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Terrorism Risk Insurance Legislation in the 114th Congress: Issue Summary and Side-by- Side Analysis

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Summary

Prior to the September 11, 2001, terrorist attacks, insurance covering terrorism losses was normally included in commercial insurance policies without additional cost to the policyholders. Following the attacks, this ceased to be the case as insurers and reinsurers pulled back from offering terrorism coverage. Some feared that a lack of insurance against terrorism loss would have a wide economic impact, particularly because insurance coverage can be a significant factor in lending decisions.

Congress responded to the disruption in the insurance market by passing the Terrorism Risk Insurance Act of 2002 (TRIA; P.L. 107-297). TRIA created a temporary program, expiring at the end of 2005, to calm the insurance markets through a government reinsurance program sharing in terrorism losses. This program was intended to give the industry time to gather the data and create the structures and capacity necessary for private insurance to cover terrorism risk. TRIA did not require premiums to be paid for the government coverage. Instead, it required private insurers to offer commercial insurance for terrorism risk, with the government then recouping some or all federal payments under the act in the years following government coverage of insurer losses.

Under TRIA, terrorism insurance became widely available and largely affordable and the insurance industry greatly expanded its financial capacity. There has been, however, little apparent success in developing a longer-term private solution, and fears have persisted about the economic consequences if terrorism insurance were not available. Congress passed two extensions to the program, one in 2005 (P.L. 109-144) and one in 2007 (P.L. 110-160). The 2005 extension primarily focused on reducing the government's up-front financial exposure under the act, whereas the 2007 extension left most of the up-front aspect of the TRIA program unchanged but accelerated the post-event recoupment provisions. The 2007 legislation also included the only expansion of the TRIA program since initial enactment; it extended the program to cover any acts of terrorism, as opposed to only foreign acts of terrorism.

In the 113th Congress, both the House and the Senate passed legislation that would have extended TRIA, but differences between the bills prevented enactment. The 113th Congress adjourned without extending the program. Thus, per P.L. 110-160, the TRIA program expired at the end of 2014. Although insurance industry capacity has increased since 2002, many still see terrorism as essentially uninsurable. Without TRIA, the insurance industry has indicated that terrorism insurance will again become unavailable or unaffordable. Fears are again being expressed that a lack of terrorism insurance may slow down other sectors of the economy. In the 114th Congress, the House took up extension legislation, H.R. 26, and passed it January 7, 2015, on a vote of 416-5 with one Member voting present. H.R. 26 would extend the program six years and reduce the federal government's exposure to terrorism losses.

This report briefly outlines the issues involved with terrorism insurance, summarizes extension legislation, and includes a side-by-side comparison of TRIA law and the bills introduced in the 114th and 113th Congresses. For additional information, please see CRS Report R42716, *Terrorism Risk Insurance: Issue Analysis and Overview of Current Program*, and CRS Report R43619, *Terrorism Risk Insurance Legislation in the 113th Congress: Issue Summary and Side-by-Side Analysis*, both by Baird Webel.

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Background

Prior to the September 11, 2001, terrorist attacks, insurance covering terrorism losses was normally included in general insurance policies without additional cost to the policyholders. Following the attacks, both primary insurers and reinsurers pulled back from offering terrorism coverage. Because insurance is required for a variety of economic transactions, particularly borrowing for commercial development, many feared that a lack of insurance against terrorism loss would have a wider economic impact.¹

