

## HR 3210

Terrorism Risk Insurance Act of 2002

**Congress:** 107 (2001–2003, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** Nov 1, 2001

**Current Status:** Became Public Law No: 107-297.

**Latest Action:** Became Public Law No: 107-297. (Nov 26, 2002)

**Law:** 107-297 (Enacted Nov 26, 2002)

**Official Text:** <https://www.congress.gov/bill/107th-congress/house-bill/3210>

### Sponsor

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**Name:** Rep. Oxley, Michael G. [R-OH-4]

**Party:** Republican • **State:** OH • **Chamber:** House

**Cosponsors** (35 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Bachus, Spencer [R-AL-6]	R · AL		Nov 1, 2001
Rep. Baker, Richard H. [R-LA-6]	R · LA		Nov 1, 2001
Rep. Barr, Bob [R-GA-7]	R · GA		Nov 1, 2001
Rep. Bentsen, Ken [D-TX-25]	D · TX		Nov 1, 2001
Rep. Biggert, Judy [R-IL-13]	R · IL		Nov 1, 2001
Rep. Cantor, Eric [R-VA-7]	R · VA		Nov 1, 2001
Rep. Ferguson, Mike [R-NJ-7]	R · NJ		Nov 1, 2001
Rep. Foley, Mark [R-FL-16]	R · FL		Nov 1, 2001
Rep. Fossella, Vito [R-NY-13]	R · NY		Nov 1, 2001
Rep. Gillmor, Paul E. [R-OH-5]	R · OH		Nov 1, 2001
Rep. Green, Mark [R-WI-8]	R · WI		Nov 1, 2001
Rep. Grucci, Felix J., Jr. [R-NY-1]	R · NY		Nov 1, 2001
Rep. Issa, Darrell E. [R-CA-48]	R · CA		Nov 1, 2001
Rep. Jones, Walter B., Jr. [R-NC-3]	R · NC		Nov 1, 2001
Rep. Kelly, Sue W. [R-NY-19]	R · NY		Nov 1, 2001
Rep. Lucas, Frank D. [R-OK-6]	R · OK		Nov 1, 2001
Rep. Maloney, James H. [D-CT-5]	D · CT		Nov 1, 2001
Rep. Miller, Gary G. [R-CA-41]	R · CA		Nov 1, 2001
Rep. Ney, Robert W. [R-OH-18]	R · OH		Nov 1, 2001
Rep. Ose, Doug [R-CA-3]	R · CA		Nov 1, 2001
Rep. Pomeroy, Earl [D-ND-At Large]	D · ND		Nov 1, 2001
Rep. Riley, Bob [R-AL-3]	R · AL		Nov 1, 2001
Rep. Rogers, Mike J. [R-MI-8]	R · MI		Nov 1, 2001
Rep. Roukema, Marge [R-NJ-5]	R · NJ		Nov 1, 2001
Rep. Royce, Edward R. [R-CA-39]	R · CA		Nov 1, 2001
Rep. Ryun, Jim [R-KS-2]	R · KS		Nov 1, 2001
Rep. Shadegg, John B. [R-AZ-4]	R · AZ		Nov 1, 2001
Rep. Shays, Christopher [R-CT-4]	R · CT		Nov 1, 2001
Rep. Tiberi, Patrick J. [R-OH-12]	R · OH		Nov 1, 2001
Rep. Weldon, Dave [R-FL-15]	R · FL		Nov 1, 2001
Rep. Hart, Melissa A. [R-PA-4]	R · PA		Nov 9, 2001
Rep. Leach, James A. [R-IA-1]	R · IA		Nov 9, 2001
Rep. Bereuter, Doug [R-NE-1]	R · NE		Nov 13, 2001
Rep. LaTourette, Steven C. [R-OH-19]	R · OH		Nov 13, 2001
Rep. Pryce, Deborah [R-OH-15]	R · OH		Nov 13, 2001

Committee Activity

Committee	Chamber	Activity	Date
Budget Committee	House	Discharged From	Nov 26, 2001
Financial Services Committee	House	Reported By	Nov 19, 2001
Judiciary Committee	House	Discharged From	Nov 26, 2001
Ways and Means Committee	House	Reported By	Nov 19, 2001

