

110TH CONGRESS
1ST SESSION

H. R. 4299

IN THE SENATE OF THE UNITED STATES

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Received

DECEMBER 13, 2007

Read twice and referred to the Committee on Banking, Housing, and Urban
Affairs

AN ACT

To extend the Terrorism Insurance Program of the
Department of the Treasury, and for other purposes.

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

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Terrorism Risk Insurance Program Reauthorization Act
4 of 2007”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of act of terrorism.
- Sec. 3. Reauthorization of the program.
- Sec. 4. Annual liability cap.
- Sec. 5. Enhanced reports to Congress.
- Sec. 6. Coverage of group life insurance.
- Sec. 7. Large event reset.
- Sec. 8. Availability of life insurance without regard to lawful foreign travel.
- Sec. 9. Program trigger.
- Sec. 10. Applicability.

7 **SEC. 2. DEFINITION OF ACT OF TERRORISM.**

8 Section 102(1)(A)(iv) of the Terrorism Risk Insur-
9 ance Act of 2002 (15 U.S.C. 6701 note) is amended by
10 striking “acting on behalf of any foreign person or foreign
11 interest”.

12 **SEC. 3. REAUTHORIZATION OF THE PROGRAM.**

13 (a) TERMINATION DATE.—Section 108(a) of the Ter-
14 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
15 is amended by striking “2007” and inserting “2014”.

16 (b) ADDITIONAL PROGRAM YEARS.—Section 102(11)
17 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C.
18 6701 note) is amended by adding at the end the following:

19 “(G) ADDITIONAL PROGRAM YEARS.—Ex-
20 cept when used as provided in subparagraphs
21 (B) through (F), the term ‘Program Year’

1 means, as the context requires, any of Program
2 Year 1, Program Year 2, Program Year 3, Pro-
3 gram Year 4, Program Year 5, or any of cal-
4 endar years 2008 through 2014.”.

5 (c) CONFORMING AMENDMENTS.—The Terrorism
6 Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is
7 amended—

8 (1) in section 102(7)(F)—

9 (A) by inserting “and each Program Year
10 thereafter” before “, the value”; and

11 (B) by striking “preceding Program Year
12 5” and inserting “preceding that Program
13 Year”;

14 (2) in section 103(e)(1)(A), by inserting “and
15 each Program Year thereafter” after “Year 5”;

16 (3) in section 103(e)(1)(B)(ii), by inserting be-
17 fore the period at the end “and any Program Year
18 thereafter”;

19 (4) in section 103(e)(2)(A), by striking “of Pro-
20 gram Years 2 through 5” and inserting “Program
21 Year thereafter”;

22 (5) in section 103(e)(3), by striking “of Pro-
23 gram Years 2 through 5,” and inserting “other Pro-
24 gram Year”; and

1 (6) in section 103(e)(6)(E), by inserting “and
2 any Program Year thereafter” after “Year 5”.

3 **SEC. 4. ANNUAL LIABILITY CAP.**

4 (a) IN GENERAL.—Section 103(e)(2) of the Ter-
5 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
6 is amended—

7 (1) in subparagraph (A)—

8 (A) by striking “(until such time as the
9 Congress may act otherwise with respect to
10 such losses)”; and

11 (B) in clause (ii), by striking “that
12 amount” and inserting “the amount of such
13 losses”; and

14 (2) in subparagraph (B), by inserting before
15 the period at the end “, except that, notwithstanding
16 paragraph (1) or any other provision of Federal or
17 State law, no insurer may be required to make any
18 payment for insured losses in excess of its deductible
19 under section 102(7) combined with its share of in-
20 sured losses under paragraph (1)(A) of this sub-
21 section”.

22 (b) NOTICE TO CONGRESS.—Section 103(e)(3) of the
23 Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701
24 note) is amended—

1 (1) by adding at the end the following: “The
2 Secretary shall provide an initial notice to Congress
3 not later than 15 days after the date of an act of
4 terrorism, stating whether the Secretary estimates
5 that aggregate insured losses will exceed
6 \$100,000,000,000.”; and

7 (2) by striking “and the Congress shall” and all
8 that follows through the end of the paragraph and
9 inserting a period.