Congress responded to the disruption in the insurance market by passing the Terrorism Risk Insurance Act of 2002 (TRIA).² TRIA created a temporary, three-year terrorism insurance program to calm the insurance markets through a government reinsurance backstop sharing in terrorism losses. The idea was to give the private industry time to gather the data and create the structures and capacity necessary for private insurance to cover terrorism risk. TRIA requires insurers to offer terrorism coverage but does not require commercial policyholders to purchase the coverage. Congress extended the program in 2005³ and 2007.⁴ In 2005, the extension legislation focused on reducing the government's exposure from TRIA by increasing the minimum covered event size, raising the insurer deductible, reducing the government share of losses, and increasing the post-event mandatory recoupment. In 2007, the primary change was to accelerate the after-the-fact recoupment. Although the prospective government share of losses has been reduced over time, the 2007 reauthorization also expanded the program to cover losses from acts of domestic terrorism. Both the House and the Senate passed different TRIA extension bills in the 113th Congress, but final legislation was not enacted. Thus, the TRIA program expired at the end of 2014, as provided for in the 2007 extension.

The initial thresholds of the program when it expired were as follows:

1. A terrorist act must have caused \$5 million in insured losses to be certified for TRIA coverage.
2. The aggregate insured losses from a certified act of terrorism must have been \$100 million in a year for government coverage to begin.
3. An individual insurer must have met a deductible of 20% of its annual premiums for government coverage to begin.

Once these thresholds were met, the government would have covered 85% of insured losses due to terrorism, with the private insurers retaining 15% of the losses. The government did not charge premiums for this coverage. Instead, if the insured losses were under \$27.5 billion, the Secretary of the Treasury was required to recoup 133% of government outlays through a surcharge on commercial property/casualty insurance policies. If insured losses rose above \$27.5 billion, the Secretary was required to recoup a reduced amount of the outlays. At some high insured loss level, which depended on the exact distribution of losses, the Secretary no longer was required to

¹ See, for example, "Congress Warns of Economic Drag," *insure.com*, February 28, 2002, available at <http://www.insure.com/business-insurance/economic-drag.html>.

² P.L. 107-297, codified at 15 U.S.C. §6701 note.

³ P.L. 109-144.

⁴ P.L. 110-160.

recoup outlays but retained the discretionary authority to do so. Under the law when it expired, all mandatory recoupment was required to be completed by the end of FY2017.

Since TRIA's passage, private industry's willingness and ability to cover terrorism risk have increased. According to industry surveys, prices for terrorism coverage have generally trended downward and approximately 60% of commercial policyholders have purchased coverage over the past few years.⁵ The price drops and coverage increases, however, occurred under the umbrella of TRIA coverage, and it is unclear how the insurance market will react to the expiration of the federal program.

Legislation in the 114th Congress

Terrorism Risk Insurance Program Reauthorization Act of 2015 (H.R. 26)

Representative Randy Neugebauer introduced H.R. 26 on January 6, 2015, and the House passed the bill by a vote of 416-5 with one Member voting present on January 7, 2015. The language of H.R. 26 is identical aside from technical corrections to that of the amended version of the 113th Congress bill, S. 2244, which passed the House on December 10, 2014. H.R. 26 would

- extend the program six years, until the end of 2020;
- decrease the federal loss sharing gradually from 85% to 80%;
- increase the program trigger by \$20 million per year until it reaches \$200 million from the current \$100 million;
- increase the insurance marketplace aggregate retention amount by \$2 billion per year until it reaches \$37.5 billion from the current \$27.5 billion. After it reaches \$37.5 billion, the amount would be set by the Secretary of the Treasury to equal the annual average of the aggregate sum of insurer deductibles for the previous three years;
- extend the various dates for mandatory recoupment by seven years;
- change the mandatory recoupment provisions to require that 140% of the federal payments be recouped;
- require the Treasury to study the certification process and issue final rules governing the process, including a timeline;
- require the Treasury to collect additional data on the terrorism insurance market and include that data in an annual report; and
- require a Government Accountability Office (GAO) study on the possible effects of instituting insurer premiums for TRIA coverage and requiring capital reserve funds for terrorism.

⁵ See, for example, Marsh, Inc. *2014 Terrorism Risk Insurance Report*, April 2014.

