

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Terrorism Insurance
5 Backstop Extension Act of 2004”.

6 **SEC. 2. EXTENSION OF TERRORISM INSURANCE PROGRAM.**

7 (a) PROGRAM YEARS 4 AND 5.—Paragraph (11) of
8 section 102 of the Terrorism Risk Insurance Act of 2002
9 (15 U.S.C. 6701 note) is amended by adding at the end
10 the following new subparagraphs:

1 “(E) PROGRAM YEAR 4.—The term ‘Pro-
2 gram Year 4’ means the period beginning on
3 January 1, 2006 and ending on December 31,
4 2006.

5 “(F) PROGRAM YEAR 5.—The term ‘Pro-
6 gram Year 5’ means the period beginning on
7 January 1, 2007 and ending on December 31,
8 2007.”.

9 (b) INSURER DEDUCTIBLE.—Paragraph (7) of sec-
10 tion 102 of the Terrorism Risk Insurance Act of 2002 (15
11 U.S.C. 6701 note) is amended—

12 (1) by redesignating subparagraph (E) as sub-
13 paragraph (G);

14 (2) in subparagraph (D), by striking “and” at
15 the end;

16 (3) by inserting after subparagraph (D) the fol-
17 lowing new subparagraphs:

18 “(E) for Program Year 4, the value of an
19 insurer’s direct earned premiums over the cal-
20 endar year immediately preceding Program
21 Year 4, multiplied by 15 percent;

22 “(F) for Program Year 5, the value of an
23 insurer’s direct earned premiums over the cal-
24 endar year immediately preceding Program
25 Year 4, multiplied by 20 percent; and”;

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

3 (A) by striking “(D)” and inserting “(F)”;

4 and

5 (B) by striking “or Program Year 3” and
6 inserting “Program Year 3, Program Year 4, or
7 Program Year 5”.

8 (c) MANDATORY AVAILABILITY.—Subsection (c) of
9 section 103 of the Terrorism Risk Insurance Act of 2002
10 (15 U.S.C. 6701 note) is amended—

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

14 “(c) MANDATORY AVAILABILITY.—During the Pro-
15 gram, each entity that meets the definition of an insurer
16 under section 102—”;

17 (2) by striking paragraph (2); and

18 (3) by redesignating subparagraphs (A) and
19 (B) as paragraphs (1) and (2) and realigning such
20 paragraphs, as so redesignated, so as to be indented
21 2 ems from the left margin.

22 (d) INSURED LOSS SHARED COMPENSATION.—Sub-
23 section (e) of section 103 of the Terrorism Risk Insurance
24 Act of 2002 (15 U.S.C. 6701 note) is amended—

1 (1) in paragraph (2)(A), by striking “or Pro-
2 gram Year 3” and inserting “, Program Year 3,
3 Program Year 4, or Program Year 5”;

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

7 (3) in paragraph (6)—

8 (A) in subparagraph (B), by striking
9 “and” at the end;

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

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

15 “(D) for Program Year 4, the lesser of—

16 “(i) \$17,500,000,000; and

17 “(ii) the aggregate amount, for all in-
18 surers, of insured losses during such Pro-
19 gram Year; and

20 “(E) for Program Year 5, the lesser of—

21 “(i) \$20,000,000,000; and

22 “(ii) the aggregate amount, for all in-
23 surers, of insured losses during such Pro-
24 gram Year.”; and

25 (4) in paragraph (7)—

1 (A) in subparagraph (A), by striking “and
2 (C)” and inserting “(C), (D), and (E)”; and

3 (B) in subparagraphs (B) and (C), by
4 striking “or (C)” each place such term appears
5 and inserting “(C), (D), or (E)”.

6 (e) GROUP LIFE INSURANCE DETERMINATION.—

7 Subsection (h) of section 103 of the Terrorism Risk Insur-
8 ance Act of 2002 (15 U.S.C. 6701 note) is amended—

9 (1) in paragraph (2)(B), by striking “the study
10 under paragraph (1)” and inserting “paragraphs (1)
11 and (2)”;

12 (2) by redesignating paragraph (2) as para-
13 graph (3); and

14 (3) by inserting after paragraph (1) the fol-
15 lowing new paragraph:

16 “(2) DETERMINATION.—By June 1, 2005, the
17 Secretary shall—

18 “(A) submit a report to the Congress on
19 conditions and developments in the market for
20 group life insurance since the determination
21 that was announced by the Secretary on August
22 15, 2003, and made pursuant to this subsection
23 (as in effect on such date); and

24 “(B) make a final determination as to the
25 availability of group life insurance to both in-

1 surers and consumers and whether the provi-
2 sions of this title shall be applied, pursuant to
3 paragraph (3), to providers of group life insur-
4 ance.”.

5 (f) STUDY ON LONG-TERM SOLUTIONS.—Section
6 103 of the Terrorism Risk Insurance Act of 2002 (15
7 U.S.C. 6701 note) is amended by striking subsection (i)
8 and inserting the following new subsection:

9 “(i) STUDY ON LONG-TERM SOLUTIONS.—By June
10 1, 2005, the Secretary shall conduct a study and submit
11 a report to the Congress on alternatives for expanding the
12 availability and affordability of terrorism insurance after
13 the termination of the Program that do not involve a Fed-
14 eral financial backstop.”.

15 (g) TERMINATION OF PROGRAM.—Subsection (a) of
16 section 108 of the Terrorism Risk Insurance Act of 2002
17 (15 U.S.C. 6701 note) is amended by striking “December
18 31, 2005” and inserting “December 31, 2007”.

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