10 (c) REGULATIONS FOR PRO RATA PAYMENTS; RE-
11 PORT TO CONGRESS.—Section 103(e)(2)(B) of the Ter-
12 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
13 is amended—

14 (1) by striking “For purposes” and inserting
15 the following:

16 “(i) IN GENERAL.—For purposes”;

17 and

18 (2) by adding at the end the following:

19 “(ii) REGULATIONS.—Not later than
20 240 days after the date of enactment of
21 the Terrorism Risk Insurance Program
22 Reauthorization Act of 2007, the Secretary
23 shall issue final regulations for deter-
24 mining the pro rata share of insured losses
25 under the Program when insured losses ex-

1 ceed \$100,000,000,000, in accordance with
2 clause (i).

3 “(iii) REPORT TO CONGRESS.—Not
4 later than 120 days after the date of en-
5 actment of the Terrorism Risk Insurance
6 Program Reauthorization Act of 2007, the
7 Secretary shall provide a report to the
8 Committee on Banking, Housing, and
9 Urban Affairs of the Senate and the Com-
10 mittee on Financial Services of the House
11 of Representatives describing the process
12 to be used by the Secretary for deter-
13 mining the allocation of pro rata payments
14 for insured losses under the Program when
15 such losses exceed \$100,000,000,000.”.

16 (d) DISCLOSURE.—Section 103(b) of the Terrorism
17 Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is
18 amended—

19 (1) by redesignating paragraphs (3) and (4) as
20 paragraphs (4) and (5), respectively; and

21 (2) by inserting after paragraph (2) the fol-
22 lowing:

23 “(3) in the case of any policy that is issued
24 after the date of enactment of the Terrorism Risk
25 Insurance Program Reauthorization Act of 2007,

1 the insurer provides clear and conspicuous disclosure
2 to the policyholder of the existence of the
3 \$100,000,000,000 cap under subsection (e)(2), at
4 the time of offer, purchase, and renewal of the pol-
5 icy;”.

6 (e) SURCHARGES.—Section 103(e) of the Terrorism
7 Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is
8 amended—

9 (1) in paragraph (7)—

10 (A) in subparagraph (C), by inserting
11 “133 percent of” before “any mandatory
12 recoupment”; and

13 (B) by adding at the end the following:

14 “(E) TIMING OF MANDATORY
15 RECOUPMENT.—

16 “(i) IN GENERAL.—If the Secretary is
17 required to collect terrorism loss risk-
18 spreading premiums under subparagraph
19 (C)—

20 “(I) for any act of terrorism that
21 occurs on or before December 31,
22 2010, the Secretary shall collect all
23 required premiums by September 30,
24 2012;

1 “(II) for any act of terrorism
2 that occurs between January 1 and
3 December 31, 2011, the Secretary
4 shall collect 35 percent of any re-
5 quired premiums by September 30,
6 2012, and the remainder by Sep-
7 tember 30, 2017; and

8 “(III) for any act of terrorism
9 that occurs on or after January 1,
10 2012, the Secretary shall collect all
11 required premiums by September 30,
12 2017.

13 “(ii) REGULATIONS REQUIRED.—Not
14 later than 180 days after the date of en-
15 actment of this subparagraph, the Sec-
16 retary shall issue regulations describing
17 the procedures to be used for collecting the
18 required premiums in the time periods re-
19 ferred to in clause (i).

20 “(F) NOTICE OF ESTIMATED LOSSES.—
21 Not later than 90 days after the date of an act
22 of terrorism, the Secretary shall publish an esti-
23 mate of aggregate insured losses, which shall be
24 used as the basis for determining whether man-
25 datory recoupment will be required under this

1 paragraph. Such estimate shall be updated as
2 appropriate, and at least annually.”; and

3 (2) in paragraph (8)—

4 (A) in subparagraph (C)—

5 (i) by striking “(including any addi-
6 tional amount included in such premium”
7 and inserting “collected”; and

8 (ii) by striking “(D))” and inserting
9 “(D)”; and

10 (B) in subparagraph (D)(ii), by inserting
11 before the period at the end “, in accordance
12 with the timing requirements of paragraph
13 (7)(E)”.

14 **SEC. 5. ENHANCED REPORTS TO CONGRESS.**

15 (a) STUDY AND REPORT ON INSURANCE FOR NU-
16 CLEAR, BIOLOGICAL, CHEMICAL, AND RADIOLOGICAL
17 TERRORIST EVENTS.—Section 108 of the Terrorism Risk
18 Insurance Act of 2002 (15 U.S.C. 6701 note) is amended
19 by adding at the end the following:

20 “(f) INSURANCE FOR NUCLEAR, BIOLOGICAL, CHEM-
21 ICAL, AND RADIOLOGICAL TERRORIST EVENTS.—

22 “(1) STUDY.—The Comptroller General of the
23 United States shall examine—

24 “(A) the availability and affordability of
25 insurance coverage for losses caused by terrorist

1 attacks involving nuclear, biological, chemical,
2 or radiological materials;

3 “(B) the outlook for such coverage in the
4 future; and

5 “(C) the capacity of private insurers and
6 State workers compensation funds to manage
7 risk associated with nuclear, biological, chem-
8 ical, and radiological terrorist events.