In addition to the TRIA provisions, this bill also includes a Title II relating to insurance agent licensing,⁶ a section relating to the makeup of the Federal Reserve Board of Governors,⁷ and a Title III amending statutory provisions originating in the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act⁸ relating to derivatives and margin requirements for end users.⁹ Similar provisions to Title II and Title III passed the House in the 113th Congress.

Table 1 below presents a side-by-side analysis of the TRIA law as it existed upon expiration and the 114th Congress TRIA extension legislation. A side-by-side comparison of legislation in the 113th Congress can be found in the **Appendix**.

⁶ For more information, see CRS Report R43095, *Insurance Agent Licensing: Overview and Background on Federal NARAB Legislation*, by Baird Webel.

⁷ For the current makeup of the Federal Reserve Board of Governors, see CRS Report IF10014, *Introduction to Financial Services: The Federal Reserve*, by Marc Labonte.

⁸ P.L. 111-203.

⁹ For more information, see “Margin for Non-Financial Entities or ‘Commercial End Users’” in CRS Report R43117, *The Commodity Futures Trading Commission: Background and Current Issues*, by Rena S. Miller.

Table I. Terrorism Risk Insurance Side by Side: TRIA Statute and 114th Congress Legislation

Provision	15 U.S.C. §6701 note (as applicable in 2014)	H.R. 26
Title	Terrorism Insurance Program	Terrorism Risk Insurance Program Reauthorization Act of 2015
Termination Date	December 31, 2014 (§108(a))	December 31, 2020 (§101)
Certification of an Act of Terrorism	Terrorist act is to be certified by the Secretary of the Treasury (hereinafter the Secretary) in concurrence with the Attorney General and Secretary of State. Terrorist act must cause \$5 million in insured losses to be certified. (§102(1)(A))	Removes the Secretary of State from certification process. Adds “consultation” with the Secretary of Homeland Security. (§105) Requires the Secretary to study and report on the certification process. After this study is completed, the Secretary is to issue rules governing the process, including a timeline as to whether an act is considered an act of terrorism. (§107)
Insured Loss Shared Compensation	Federal share of losses will be 85% for insured losses that exceed the applicable insurer deductible. (§103(e))	Starting in 2016, the federal share of losses will decrease one percentage point per calendar year until it equals 80%. (§102)
Program Trigger	No compensation shall be paid unless the aggregate industry insured losses resulting from a certified act of terrorism exceed \$100 million. (§103(e)(1)(B))	Beginning in 2016, program trigger increases to \$120 million and then \$20 million per year until it reaches \$200 million. Applies program trigger to the aggregate losses from multiple acts of terrorism in a calendar year. (§103)
Mandatory Availability	Insurers are required to make terrorism coverage available to insureds. (§103(c))	No change
Aggregate Retention Amount	The aggregate retention amount is the lesser of (1) the total of all insured losses or (2) \$27.5 billion. (§103(e)(6))	Beginning in the calendar year of enactment, the retention amount would be the lesser of (1) the total of all insured losses or (2) \$29.5 billion, with this amount further increased by \$2 billion per year until it reaches \$37.5 billion. Once it reaches \$37.5 billion, it shall be set by the Secretary to equal the annual average of the sum of insurer deductibles for the previous three years. (§104(1))

