

AMENDMENT NO. _____ Calendar No. _____

Purpose: To provide for a substitute.

IN THE SENATE OF THE UNITED STATES—110th Cong., 1st Sess.

(no.) _____

To reauthorize the Federal terrorism risk insurance program,
and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. DODD (for
himself and Mr. SHELBY)

Viz:

1 On page 1, strike line 1 and all that follows through
2 the end of the Committee Print and insert the following:
3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

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

7 (b) TABLE OF CONTENTS.—The table of contents for
8 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.

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

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

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

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

10 (b) **ADDITIONAL PROGRAM YEARS.**—Section 102(11)
11 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C.
12 6701 note) is amended by adding at the end the following:

13 “(G) **ADDITIONAL PROGRAM YEARS.**—Ex-
14 cept when used as provided in subparagraphs
15 (B) through (F), the term ‘Program Year’
16 means, as the context requires, any of Program
17 Year 1, Program Year 2, Program Year 3, Pro-
18 gram Year 4, Program Year 5, or any of cal-
19 endar years 2008 through 2014.”.

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

23 (1) in section 102(7)(F)—

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

3 (B) by striking “preceding Program Year
4 5” and inserting “preceding that Program
5 Year”;

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

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

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

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

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

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

20 (a) IN GENERAL.—Section 103(e)(2) of the Ter-
21 rrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
22 is amended—

23 (1) in subparagraph (A)—

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

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

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

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

18 (1) by adding at the end the following: “The
19 Secretary shall provide an initial notice to Congress
20 not later than 15 days after the date of an act of
21 terrorism, stating whether the Secretary estimates
22 that aggregate insured losses will exceed
23 \$100,000,000,000.”; and

1 Secretary shall provide a report to the
2 Committee on Banking, Housing, and
3 Urban Affairs of the Senate and the Com-
4 mittee on Financial Services of the House
5 of Representatives describing the process
6 to be used by the Secretary for deter-
7 mining the allocation of pro rata payments
8 for insured losses under the Program when
9 such losses exceed \$100,000,000,000.”.

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

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

15 (2) by inserting after paragraph (2) the fol-
16 lowing:

17 “(3) in the case of any policy that is issued
18 after the date of enactment of the Terrorism Risk
19 Insurance Program Reauthorization Act of 2007,
20 the insurer provides clear and conspicuous disclosure
21 to the policyholder of the existence of the
22 \$100,000,000,000 cap under subsection (e)(2), at
23 the time of offer, purchase, and renewal of the pol-
24 icy;”.

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

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

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

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

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

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

17 “(C) the capacity of private insurers and
18 State workers compensation funds to manage
19 risk associated with nuclear, biological, chem-
20 ical, and radiological terrorist events.

21 “(2) REPORT.—Not later than 1 year after the
22 date of enactment of the Terrorism Risk Insurance
23 Program Reauthorization Act of 2007, the Comp-
24 troller General shall submit to the Committee on
25 Banking, Housing, and Urban Affairs of the Senate
26 and the Committee on Financial Services of the

1 House of Representatives a report containing a de-
2 tailed statement of the findings under paragraph
3 (1), and recommendations for any legislative, regu-
4 latory, administrative, or other actions at the Fed-
5 eral, State, or local levels that the Comptroller Gen-
6 eral considers appropriate to expand the availability
7 and affordability of insurance for nuclear, biological,
8 chemical, or radiological terrorist events.”.

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

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

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

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

23 “(A) an analysis of both insurance and re-
24 insurance capacity in specific markets, includ-

1 ing pricing and coverage limits in existing poli-
2 cies;

3 “(B) an assessment of the factors contrib-
4 uting to any capacity constraints that are iden-
5 tified; and

6 “(C) recommendations for addressing
7 those capacity constraints.

8 “(3) REPORT.—Not later than 180 days after
9 the date of enactment of the Terrorism Risk Insur-
10 ance Program Reauthorization Act of 2007, the
11 Comptroller General shall submit a report on the
12 study required by paragraph (1) to the Committee
13 on Banking, Housing, and Urban Affairs of the Sen-
14 ate and the Committee on Financial Services of the
15 House of Representatives.”.

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

19 (1) in paragraph (1)—

20 (A) by inserting “ongoing” before “anal-
21 ysis”; and

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

25 (2) in paragraph (2)—

- 1 (A) by inserting “and thereafter in 2010
- 2 and 2013,” after “2006,”; and
- 3 (B) by striking “subsection (a)” and in-
- 4 serting “paragraph (1)”.