9 “(2) REPORT.—Not later than 1 year after the
10 date of enactment of the Terrorism Risk Insurance
11 Program Reauthorization Act of 2007, the Comp-
12 troller General shall submit to the Committee on
13 Banking, Housing, and Urban Affairs of the Senate
14 and the Committee on Financial Services of the
15 House of Representatives a report containing a de-
16 tailed statement of the findings under paragraph
17 (1), and recommendations for any legislative, regu-
18 latory, administrative, or other actions at the Fed-
19 eral, State, or local levels that the Comptroller Gen-
20 eral considers appropriate to expand the availability
21 and affordability of insurance for nuclear, biological,
22 chemical, or radiological terrorist events.”.

23 (b) STUDY AND REPORT ON AVAILABILITY AND AF-
24 FORDABILITY OF TERRORISM INSURANCE IN SPECIFIC
25 MARKETS.—Section 108 of the Terrorism Risk Insurance

1 Act of 2002 (15 U.S.C. 6701 note) is amended by adding
2 at the end the following:

3 “(g) AVAILABILITY AND AFFORDABILITY OF TER-
4 RORISM INSURANCE IN SPECIFIC MARKETS.—

5 “(1) STUDY.—The Comptroller General of the
6 United States shall conduct a study to determine
7 whether there are specific markets in the United
8 States where there are unique capacity constraints
9 on the amount of terrorism risk insurance available.

10 “(2) ELEMENTS OF STUDY.—The study re-
11 quired by paragraph (1) shall contain—

12 “(A) an analysis of both insurance and re-
13 insurance capacity in specific markets, includ-
14 ing pricing and coverage limits in existing poli-
15 cies;

16 “(B) an assessment of the factors contrib-
17 uting to any capacity constraints that are iden-
18 tified; and

19 “(C) recommendations for addressing
20 those capacity constraints.

21 “(3) REPORT.—Not later than 180 days after
22 the date of enactment of the Terrorism Risk Insur-
23 ance Program Reauthorization Act of 2007, the
24 Comptroller General shall submit a report on the
25 study required by paragraph (1) to the Committee

1 on Banking, Housing, and Urban Affairs of the Sen-
2 ate and the Committee on Financial Services of the
3 House of Representatives.”.

4 (c) ONGOING REPORTS.—Section 108(e) of the Ter-
5 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
6 is amended—

7 (1) in paragraph (1)—

8 (A) by inserting “ongoing” before “anal-
9 ysis”; and

10 (B) by striking “, including” and all that
11 follows through the end of the paragraph, and
12 inserting a period; and

13 (2) in paragraph (2)—

14 (A) by inserting “and thereafter in 2010
15 and 2013,” after “2006,”; and

16 (B) by striking “subsection (a)” and in-
17 serting “paragraph (1)”.

18 **SEC. 6. COVERAGE OF GROUP LIFE INSURANCE.**

19 (a) FINDINGS AND PURPOSE.—Section 101 of the
20 Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701
21 note) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (5), by striking “and” at
24 the end;

1 (B) by redesignating paragraph (6) as
2 paragraph (8); and

3 (C) by inserting after paragraph (5) the
4 following new paragraphs:

5 “(6) group life insurance companies are impor-
6 tant financial institutions whose products make life
7 insurance coverage affordable for millions of Ameri-
8 cans and often serve as their only life insurance ben-
9 efit;

10 “(7) the group life insurance industry, in the
11 event of a severe act of terrorism, is vulnerable to
12 insolvency because high concentrations of covered
13 employees work in the same locations, because pri-
14 mary group life insurers do not exclude terrorism
15 risks while most catastrophic reinsurance does ex-
16 clude such risks, and because a large-scale loss of
17 life would fall outside of actuarial expectations of
18 death; and”;

19 (2) in subsection (b)(1), by inserting “and
20 group life insurance” after “property and casualty
21 insurance”.