Provision	15 U.S.C. §6701 note (as applicable in 2014)	H.R. 26
Mandatory Recoupment of Federal Share	<p>If aggregate insured losses are less than the aggregate retention amount, a mandatory recoupment of 133% of the federal share of the loss will be imposed.</p> <p>If aggregate insured losses are greater than the aggregate retention amount but uncompensated insurer losses do not exceed the aggregate retention amount, the mandatory recoupment amount will be reduced by this amount.</p> <p>If uncompensated insurer losses are greater than the aggregate retention amount, there is no mandatory recoupment but the Secretary retains discretionary recoupment authority. (§103(e)(7))</p>	<p>The gradual increase in the aggregate retention (§104(1)) effectively increases the level of mandatory recoupment.</p> <p>Increases the mandatory recoupment to 140% of the federal share of losses. (§104(2))</p>
Timing of Mandatory Recoupment	<p>Requires expedited collection of recoupment amounts:</p> <p>(1) for a terrorist attack before 2011, all required recoupment amounts must be collected by September 30, 2012;</p> <p>(2) for a terrorist attack in 2011, 35% of required recoupment amounts must be collected by September 30, 2012, and the balance must be collected by September 30, 2017; and</p> <p>(3) for a terrorist attack after 2011, all required recoupment amounts must be collected by September 30, 2017. (§103(e)(7)(E)(i))</p>	<p>Requires expedited collection of recoupment amounts:</p> <p>(1) for a terrorist attack before 2018, all required recoupment amounts must be collected by September 30, 2019;</p> <p>(2) for a terrorist attack in 2018, 35% of required recoupment amounts must be collected by September 30, 2019, and the balance must be collected by September 30, 2024; and</p> <p>(3) for a terrorist attack after 2018, all required recoupment amounts must be collected by September 30, 2024. (§104(2))</p>
Risk-Sharing Mechanisms	<p>No similar provisions</p>	<p>Establishes an advisory committee to encourage the creation and development of private risk-sharing mechanisms. (§110)</p>
Reporting of Terrorism Insurance Data	<p>Requires Secretary to annually compile information on terrorism insurance premiums. To the extent that such data are not otherwise available, the Secretary may require insurers to submit the information to the National Association of Insurance Commissioners (NAIC), which shall make it available to the Secretary. (§108(e))</p>	<p>Beginning in 2016, requires Secretary to collect data from insurers on terrorism insurance coverage, including lines of insurance with terrorism exposure, premiums earned from terrorism coverage, location of exposure, pricing of coverage, take-up rates, and amount of private reinsurance purchased. If such data are available from the states or another source, the Secretary shall collect the data from this source. The Secretary shall issue a report to Congress based on these data. (§111)</p>

Provision	15 U.S.C. §6701 note (as applicable in 2014)	H.R. 26
Definition of Control	An entity is considered to have control over another entity if the first entity has the power to vote 25% of the voting securities; controls the election of the majority of the directors; or the Secretary determines that the entity exercises control after notice and hearing. (§102(3))	Adds the proviso that an entity is not considered to have control if, on the date of enactment, the entity is “acting as an attorney-in-fact ... for the other entity and such other entity is a reciprocal insurer.” This proviso, however, does not apply if the entity is defined as having control for reasons other than the attorney-in-fact relationship. (§106(1))
Studies and Reports	<p>The Secretary shall conduct an expedited study of the availability and affordability of group life insurance coverage. (§103(h))</p> <p>The Secretary shall conduct a study and issue a report on the potential effect of terrorism on life insurance and other personal lines by October 2003. (§103(i))</p> <p>The Secretary shall conduct a study and issue a report no later than June 30, 2005, on the effectiveness of the program and the capacity of private insurers to offer terrorism coverage after the expiration of the program. (§104(d))</p> <p>The President’s Working Group on Financial Markets is to report on the market conditions for terrorism risk insurance in 2006, 2010, and 2013. (§104(e))</p> <p>The Government Accountability Office (GAO) shall conduct a study and issue a report on the availability and affordability of Nuclear, Biological, Chemical, or Radiological (NBCR) coverage and the outlook for future coverage by December 2008. (§104(f))</p> <p>GAO shall conduct a study and issue a report on the availability and affordability of terrorism insurance in specific markets by June 2008. (§104(g))</p>	<p>GAO shall conduct a study and issue a report on the viability of (1) the government collecting up-front terrorism insurance premiums on insurers, including international practices, and (2) the creation of a mandatory capital reserve fund to dedicate capital for terrorism losses before such losses occur within two years from the date of enactment. (§108)</p> <p>The Secretary shall issue a report to Congress based on the terrorism insurance data collected under Section 11 to be completed by June 30, 2017, and annually thereafter. (§111)</p> <p>The Secretary shall conduct an annual study of small-insurer competitiveness and issue an annual report on this study, with the first report not later than June 30, 2016. (§112)</p>

Source: Congressional Research Service (CRS) using material from the U.S. Treasury and <http://www.congress.gov>.

