

HR 4314

Terrorism Risk Insurance Revision Act of 2005

Congress: 109 (2005–2007, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Nov 14, 2005

Current Status: Placed on the Union Calendar, Calendar No. 180.

Latest Action: Placed on the Union Calendar, Calendar No. 180. (Dec 6, 2005)

Official Text: <https://www.congress.gov/bill/109th-congress/house-bill/4314>

Sponsor

Name: Rep. Baker, Richard H. [R-LA-6]

Party: Republican • State: LA • Chamber: House

Cosponsors (9 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Davis, Geoff [R-KY-4]	R · KY		Nov 14, 2005
Rep. Ferguson, Mike [R-NJ-7]	R · NJ		Nov 14, 2005
Rep. Fossella, Vito [R-NY-13]	R · NY		Nov 14, 2005
Rep. Kelly, Sue W. [R-NY-19]	R · NY		Nov 14, 2005
Rep. Oxley, Michael G. [R-OH-4]	R · OH		Nov 14, 2005
Rep. Pryce, Deborah [R-OH-15]	R · OH		Nov 14, 2005
Rep. Renzi, Rick [R-AZ-1]	R · AZ		Nov 14, 2005
Rep. Sessions, Pete [R-TX-32]	R · TX		Nov 14, 2005
Rep. King, Peter T. [R-NY-3]	R · NY		Dec 6, 2005

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Reported By	Dec 7, 2005

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
109 S 467	Related bill	Dec 22, 2005: Became Public Law No: 109-144.

Terrorism Risk Insurance Revision Act of 2005 - (Sec. 2) Revises the Terrorism Risk Insurance Act of 2002 (TRIA) to establish Program Year 4 beginning on January 1, 2006, and ending on December 31, 2006. Provides for Additional Program Years following Program Year 4 (thereby extending the Terrorism Risk Insurance Program).

Redefines an act of terrorism to repeal the \$5 million minimum for an act to be certified by the Secretary of the Treasury.

Redefines: (1) casualty insurance; and (2) exempt commercial purchaser.

Sets forth a statutory formula for insurer deductibles for Program Year 4 and additional Program Years.

Revises mandatory availability guidelines to include NBCR terrorism (terrorism involving nuclear, biological, chemical and, or, radioactive reactions, releases, or contaminations, to the extent any insured losses are caused by any of them).

Instructs the Secretary to issue regulations applying TRIA title I to state workers' compensation reinsurance pools.

Revamps guidelines governing the federal share of compensation covering insured losses of an insurer. Establishes a Program trigger for such federal share.

Prescribes guidelines under which an insurer may establish a TRIA Capital Reserve Fund (CRF) in which it may hold funds in a fiduciary capacity on behalf of the Secretary.

Directs the Secretary to collect and use CRF funds offset the federal share of compensation.

States that TRIA title I does not prohibit insurers from developing risk-sharing mechanisms (including mutual reinsurance facilities and agreements) to voluntarily reinsure certain terrorism losses among themselves.

Requires the Secretary to appoint an Advisory Committee to encourage the creation and development of such mechanisms.

Provides for full recoupment of federal financial assistance provided in connection with all acts of terrorism.

Requires the Comptroller General to study and report to Congress on: (1) the exposure of personal lines (including homeowners insurance) to terrorism risk, the coverage currently available, and potential policy responses; (2) the risk of potential terrorist acts stemming from the use of nuclear, biological, chemical, and radioactive weapons; and (3) the need for a federal program that provides for a system of shared public and private compensation for insured losses resulting from natural disaster.

Establishes the Commission on Terrorism Risk Insurance (Commission) to identify and report to Congress on: (1) actions to encourage, facilitate, and sustain provision by the domestic private insurance industry of affordable coverage for losses due to acts of terrorism; (2) the utility and viability of TRIA Capital Reserve Funds; (3) any risk sharing mechanism created or made available under TRIA title I; and (4) a federally created or mandated reinsurance facility (which shall issue pre-event and post-event financing bonds, assessments, single or multiple pooling arrangements, and other risk sharing arrangements).

Directs the Commission to report to Congress on whether there is a need for a federal terrorism risk insurance program and, if so, to make a specific, detailed recommendation for the replacement of the current Program, including specific, detailed recommendations for the creation of a terrorism reinsurance facility or facilities or single or multiple pooling

arrangements, or both.

Sets limitations upon state regulatory authority in connection with mandatory availability of terrorism risk insurance.

Declares that Congress intends that all states will implement by December 31, 2007, the System for Electronic Rate and Form Filing and streamlined surplus lines diligent search policies.

Extends the current Program's termination date from December 31, 2007, to December 31, 2008, unless the Commission has not satisfied its obligations, in which case it shall terminate on December 31, 2007.

Actions Timeline

- **Dec 6, 2005:** Reported (Amended) by the Committee on Financial Services. H. Rept. 109-327.
- **Dec 6, 2005:** Reported (Amended) by the Committee on Financial Services. H. Rept. 109-327.
- **Dec 6, 2005:** Placed on the Union Calendar, Calendar No. 180.
- **Nov 16, 2005:** Committee Consideration and Mark-up Session Held.
- **Nov 16, 2005:** Ordered to be Reported (Amended) by the Yeas and Nays: 64 - 3.
- **Nov 14, 2005:** Introduced in House
- **Nov 14, 2005:** Introduced in House
- **Nov 14, 2005:** Referred to the House Committee on Financial Services.