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
107 HRES 607	Procedurally related	Nov 14, 2002: Motion to reconsider laid on the table Agreed to without objection.
107 S 2600	Related document	Jul 25, 2002: See also H.R. 3210.
107 HRES 297	Procedurally related	Nov 29, 2001: Motion to reconsider laid on the table Agreed to without objection.
107 HR 3357	Related bill	Nov 28, 2001: Referred to the Committee on Financial Services, and in addition to the Committees on the Judiciary, Ways and Means, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Terrorism Risk Insurance Act of 2002 - **Title I: Terrorism Insurance Program** - (Sec. 103) Establishes a three-year Terrorism Insurance Program in the Department of the Treasury, administered by the Secretary of the Treasury, to pay the Federal share of compensation for insured losses resulting from acts of terrorism.

Cites conditions for Federal payments. Mandates insurer participation in the Program.

Sets forth a transition period followed by an initial Program period (January 1, 2003, to December 31, 2005) during which insurers must make available: (1) coverage for insured losses in all property and casualty insurance policies; and (2) property and casualty insurance for insured losses that does not differ materially from coverage limitations applicable to losses from events other than acts of terrorism.

Directs the Secretary to promulgate regulations that apply this title to State residual market insurance entities and State workers' compensation funds.

States that the Federal share of compensation for insured losses of an insurer shall be 90 percent of the portion of such losses exceeding the insurer deductible required to be paid during the Program Year.

Prohibits duplicative compensation for insurance losses under any other Federal program.

Caps at \$100 billion the annual aggregate insured losses for which either the Secretary or an insurer that has met its insurer deductible shall be liable. Directs the Secretary to determine the pro rata share of insured losses to be paid by each insurer that incurs insured losses under the Program.

Requires the Secretary to notify Congress if estimated or actual aggregate annual insured losses during the Program exceed \$100 billion. States that Congress shall determine payment procedures and the source of payments for excess insured losses.

Grants the Secretary sole discretion to determine the time at which claims for insured losses or acts of terrorism become final. States that such determination is final (unless expressly provided) and not subject to judicial review.

Prescribes formulae and other requirements for the: (1) insurance marketplace aggregate retention amount; (2) mandatory recoupment amount of the Federal share; and (3) policyholder premium surcharge for terrorism loss risk-spreading premiums (including certain adjustments for urban and smaller commercial and rural areas and different lines of insurance).

Authorizes the Secretary to apply this title to other types of captive insurers and self-insurance arrangements by municipalities and other entities (such as workers' compensation self-insurance programs and State workers' compensation reinsurance pools), but only if such application is determined before the occurrence of an act of terrorism in which the entity incurs an insured loss and all provisions of this title are applied comparably to such entities.

Provides that this title neither prevents nor limits insurers from obtaining reinsurance coverage for insurer deductibles or insured losses, nor does obtaining such coverage affect the calculation of deductibles or retentions.

Prohibits the combined amount of Federal financial assistance and reinsurance proceeds from exceeding the aggregate amount of the insurer's insured losses for specified periods.

Directs the Secretary to study: (1) whether adequate and affordable catastrophe reinsurance for acts of terrorism is

available to issuers of group life insurance, and the extent to which the threat of terrorism reduces the availability of group life insurance for consumers; and (2) the potential effects of acts of terrorism on the availability of life insurance and other lines of insurance coverage, including personal lines.

(Sec. 104) Cites the powers and authorities granted to the Secretary for Program implementation, including authority to assess a civil monetary penalty against any insurer for violation of this title.

Makes appropriations for Federal payments and administration expenses under the Program.

(Sec. 105) Preempts and nullifies any pre-existing terrorism exclusion clause in a property and casualty insurance contract (including a State-approved contract) to the extent that it excludes losses that would otherwise be insured losses. Allows reinstatement of such exclusion, however, upon an affirmative written authorization from the insured, or upon the insured's failure to pay an increased premium for terrorism coverage despite due notice from the insurer.

(Sec. 106) Preserves the jurisdiction or regulatory authority of the State insurance commissioner (or any State agency or office performing like functions over any insurer), except as specifically provided in this title.