Notes: Section numbers for the initial TRIA law are as codified in 15 U.S.C. §6701 note. Section numbers for current legislation are from the legislation as introduced. H.R. 26 also includes technical corrections that delete outdated language from several sections of the TRIA statute (Section 106), a section relating to the composition of the Federal Reserve Board of Governors (Section 109), a Title II relating to insurance agent licensing, and a Title III related to derivatives. These sections and titles are not included in the table.

Appendix. TRIA Statute and 113th Congress Legislation

Table A-1. Terrorism Risk Insurance Side by Side: TRIA Statute and 113th Congress Legislation

Provision	15 U.S.C. §6701 note (as applicable in 2014)	S. 2244 (as passed by the Senate)	H.R. 4871 (Title I as reported)	S. 2244 (as passed by the House)
Title	Terrorism Insurance Program	Terrorism Risk Insurance Program Reauthorization Act of 2014	TRIA Reform Act of 2014	Terrorism Risk Insurance Program Reauthorization Act of 2014
Termination Date	December 31, 2014 (§108(a))	December 31, 2021 (§2)	December 31, 2019 (§102)	December 31, 2020 (§101)
Certification of an Act of Terrorism	Terrorist act is to be certified by the Secretary of the Treasury (hereinafter the Secretary) in concurrence with the Attorney General and Secretary of State. Terrorist act must cause \$5 million in insured losses to be certified. (§102(I)(A))	Requires the Secretary to study and report on the certification process. After the study is completed, the Secretary is to issue rules governing the process, including a timeline as to whether an act is considered an act of terrorism. (§6)	Beginning in 2015, removes the Secretary of State from the certification process. Adds “consultation” with the Secretary of Homeland Security. Removes the \$5 million minimum size for certification. Beginning in 2015, adds a deadline of 15 days for “preliminary certification” and 90 days for “final certification.” If no certification is made within 90 days, no certification is possible. (§103) Beginning in 2016, certification is to include whether or not terrorist act is an act of Nuclear, Biological, Chemical, or Radiological (NBCR) terrorism according to the definition added by the legislation. (§104(a))	Beginning in 2015, removes the Secretary of State from the certification process. Adds “consultation” with the Secretary of Homeland Security. (§105) Requires the Secretary to study and report on the certification process. After the study is completed, the Secretary is to issue rules governing the process, including a timeline as to whether an act is considered an act of terrorism. (§107)

Provision	15 U.S.C. §6701 note (as applicable in 2014)	S. 2244 (as passed by the Senate)	H.R. 4871 (Title I as reported)	S. 2244 (as passed by the House)
Insured Loss Shared Compensation	Federal share of losses will be 85% for insured losses that exceed the applicable insurer deductible. (§103(e))	Starting in 2016, the federal share of losses will decrease one percentage point per calendar year until equal to 80%. (§3)	Federal share of losses will be 85% in 2015, 84% in 2016, 83% in 2017, 82% in 2018, and 80% in 2019 except in the case of an NBCR terrorist event. For an NBCR attack, the federal share of losses will remain at 85%. (§104(b))	Starting in 2016, the federal share of losses will decrease one percentage point per calendar year until equal to 80%. (§102)
Program Trigger	No compensation shall be paid unless the aggregate industry-insured losses resulting from a certified act of terrorism exceed \$100 million. (§103(e)(1)(B))	No change	Increases program trigger to \$200 million in 2016, \$300 million in 2017, \$400 million in 2018, and \$500 million in 2019. Applies program trigger to the aggregate losses from multiple acts of terrorism in a calendar year if the insured losses from each act exceed \$50 million. Program trigger for NBCR attacks remains at \$100 million. (§104(c))	Beginning in 2016, program trigger increases to \$120 million and then \$20 million per year until it reaches \$200 million. Applies program trigger to the aggregate losses from multiple acts of terrorism in a calendar year. (§103)