22 (b) DEFINITIONS.—Section 102 of the Terrorism
23 Risk Insurance Act of 2002 (15 U.S.C. 6701 note), as
24 amended by the preceding provisions of this Act, is further
25 amended—

1 (1) in paragraph (1)(B)(ii), by inserting “and
2 group life insurance” before “losses”;

3 (2) in paragraph (5), in the matter preceding
4 subparagraph (A)—

5 (A) by inserting “, or group life insurance
6 to the extent of the amount at risk,” after
7 “property and casualty insurance”;

8 (B) by inserting a comma after “insurer”;
9 and

10 (C) by adding after and below subpara-
11 graph (B) the following:

12 “Such term shall not include any losses of an in-
13 surer resulting from coverage of any single certifi-
14 cate holder under any group life insurance coverages
15 of the insurer to the extent such losses are not com-
16 pensated under the Program by reason of section
17 103(e)(1)(D).”;

18 (3) in paragraph (6)—

19 (A) in subparagraph (A)(i), by inserting “,
20 or group life insurance,” after “excess insur-
21 ance”; and

22 (B) in subparagraph (B), by inserting “or,
23 in the case of group life insurance, that receives
24 direct premiums,” after “insurance coverage.”;

25 (4) in paragraph (7)—

1 (A) in subparagraph (F)—

2 (i) by striking the first comma and in-
3 serting “(i) with respect to property and
4 casualty insurance,”; and

5 (ii) by inserting before the semicolon
6 the following: “(ii) with respect to group
7 life insurance, the value of an insurer’s
8 amount at risk for a covered line of insur-
9 ance over the calendar year immediately
10 preceding such Program Year, multiplied
11 by 0.0351 percent”;

12 (B) in subparagraph (G)—

13 (i) by inserting “with respect to prop-
14 erty and casualty insurance, and such por-
15 tion of the amounts at risk with respect to
16 group life insurance,” after “such portion
17 of the direct earned premiums”; and

18 (ii) by inserting “and amounts at
19 risk” after “such direct earned premiums”;

20 (5) by redesignating paragraph (16) as para-
21 graph (18); and

22 (6) by inserting after paragraph (15) the fol-
23 lowing new paragraphs:

24 “(16) GROUP LIFE INSURANCE.—The term
25 ‘group life insurance’ means an insurance contract

1 that provides life insurance coverage, including term
2 life insurance coverage, universal life insurance cov-
3 erage, variable universal life insurance coverage, and
4 accidental death coverage, or a combination thereof,
5 for a number of individuals under a single contract,
6 on the basis of a group selection of risks, but does
7 not include ‘Corporate Owned Life Insurance’ or
8 ‘Business Owned Life Insurance,’ each as defined
9 under the Internal Revenue Code of 1986, or any
10 similar product, or group life reinsurance or
11 retrocessional reinsurance.

12 “(17) AMOUNT AT RISK.—The term ‘amount at
13 risk’ means face amount less statutory policy re-
14 serves for group life insurance issued by any insurer
15 for insurance against losses occurring at the loca-
16 tions described in subparagraph (A) of paragraph
17 (5).”.

18 (c) MANDATORY AVAILABILITY.—Section 103(c) of
19 the Terrorism Risk Insurance Act of 2002 (15 U.S.C.
20 6701 note) is amended by striking “During each Program
21 Year” and all that follows through “property and casualty
22 insurance” in paragraph (2) and inserting the following:

23 “(1) AVAILABILITY OF COVERAGE FOR INSURED
24 LOSSES.—During each Program Year, each entity
25 that meets the definition of an insurer under section

1 102 shall make available, in all of its insurance poli-
2 cies for property and casualty insurance and in all
3 of its insurance policies for group life insurance,”.

4 (d) FEDERAL SHARE OF COMPENSATION.—Section
5 103(e)(1) of the Terrorism Risk Insurance Act of 2002
6 (15 U.S.C. 6701 note) is amended by adding at the end
7 the following new subparagraph:

8 “(D) LIMITATION ON COMPENSATION FOR
9 GROUP LIFE INSURANCE.—Notwithstanding any
10 other provision of this Act, the Federal share of
11 compensation under the Program paid by the
12 Secretary for insured losses of an insurer re-
13 sulting from coverage of any single certificate
14 holder under any group life insurance coverages
15 of the insurer may not during any Program
16 Year exceed \$1,000,000.”.

17 (e) SEPARATE RETENTION POOL.—Section
18 103(e)(6)(E) of the Terrorism Risk Insurance Act of 2002
19 (15 U.S.C. 6701 note) is amended by striking clauses (i)
20 and (ii) and inserting the following new clauses:

21 “(i) for property and casualty insur-
22 ance, the lesser of—

23 “(I) \$27,500,000,000; and

1 “(II) the aggregate amount, for
2 all such insurance, of insured losses
3 during such Program Year; and

4 “(ii) for group life insurance, the less-
5 er of—

6 “(I) \$5,000,000,000; and

7 “(II) the aggregate amount, for
8 all such insurance, of insured losses
9 during such Program Year.”.

