

HR 4634 IH

108th CONGRESS

2d Session

H. R. 4634

To extend the terrorism insurance program of the Department of the Treasury.

IN THE HOUSE OF REPRESENTATIVES

June 22, 2004

Mr. SESSIONS (for himself, Mr. BAKER, Mrs. KELLY, Mr. CANTOR, and Ms. PRYCE of Ohio) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To extend the terrorism insurance program of the Department of the Treasury.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Terrorism Insurance Backstop Extension Act of 2004'.

SEC. 2. EXTENSION OF TERRORISM INSURANCE PROGRAM.

(a) Program Years 4 and 5- Paragraph (11) of section 102 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by adding at the end the following new subparagraphs:

'(E) PROGRAM YEAR 4- The term 'Program Year 4' means the period beginning on January 1, 2006 and ending on December 31, 2006.

'(F) PROGRAM YEAR 5- The term 'Program Year 5' means the period beginning on January 1, 2007 and ending on December 31, 2007.'

(b) Insurer Deductible- Paragraph (7) of section 102 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended--

(1) by redesignating subparagraph (E) as subparagraph (G);

(2) in subparagraph (D), by striking 'and' at the end;

(3) by inserting after subparagraph (D) the following new subparagraphs:

'(E) for Program Year 4, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 4, multiplied by 15 percent;

'(F) for Program Year 5, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 4, multiplied by 20 percent; and'; and

(4) in subparagraph (G) (as so redesignated by paragraph (1) of this subsection)--

(A) by striking '(D)' and inserting '(F)'; and

(B) by striking 'or Program Year 3' and inserting 'Program Year 3, Program Year 4, or Program Year 5'.

(c) Mandatory Availability- Subsection (c) of section 103 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended--

(1) by striking all of the matter that precedes subparagraph (A) of paragraph (1) and inserting the following:

'(c) Mandatory Availability- During the Program, each entity that meets the definition of an insurer under section 102--';

(2) by striking paragraph (2); and

(3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2) and realigning such paragraphs, as so redesignated, so as to be indented 2 ems from the left margin.

(d) Insured Loss Shared Compensation- Subsection (e) of section 103 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended--

(1) in paragraph (2)(A), by striking 'or Program Year 3' and inserting ', Program Year 3, Program Year 4, or Program Year 5';

(2) in paragraph (3), by striking 'or Program Year 3' and inserting ', Program Year 3, Program Year 4, or Program Year 5';

(3) in paragraph (6)--

(A) in subparagraph (B), by striking 'and' at the end;

(B) in subparagraph (C) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

'(D) for Program Year 4, the lesser of--

'(i) \$17,500,000,000; and

'(ii) the aggregate amount, for all insurers, of insured losses during such Program Year; and

'(E) for Program Year 5, the lesser of--

'(i) \$20,000,000,000; and

'(ii) the aggregate amount, for all insurers, of insured losses during such Program Year.'; and

(4) in paragraph (7)--

(A) in subparagraph (A), by striking 'and (C)' and inserting '(C), (D), and (E)'; and

(B) in subparagraphs (B) and (C), by striking `or (C)' each place such term appears and inserting `(C), (D), or (E)'.

(e) Group Life Insurance Determination- Subsection (h) of section 103 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended--

(1) in paragraph (2)(B), by striking `the study under paragraph (1)' and inserting `paragraphs (1) and (2)';

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

“(2) DETERMINATION- By June 1, 2005, the Secretary shall--

“(A) submit a report to the Congress on conditions and developments in the market for group life insurance since the determination that was announced by the Secretary on August 15, 2003, and made pursuant to this subsection (as in effect on such date); and

“(B) make a final determination as to the availability of group life insurance to both insurers and consumers and whether the provisions of this title shall be applied, pursuant to paragraph (3), to providers of group life insurance.’.

(f) Study on Long-Term Solutions- Section 103 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking subsection (i) and inserting the following new subsection:

“(i) Study on Long-Term Solutions- By June 1, 2005, the Secretary shall conduct a study and submit a report to the Congress on alternatives for expanding the availability and affordability of terrorism insurance after the termination of the Program that do not involve a Federal financial backstop.’.

(g) Termination of Program- Subsection (a) of section 108 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking `December 31, 2005' and inserting `December 31, 2007'.

END