Provision	15 U.S.C. §6701 note (as applicable in 2014)	S. 2244 (as passed by the Senate)	H.R. 4871 (Title I as reported)	S. 2244 (as passed by the House)
Treatment of NBCR Terrorism	No similar provisions	No similar provisions	<p>Beginning in 2016, certification is to include whether or not terrorist act is an act of NBCR terrorism according to the definition added by the legislation. (§104(a))</p> <p>Federal share of losses will be 85% in 2015, 84% in 2016, 83% in 2017, 82% in 2018, and 80% in 2019 except in the case of an NBCR terrorist event. For an NBCR attack, the federal share of losses will remain at 85%. (§104(b))</p> <p>Program trigger for NBCR attacks remains at \$100 million. (§104(c))</p>	No similar provisions
Mandatory Availability	Insurers are required to make terrorism coverage available to insureds. (§103(c))	No change	Small insurers, as defined by the Secretary, may be exempted from mandatory availability upon request. This exemption applies if meeting the make-available requirement is determined by the insurer's domiciliary state insurance to cause financial hardship or be financially infeasible. This determination would be based on criteria set by the Secretary. (§105)	No change

Provision	15 U.S.C. §6701 note (as applicable in 2014)	S. 2244 (as passed by the Senate)	H.R. 4871 (Title I as reported)	S. 2244 (as passed by the House)
Aggregate Retention Amount	The aggregate retention amount is the lesser of (1) the total of all insured losses or (2) \$27.5 billion. (§103(e)(6))	Beginning in the calendar year after enactment, the retention amount would be the lesser of (1) the total of all insured losses or (2) \$29.5 billion, with this amount further increased by \$2 billion per year until it reaches \$37.5 billion. (§4(1))	Beginning in 2016, the retention amount would be the lesser of (1) the total of all insurer deductibles in the previous year or (2) the total of all insured losses. (§107)	Beginning in the calendar year after enactment, the retention amount would be the lesser of (1) the total of all insured losses or (2) \$29.5 billion, with this amount further increased by \$2 billion per year until it reaches \$37.5 billion, it shall be set by the Secretary to equal the annual average of the sum of insurer deductibles for the previous three years. (§104(1))
Mandatory Recoupment of Federal Share	<p>If aggregate insured losses are less than the aggregate retention amount, a mandatory recoupment of 133% of the federal share of the loss will be imposed.</p> <p>If aggregate insured losses are greater than the aggregate retention amount but uncompensated insurer losses do not exceed the aggregate retention amount, the mandatory recoupment amount will be reduced by this amount.</p> <p>If uncompensated insurer losses are greater than the aggregate retention amount, there is no mandatory recoupment but the Secretary of the Treasury retains discretionary recoupment authority. (§103(e)(7))</p>	<p>The gradual increase in the aggregate retention amount to \$37.5 billion (§4(1)) effectively increases the level of mandatory recoupment.</p> <p>Increases the mandatory recoupment to 135.5% of the federal share of losses. (§4(2))</p>	<p>Mandatory recoupment increases to 150% of the federal share of losses beginning in 2016 and all years thereafter. (§106)</p> <p>Beginning in 2016, mandatory recoupment amount is equal to the lesser of (1) the aggregate amount of federal compensation received by insurers or (2) the aggregate retention amount. (§107)</p>	<p>The gradual increase in the aggregate retention (§104(1)) effectively increases the level of mandatory recoupment.</p> <p>Increases the mandatory recoupment to 140% of the federal share of losses. (§104(2))</p>