10 (f) SEPARATE RECOUPMENT.—Section 103(e)(7) of
11 the Terrorism Risk Insurance Act of 2002 (15 U.S.C.
12 6701 note), as amended by the preceding provisions of this
13 Act, is further amended—

14 (1) in subparagraph (A)—

15 (A) in clause (i), by inserting “applicable”
16 before “insurance”; and

17 (B) in clause (ii), by striking “all insurers”
18 and inserting “all applicable insurers (pursuant
19 to subparagraph (G))”;

20 (2) in subparagraph (B)—

21 (A) in the heading, by inserting “APPLICA-
22 BLE” before “INSURANCE”; and

23 (B) by inserting “applicable” before “in-
24 surance”; and

1 (3) by adding at the end the following new sub-
2 paragraph:

3 “(G) SEPARATE RECOUPMENT.—“The Sec-
4 retary shall provide that—

5 “(i) any recoupment under this para-
6 graph of amounts paid for Federal finan-
7 cial assistance for insured losses for prop-
8 erty and casualty insurance shall be ap-
9 plied to property and casualty insurance
10 policies; and

11 “(ii) any recoupment under this para-
12 graph of amounts paid for Federal finan-
13 cial assistance for insured losses for group
14 life insurance shall be applied to group life
15 insurance policies.”.

16 (g) POLICY SURCHARGE FOR TERRORISM LOSS RISK-
17 SPREADING PREMIUMS.—Section 103(e)(8) of the Ter-
18 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
19 is amended—

20 (1) in subparagraph (A)—

21 (A) in the matter preceding clause (i), by
22 striking “Any” and inserting “Subject to para-
23 graph (7)(G), any”;

24 (B) in clause (i), by inserting “and group
25 life insurance policies” after “policies”; and

1 (C) by striking clause (iii) and inserting
2 the following new clause:

3 “(iii) be based on—

4 “(I) a percentage of the premium
5 amount charged for property and cas-
6 ualty insurance coverage under the
7 policy; and

8 “(II) a percentage of the amount
9 at risk for group life insurance cov-
10 erage under the policy.”; and

11 (2) in subparagraph (C)—

12 (A) by inserting “with respect to property
13 and casualty insurance,” after “annual basis,”;
14 and

15 (B) by inserting before the period at the
16 end the following: “and, with respect to group
17 life insurance, the amount equal to 0.0053 per-
18 cent of the amount at risk for covered lines
19 under the policy”.

20 **SEC. 7. LARGE EVENT RESET.**

21 The Terrorism Risk Insurance Act of 2002 (15
22 U.S.C. 6701 note) is amended—

23 (1) in section 102(7)—

24 (A) in subparagraph (F), by striking
25 “and” at the end;

1 (B) in subparagraph (G), by striking the
2 period at the end and inserting “; and”; and

3 (C) by adding at the end the following new
4 subparagraph:

5 “(H) notwithstanding subparagraph (F)(i),
6 if aggregate industry insured losses resulting
7 from a certified act of terrorism exceed
8 \$1,000,000,000, for any insurer that sustains
9 insured losses resulting from such act of ter-
10 rorism, the value of such insurer’s direct earned
11 premiums over the calendar year immediately
12 preceding the Program Year, multiplied by a
13 percentage, which—

14 “(i) for the Program Year consisting
15 of calendar year 2008 shall be 5 percent;
16 and

17 “(ii) for each Program Year there-
18 after, shall be 50 basis points greater than
19 the percentage applicable to the preceding
20 Program Year, except that if an act of ter-
21 rorism occurs during any such Program
22 Year that results in aggregate industry in-
23 sured losses exceeding \$1,000,000,000, the
24 percentage for the succeeding Program
25 Year shall be 5 percent and the increase