(Sec. 107) Declares that a Federal cause of action is the exclusive cause of action and remedy for claims for property damage, personal injury, or death arising out of, or resulting from an act of terrorism (thus preempting a State cause of action).

(Sec. 108) Sunsets the Program on December 31, 2005.

Directs the Secretary to study and report to Congress on: (1) Program effectiveness and the likely capacity of the property and casualty insurance industry to offer terrorism risk insurance after Program termination; and (2) the availability and affordability of such insurance for various policyholders, including railroads, trucking, and public transit.

**Title II: Treatment of Terrorist Assets** - (Sec. 201) Subjects to execution or attachment in aid of execution the blocked assets of terrorists (including terrorist organizations and state sponsors of terrorism) in order to satisfy a judgment on a claim based upon an act of terrorism, to the extent that the parties have been adjudged liable for compensatory damages.

Permits a Presidential waiver (with certain exceptions) of such attachment against property subject to the Vienna Convention on Diplomatic Relations, or the Vienna Convention on Consular Relations, after the President determines on an asset-by-asset basis that it is necessary in the national security interest.

Amends the Victims of Trafficking and Violence Protection Act of 2000 to: (1) revise the time frame under which certain claimants who filed suit are considered eligible for payment in connection with certain anti-terrorism judgments against Iran or Cuba; (2) prescribe guidelines for the distribution of account balances and proceeds inadequate to satisfy the full amount of compensatory awards against Iran; and (3) authorize the Secretary to promulgate guidelines for establishing claims of a right to payment.

**Title III: Federal Reserve Board Provisions** - (Sec. 301) Amends the Federal Reserve Act to state that certain actions that currently require the affirmative vote of five members of the Board of Governors of the Federal Reserve System may nevertheless be taken upon the unanimous vote of all members then in office if fewer than five.

Authorizes the Board to take action upon the unanimous vote of all available members then in office with respect to discounts for individuals, partnerships, and corporations, if at least two members are available, all available members

participate in the action and unanimously determine that: (1) unusual and exigent circumstances exist and the borrower is unable to secure adequate credit accommodations from other sources; (2) action on the matter is necessary to prevent, correct, or mitigate serious harm to the economy or the stability of the financial system of the United States; (3) the other Board members have not been able to be contacted and action is required before the number of Board members otherwise required to vote on the matter can be contacted; and (4) any credit extended by a Federal reserve bank pursuant to such action is payable upon demand of the Board.

Mandates Board documentation of such determinations.