Provision	15 U.S.C. §6701 note (as applicable in 2014)	S. 2244 (as passed by the Senate)	H.R. 4871 (Title I as reported)	S. 2244 (as passed by the House)
Timing of Mandatory Recoupment	<p>Requires expedited collection of recoupment amounts:</p> <p>(1) for a terrorist attack before 2011, all required recoupment amounts must be collected by September 30, 2012;</p> <p>(2) for a terrorist attack in 2011, 35% of required recoupment amounts must be collected by September 30, 2012, and the balance must be collected by September 30, 2017; and</p> <p>(3) for a terrorist attack after 2011, all required recoupment amounts must be collected by September 30, 2017. (§103(e)(7)(E)(i))</p>	<p>Requires expedited collection of recoupment amounts:</p> <p>(1) for a terrorist attack before 2018, all required recoupment amounts must be collected by September 30, 2019;</p> <p>(2) for a terrorist attack in 2018, 35% of required recoupment amounts must be collected by September 30, 2019, and the balance must be collected by September 30, 2024; and</p> <p>(3) for a terrorist attack after 2018, all required recoupment amounts must be collected by September 30, 2024. (§4(2))</p>	<p>Beginning in 2016, requires that recoupment commence within 18 months of an attack. (§108)</p>	<p>Requires expedited collection of recoupment amounts:</p> <p>(1) for a terrorist attack before 2018, all required recoupment amounts must be collected by September 30, 2019;</p> <p>(2) for a terrorist attack in 2018, 35% of required recoupment amounts must be collected by September 30, 2019, and the balance must be collected by September 30, 2024; and</p> <p>(3) for a terrorist attack after 2018, all required recoupment amounts must be collected by September 30, 2024. (§104(2))</p>
Risk Sharing Mechanisms	No similar provisions	Establishes an advisory committee to encourage the creation and development of private risk-sharing mechanisms. (§9)	Establishes an advisory committee to encourage the creation and development of private risk-sharing mechanisms. (§109)	Establishes an advisory committee to encourage the creation and development of private risk-sharing mechanisms. (§110)

Provision	15 U.S.C. §6701 note (as applicable in 2014)	S. 2244 (as passed by the Senate)	H.R. 4871 (Title I as reported)	S. 2244 (as passed by the House)
Reporting of Terrorism Insurance Data	Requires Secretary to annually compile information on terrorism insurance premiums. To the extent that such data are not otherwise available, the Secretary may require insurers to submit the information to the National Association of Insurance Commissioners (NAIC), which shall make it available to the Secretary. (§108(e))	No change	Beginning in 2016, requires Secretary to collect data from insurers on terrorism insurance coverage, including lines of insurance with terrorism exposure, premiums earned from terrorism coverage, location of exposure, pricing of coverage, take-up rates, and amount of private reinsurance purchased. If such data are available from the states or another source, the Secretary shall collect the data from this source. The Secretary shall issue a report to Congress based on these data. (§110)	Beginning in 2016, requires Secretary to collect data from insurers on terrorism insurance coverage, including lines of insurance with terrorism exposure, premiums earned from terrorism coverage, location of exposure, pricing of coverage, take-up rates, and amount of private reinsurance purchased. If such data are available from the states or another source, the Secretary shall collect the data from this source. The Secretary shall issue a report to Congress based on these data. (§111)
Definition of Control	An entity is considered to have control over another entity if the first entity has the power to vote 25% of the voting securities; controls the election of the majority of the directors; or the Secretary determines that the entity exercises control after notice and hearing. (§102(3))	Adds the proviso that an entity is not considered to have control if, on the date of enactment, the entity is “acting as an attorney-in-fact ... for the other entity and such other entity is a reciprocal insurer.” This proviso, however, does not apply if the entity is defined as having control for reasons other than the attorney-in-fact relationship. (§5(1))	Adds the proviso that an entity is not considered to have control if, on the date of enactment, the entity is “acting as an attorney-in-fact ... for the other entity and such other entity is a reciprocal insurer.” This proviso, however, does not apply if the entity is defined as having control for reasons other than the attorney-in-fact relationship. (§112)	Adds the proviso that an entity is not considered to have control if, on the date of enactment, the entity is “acting as an attorney-in-fact ... for the other entity and such other entity is a reciprocal insurer.” This proviso, however, does not apply if the entity is defined as having control for reasons other than the attorney-in-fact relationship. (§106(1))

