

Public Law 110–160  
110th Congress

An Act

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

Dec. 26, 2007  
[H.R. 2761]

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

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

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

(b) **TABLE OF CONTENTS.**—The table of contents for 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. 2. DEFINITION OF ACT OF TERRORISM.**

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

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

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

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

“(G) **ADDITIONAL PROGRAM YEARS.**—Except when used as provided in subparagraphs (B) through (F), the term ‘Program Year’ means, as the context requires, any of Program Year 1, Program Year 2, Program Year 3, Program Year 4, Program Year 5, or any of calendar years 2008 through 2014.”.

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

(1) in section 102(7)(F)—

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

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

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

(3) in section 103(e)(1)(B)(ii), by inserting before the period at the end “and any Program Year thereafter”;

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note.

15 USC 6701  
note.

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

(5) in section 103(e)(3), by striking “of Program Years 2 through 5,” and inserting “other Program Year”; and

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

Deadlines.

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

(a) **IN GENERAL.**—Section 103(e)(2) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in subparagraph (A)—

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

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

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

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

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

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

(c) **REGULATIONS FOR PRO RATA PAYMENTS; REPORT TO CONGRESS.**—Section 103(e)(2)(B) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

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

“(i) **IN GENERAL.**—For purposes”; and

(2) by adding at the end the following:

“(ii) **REGULATIONS.**—Not later than 240 days after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the Secretary shall issue final regulations for determining the pro rata share of insured losses under the Program when insured losses exceed \$100,000,000,000, in accordance with clause (i).

“(iii) **REPORT TO CONGRESS.**—Not later than 120 days after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the Secretary shall provide a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives describing the process to be used by the Secretary for determining the allocation of pro rata payments for insured losses under the Program when such losses exceed \$100,000,000,000.”.

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

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

(2) by inserting after paragraph (2) the following:

“(3) in the case of any policy that is issued after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the insurer provides clear and conspicuous disclosure to the policyholder of the existence of the \$100,000,000,000 cap under subsection (e)(2), at the time of offer, purchase, and renewal of the policy;”.

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

(1) in paragraph (7)—

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

(B) by adding at the end the following:

“(E) TIMING OF MANDATORY RECOUPMENT.—

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

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

“(II) for any act of terrorism that occurs between January 1 and December 31, 2011, the Secretary shall collect 35 percent of any required premiums by September 30, 2012, and the remainder by September 30, 2017; and

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

“(ii) REGULATIONS REQUIRED.—Not later than 180 days after the date of enactment of this subparagraph, the Secretary shall issue regulations describing the procedures to be used for collecting the required premiums in the time periods referred to in clause (i).

“(F) NOTICE OF ESTIMATED LOSSES.—Not later than 90 days after the date of an act of terrorism, the Secretary shall publish an estimate of aggregate insured losses, which shall be used as the basis for determining whether mandatory recoupment will be required under this paragraph. Such estimate shall be updated as appropriate, and at least annually.”; and

(2) in paragraph (8)—

(A) in subparagraph (C)—

(i) by striking “(including any additional amount included in such premium)” and inserting “collected”; and

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

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

Publication.

#### SEC. 5. ENHANCED REPORTS TO CONGRESS.

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

“(f) INSURANCE FOR NUCLEAR, BIOLOGICAL, CHEMICAL, AND RADIOLOGICAL TERRORIST EVENTS.—

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

“(A) the availability and affordability of insurance coverage for losses caused by terrorist attacks involving nuclear, biological, chemical, or radiological materials;

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

“(C) the capacity of private insurers and State workers compensation funds to manage risk associated with nuclear, biological, chemical, and radiological terrorist events.

“(2) REPORT.—Not later than 1 year after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the Comptroller General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report containing a detailed statement of the findings under paragraph (1), and recommendations for any legislative, regulatory, administrative, or other actions at the Federal, State, or local levels that the Comptroller General considers appropriate to expand the availability and affordability of insurance for nuclear, biological, chemical, or radiological terrorist events.”.

(b) STUDY AND REPORT ON AVAILABILITY AND AFFORDABILITY OF TERRORISM INSURANCE IN SPECIFIC MARKETS.—Section 108 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by adding at the end the following:

“(g) AVAILABILITY AND AFFORDABILITY OF TERRORISM INSURANCE IN SPECIFIC MARKETS.—

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

“(2) ELEMENTS OF STUDY.—The study required by paragraph (1) shall contain—

“(A) an analysis of both insurance and reinsurance capacity in specific markets, including pricing and coverage limits in existing policies;

“(B) an assessment of the factors contributing to any capacity constraints that are identified; and

“(C) recommendations for addressing those capacity constraints.

“(3) REPORT.—Not later than 180 days after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the Comptroller General shall submit a report on the study required by paragraph (1) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.”.

(c) ONGOING REPORTS.—Section 108(e) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in paragraph (1)—

(A) by inserting “ongoing” before “analysis”; and

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

(2) in paragraph (2)—

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

(B) by striking “subsection (a)” and inserting “paragraph (1)”.

Approved December 26, 2007.

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**LEGISLATIVE HISTORY—H.R. 2761 (S. 2285):**

HOUSE REPORTS: No. 110–318 (Comm. on Financial Services).

SENATE REPORTS: No. 110–215 accompanying S. 2285 (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 153 (2007):

Sept. 19, considered and passed House.

Nov. 16, considered and passed Senate, amended.

Dec. 18, House concurred in Senate amendment.