1 under this clause shall apply to Program
2 Years thereafter;
3 except that for purposes of determining under
4 this subparagraph whether aggregate industry
5 insured losses exceed \$1,000,000,000, the Sec-
6 retary may combine insured losses resulting
7 from two or more certified acts of terrorism oc-
8 curring during such Program Year in the same
9 geographic area (with such area determined by
10 the Secretary), in which case such insurer shall
11 be permitted to combine insured losses resulting
12 from such acts of terrorism for purposes of sat-
13 isfying its insurer deductible under this sub-
14 paragraph; and except that the insurer deduct-
15 ible under this subparagraph shall apply only
16 with respect to compensation of insured losses
17 resulting from such certified act, or combined
18 certified acts, and that for purposes of com-
19 pensation of any other insured losses occurring
20 in the same Program Year, the insurer deduct-
21 ible determined under subparagraph (F)(i) shall
22 apply.”; and
23 (2) in section 103(e)(1)(B)—
24 (A) in clause (ii), by striking the period at
25 the end and inserting a semicolon; and

1 (B) by adding after and below clause (ii)
2 the following:
3 “except that if a certified act of terrorism oc-
4 curs for which resulting aggregate industry in-
5 sured losses exceed \$1,000,000,000, the appli-
6 cable amount for any subsequent certified act of
7 terrorism shall be the amount specified in sec-
8 tion 102(1)(B)(ii).”.

9 **SEC. 8. AVAILABILITY OF LIFE INSURANCE WITHOUT RE-**
10 **GARD TO LAWFUL FOREIGN TRAVEL.**

11 Section 103(c) of the Terrorism Risk Insurance Act
12 of 2002 (15 U.S.C. 6701 note), as amended by the pre-
13 ceding provisions of this Act, is further amended by add-
14 ing at the end the following new paragraph:

15 “(2) AVAILABILITY OF LIFE INSURANCE WITH-
16 OUT REGARD TO LAWFUL FOREIGN TRAVEL.—Dur-
17 ing each Program Year, each entity that meets the
18 definition of an insurer under section 102 and any
19 other entity that issues insurance contracts that pro-
20 vide life insurance coverage shall make available, in
21 all of its life insurance policies issued after the date
22 of the enactment of the Terrorism Risk Insurance
23 Program Reauthorization Act of 2007 under which
24 the insured person is a citizen of the United States
25 or an alien lawfully admitted for permanent resi-

1 dence in the United States, coverage that neither
2 considers past, nor precludes future, lawful foreign
3 travel by the person insured, and shall not decline
4 such coverage based on past or future, lawful foreign
5 travel by the person insured or charge a premium
6 for such coverage that is excessive and not based on
7 a good faith actuarial analysis, except that an in-
8 surer may decline or, upon inception or renewal of
9 a policy, limit the amount of coverage provided
10 under any life insurance policy based on plans to en-
11 gage in future lawful foreign travel to occur within
12 12 months of such inception or renewal of the policy
13 but only if, at time of application—

14 “(A) such declination is based on, or such
15 limitation applies only with respect to, travel to
16 a foreign destination—

17 “(i) for which the Director of the Cen-
18 ters for Disease Control and Prevention of
19 the Department of Health and Human
20 Services has issued a highest level alert or
21 warning, including a recommendation
22 against non-essential travel, due to a seri-
23 ous health-related condition;

24 “(ii) in which there is an ongoing
25 military conflict involving the armed forces

1 of a sovereign nation other than the for-
2 eign destination to which the insured per-
3 son is traveling; or

4 “(iii)(I) that the insurer has specifi-
5 cally designated in the terms of the life in-
6 surance policy at the inception of the pol-
7 icy or at renewal, as applicable; and

8 “(II) with respect to which the insurer
9 has made a good-faith determination
10 that—

11 “(aa) a serious fraudulent situa-
12 tion exists which is ongoing; and

13 “(bb) the credibility of informa-
14 tion by which the insurer can verify
15 the death of the insured person is
16 substantially compromised; and

17 “(B) in the case of any limitation of cov-
18 erage, such limitation is specifically stated in
19 the terms of the life insurance policy at the in-
20 ception of the policy or at renewal, as applica-
21 ble.”.

22 **SEC. 9. PROGRAM TRIGGER.**

23 Section 103(e)(1)(B)(ii) of the Terrorism Risk Insur-
24 ance Act of 2002 (15 U.S.C. 6701 note) is amended by
25 striking “\$100,000,000” and inserting “\$50,000,000”.

1 **SEC. 10. APPLICABILITY.**

2 The amendments made by this Act shall apply begin-
3 ning on January 1, 2008. The provisions of the Terrorism
4 Risk Insurance Act of 2002, as in effect on the day before
5 the date of the enactment of this Act, shall apply through
6 the end of December 31, 2007.

 Passed the House of Representatives December 12,
2007.

Attest:

LORRAINE C. MILLER,

Clerk.