Provision	15 U.S.C. §6701 note (as applicable in 2014)	S. 2244 (as passed by the Senate)	H.R. 4871 (Title I as reported)	S. 2244 (as passed by the House)
Studies and Reports	<p>The Secretary shall conduct an expedited study of the availability and affordability of group life insurance coverage. (§103(h))</p> <p>The Secretary shall conduct a study and issue a report on the potential effect of terrorism on life insurance and other personal lines by October 2003. (§103(i))</p> <p>The Secretary shall conduct a study and issue a report no later than June 30, 2005, on the effectiveness of the program and the capacity of private insurers to offer terrorism coverage after the expiration of the program. (§104(d))</p> <p>The President's Working Group on Financial Markets is to report on the market conditions for terrorism risk insurance in 2006, 2010, and 2013. (§104(e))</p> <p>The Government Accountability Office (GAO) shall conduct a study and issue a report on the availability and affordability of NBCR coverage and the outlook for future coverage by December 2008. (§104(f))</p> <p>GAO shall conduct a study and issue a report on the availability and affordability of terrorism insurance in specific markets by June 2008. (§104(g))</p>	<p>GAO shall conduct a study and issue a report on the viability of the government collecting up-front terrorism insurance premiums on insurers within two years from the date of enactment. (§7)</p>	<p>The Secretary shall issue a report to Congress based on the terrorism insurance data collected under Section 11 to be completed by June 30, 2017, and annually thereafter. (§110)</p> <p>The Secretary shall conduct an annual study of small-insurer competitiveness and issue an annual report on this study, with the first report not later than June 30, 2016. (§113)</p> <p>The Congressional Budget Office and the Office of Management and Budget shall each conduct a study and issue a report regarding the application of accrual accounting concepts to TRIA and other federal insurance programs not later than 12 months after the date of enactment. (§114)</p> <p>GAO shall conduct a study and issue a report on the viability of (1) the government collecting up-front terrorism insurance premiums on insurers and (2) the creation of a mandatory capital reserve fund to dedicate capital for terrorism losses before such losses occur within two years from the date of enactment. (§115)</p>	<p>GAO shall conduct a study and issue a report on the viability of (1) the government collecting up-front terrorism insurance premiums on insurers including international practices and (2) the creation of a mandatory capital reserve fund to dedicate capital for terrorism losses before such losses occur within two years from the date of enactment. (§108)</p> <p>The Secretary shall issue a report to Congress based on the terrorism insurance data collected under Section 11 to be completed by June 30, 2017, and annually thereafter. (§111)</p> <p>The Secretary shall conduct an annual study of small-insurer competitiveness and issue an annual report on this study with the first report not later than June 30, 2016. (§112)</p>

Source: Congressional Research Service, using material from the U.S. Treasury, <http://www.congress.gov>, and the House Committee on Rules.

Notes: Section numbers for the initial TRIA law are as codified in 15 U.S.C. §6701 note. Section numbers for current legislation are from the legislation as amended. S. 2244 as passed by the Senate and the House substitute amendment to S. 2244 also include technical corrections that delete outdated language from several sections of the TRIA statute (Section 5(2) and Section 106, respectively), a section relating to the composition of the Federal Reserve Board of Governors (Section 8 and Section 109, respectively), and a second title in both bills relating to insurance agent licensing. The substitute amendment also adds a Title III related to derivatives. These sections and titles are not included in the chart.

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