11 terrorist attacks under the Terrorism Risk Insurance Act (TRIA) which, following successive renewals, will expire on the 31st of December this year. The meeting, through its various sessions, sought to contribute elements of reflection which could serve as a reference for those in the U.S. and in the rest of the world who are responsible for making the decisions as to how to manage terrorism risk from the insurance point of view.

A range of groups were present among the large number of representatives in attendance: the U.S. and international reinsurance markets, together with brokers; rating agencies; research institutes; risk modelling firms; the U.S. Department of the Treasury and the terrorism risk insurance systems of several countries, including the Consorcio de Compensación de Seguros (CCS).

The meeting was organized into four sessions, with a varied content. An examination was made of the evolution of the terrorist threat, underlining the high level of risk detected at the present time, according to the experts. It also highlighted the difficulty of assessing a risk of this kind, but also the importance of risk modelling based on likely scenarios. In another of the sessions, the way some countries are present in terrorism insurance solutions was analyzed, focusing on public-private partnership formulas. In this context, the representatives of Pool Re (United Kingdom), Extremus (Germany), GAREAT (France), FSA (Denmark) and CCS (Spain) described the principal features of their respective systems.

The meeting served as a framework for the presentation of the International Terrorism Insurance Platform (<http://www.oecd.org/daf/fin/insurance/terrorism-risk-insurance-programmes.htm>), a project managed by the OECD High-Level Advisory Board on the Financial Management of Catastrophes, where the CCS is represented. This platform, apart from containing information on the management of the risk of terrorism, is an instrument which offers a brief but clear description of 13 coverage programs currently in effect throughout the world (including Spain's), and with the objective of reflecting the evolution of these programs on a continuing basis.