## Actions Timeline

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- **Nov 26, 2002:** Signed by President.
- **Nov 26, 2002:** Signed by President.
- **Nov 26, 2002:** Became Public Law No: 107-297.
- **Nov 26, 2002:** Became Public Law No: 107-297.
- **Nov 22, 2002:** Presented to President.
- **Nov 22, 2002:** Presented to President.
- **Nov 20, 2002:** Message on Senate action sent to the House.
- **Nov 19, 2002:** Cloture motion on the conference report to accompany H.R. 3210 presented in Senate.
- **Nov 19, 2002:** Conference report considered in Senate by Unanimous Consent. (consideration: CR S11524-11530)
- **Nov 19, 2002:** Cloture on the conference report to accompany H.R. 3210 invoked in Senate by Yea-Nay Vote. 85 - 12. Record Vote Number: 251.
- **Nov 19, 2002:** Conference report agreed to in Senate: Senate agreed to conference report by Yea-Nay Vote. 86 - 11. Record Vote Number: 252.
- **Nov 19, 2002:** Senate agreed to conference report by Yea-Nay Vote. 86 - 11. Record Vote Number: 252.
- **Nov 14, 2002:** Conference papers: Senate report and manager's statement and message on House action held at the desk in Senate.
- **Nov 14, 2002:** Rule H. Res. 607 passed House.
- **Nov 14, 2002:** Mr. Oxley brought up conference report H. Rept. 107-779 for consideration under the provisions of H. Res. 607. (consideration: CR H8802-8809)
- **Nov 14, 2002:** DEBATE - The House proceeded with one hour of debate on the conference report.
- **Nov 14, 2002:** The previous question was ordered without objection.
- **Nov 14, 2002:** Conference report agreed to in House: On agreeing to the conference report Agreed to by voice vote.
- **Nov 14, 2002:** Motions to reconsider laid on the table Agreed to without objection.
- **Nov 14, 2002:** On agreeing to the conference report Agreed to by voice vote.
- **Nov 13, 2002:** Conference report filed: Conference report H. Rept. 107-779 filed.(text of conference report: CR H8722-8728)
- **Nov 13, 2002:** Conference report H. Rept. 107-779 filed. (text of conference report: CR H8722-8728)
- **Nov 13, 2002:** Rules Committee Resolution H. Res. 607 Reported to House. Rule provides for consideration of the conference report to H.R. 3210.
- **Sep 10, 2002:** Mr. Fossella asked unanimous consent that the House instruct conferees. (consideration: CR H6133-6137)
- **Sep 10, 2002:** DEBATE - The House proceeded with one hour of debate on the motion to instruct conferees on H.R. 3210. The instructions contained in the motion seek to require the managers on the part of the House to agree to the provisions contained in section 11 of the Senate amendment, relating to satisfaction of judgements from frozen assets of terrorists, terrorist organizations, and state sponsors of terrorism.
- **Sep 10, 2002:** POSTPONED VOTE - The Chair put the question on the motion to instruct conferees and announced that the ayes had prevailed. Mr. Fossella objected to the voice vote based on the absence of a quorum and the Chair postponed further proceedings until later in the day.
- **Sep 10, 2002:** On motion that the House instruct conferees Agreed to by the Yeas and Nays: 373 - 0 (Roll no. 379). (consideration: CR H6138-6139)
- **Sep 10, 2002:** Motion to reconsider laid on the table Agreed to without objection.
- **Sep 9, 2002:** NOTICE OF INTENT TO OFFER MOTION - Mr. Fossella notified the House of his intent to offer a motion to instruct conferees on H.R. 3210. The instructions contained in the motion seek to require the managers on the part of the House to agree to the provisions contained in section 11 of the Senate amendment, relating to satisfaction of judgements from frozen assets of terrorists, terrorist organizations, and state sponsors of terrorism.
- **Jul 27, 2002:** Mr. Oxley asked unanimous consent that the House disagree to the Senate amendment, and agree to a conference.
- **Jul 27, 2002:** On motion that the House disagree to the Senate amendment, and agree to a conference Agreed to without objection. (consideration: CR 7/26/2002 H5962, H5969)
- **Jul 27, 2002:** The Speaker appointed conferees - from the Committee on Financial Services for consideration of the House bill and the Senate amendment thereto, and modifications committed to conference: Oxley, Baker, Ney, Kelly, Shays, Fossella, Ferguson, LaFalce, Kanjorski, Bentsen, Maloney (CT), and Hooley.

- Jul 27, 2002:** The Speaker appointed conferees - from the Committee on the Judiciary for consideration of sec. 15 of the House bill and secs. 10 and 11 of the Senate amendment thereto, and modifications committed to conference: Sensenbrenner, Goodlatte, and Conyers.
- **Jul 27, 2002:** Motion to reconsider laid on the table Agreed to without objection.
  - **Jul 25, 2002:** Measure laid before Senate by unanimous consent.
  - **Jul 25, 2002:** Senate struck all after the Enacting Clause and substituted the language of S. 2600 amended.
  - **Jul 25, 2002:** Passed/agreed to in Senate: Passed Senate with an amendment by Unanimous Consent.
  - **Jul 25, 2002:** Passed Senate with an amendment by Unanimous Consent.
  - **Jul 25, 2002:** Senate insists on its amendment, asks for a conference, appoints conferees Sarbanes; Dodd; Reed; Schumer; Gramm; Shelby; Enzi.
  - **Jul 25, 2002:** See also S. 2600.
  - **Jul 25, 2002:** Message on Senate action sent to the House.
  - **Dec 3, 2001:** Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 252.
  - **Nov 30, 2001:** Received in the Senate. Read the first time. Placed on Senate Legislative Calendar under Read the First Time.
  - **Nov 29, 2001:** Rule H. Res. 297 passed House.
  - **Nov 29, 2001:** Considered under the provisions of rule H. Res. 297. (consideration: CR H8572-8630; text of measure as reported in House: CR H8589-8592)
  - **Nov 29, 2001:** Rule provides for consideration of H.R. 3210 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. In lieu of the amendments recommended by the Committee on Financial Services and the Committee on Ways and Means, an amendment in the nature of a substitute consisting of the text of H.R. 3357 shall be considered as adopted. Measure will be considered read. A specified amendment is in order. The amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Mr. LaFalce or his designee, shall be considered as read and debatable for one hour.
  - **Nov 29, 2001:** DEBATE - The House proceeded with one hour of debate on H.R. 3210.
  - **Nov 29, 2001:** DEBATE - Pursuant to the provisions of H. Res. 297, the House proceeded with one hour of debate on the LaFalce amendment in the nature of a substitute.
  - **Nov 29, 2001:** The previous question was ordered pursuant to the rule.
  - **Nov 29, 2001:** Mr. LaFalce moved to recommit with instructions to Financial Services.
  - **Nov 29, 2001:** Floor summary: DEBATE - The House proceeded with 10 minutes of debate, equally divided and controlled, on the LaFalce motion to recommit with instructions. The instructions contained in the motion seek to strike section 15 of the base bill, which is related to litigation management and, also to insert new provisions which prevent commercial insurers from utilizing "pass-through" methods which would result in certain costs being passed on to customers.
  - **Nov 29, 2001:** The previous question on the motion to recommit with instructions was ordered without objection.
  - **Nov 29, 2001:** On motion to recommit with instructions Failed by recorded vote: 173 - 243 (Roll no. 463).
  - **Nov 29, 2001:** Passed/agreed to in House: On passage Passed by recorded vote: 227 - 193 (Roll no. 464).
  - **Nov 29, 2001:** On passage Passed by recorded vote: 227 - 193 (Roll no. 464).
  - **Nov 29, 2001:** Motion to reconsider laid on the table Agreed to without objection.
  - **Nov 28, 2001:** Rules Committee Resolution H. Res. 297 Reported to House. Rule provides for consideration of H.R. 3210 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. In lieu of the amendments recommended by the Committee on Financial Services and the Committee on Ways and Means, an amendment in the nature of a substitute consisting of the text of H.R. 3357 shall be considered as adopted. Measure will be considered read. A specified amendment is in order. The amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Mr. LaFalce or his designee, shall be considered as read and debatable for one hour.
  - **Nov 26, 2001:** Committee on The Budget discharged.
  - **Nov 26, 2001:** Committee on The Budget discharged.
  - **Nov 26, 2001:** Committee on Judiciary discharged.
  - **Nov 26, 2001:** Committee on Judiciary discharged.
  - **Nov 26, 2001:** Placed on the Union Calendar, Calendar No. 181.
  - **Nov 19, 2001:** Reported (Amended) by the Committee on Financial Services. H. Rept. 107-300, Part I.



- Nov 19, 2001:** Reported (Amended) by the Committee on Financial Services. H. Rept. 107-300, Part I.
- **Nov 19, 2001:** House Committee on The Budget Granted an extension for further consideration ending not later than Nov. 26, 2001.
  - **Nov 19, 2001:** Referred sequentially to the House Committee on the Judiciary for a period ending not later than Nov. 26, 2001 for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(k), rule X.
  - **Nov 19, 2001:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 107-300, Part II.
  - **Nov 19, 2001:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 107-300, Part II.
  - **Nov 16, 2001:** Committee Consideration and Mark-up Session Held.
  - **Nov 16, 2001:** Ordered to be Reported in the Nature of a Substitute (Amended) by Voice Vote.
  - **Nov 7, 2001:** Committee Consideration and Mark-up Session Held.
  - **Nov 7, 2001:** Ordered to be Reported (Amended) by Voice Vote.
  - **Nov 1, 2001:** Introduced in House
  - **Nov 1, 2001:** Introduced in House
  - **Nov 1, 2001:** Referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
  - **Nov 1, 2001:** Referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
  - **Nov 1, 2001:** Referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
  - **Nov 1, 2001:** Referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.