

110TH CONGRESS  
1ST SESSION

# H. R. 4721

To amend the Terrorism Risk Insurance Act of 2002 to temporarily reduce the insurer deductibles for insurers sustaining insured losses from large terrorism events.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2007

Mr. ACKERMAN introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Terrorism Risk Insurance Act of 2002 to temporarily reduce the insurer deductibles for insurers sustaining insured losses from large terrorism events.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Terrorism Risk Insur-  
5 ance Improvement Act of 2007”.

6 **SEC. 2. LARGE EVENT RESET.**

7 The Terrorism Risk Insurance Act of 2002 (15  
8 U.S.C. 6701 note) is amended—

9 (1) in section 102(7)—

1 (A) in subparagraph (F), by striking  
2 “and” at the end;

3 (B) in subparagraph (G), by striking the  
4 period at the end and inserting “; and”; and

5 (C) by adding at the end the following new  
6 subparagraph:

7 “(H) Notwithstanding subparagraph (f)(i),  
8 if aggregate industry insured losses resulting  
9 from a certified act of terrorism exceed  
10 \$1,000,000,000, for any insurer that sustains  
11 insured losses resulting from such act of ter-  
12 rorism, the value of such insurer’s direct earned  
13 premiums over the calendar year immediately  
14 preceding the program year, multiplied by a  
15 percentage, which—

16 “(i) for the Program Year consisting  
17 of calendar year 2008 shall be 5 percent;  
18 and

19 “(ii) for each Program Year there-  
20 after, shall be 50 basis points greater than  
21 the percentage applicable to the preceding  
22 Program Year, except that if an act of ter-  
23 rorism occurs during any such Program  
24 Year that results in aggregate industry in-  
25 sured losses exceeding \$1,000,000,000, the

1 percentage for the succeeding Program  
2 Year shall be 5 percent and the increase  
3 under this clause shall apply to Program  
4 Years thereafter;

5 except that for purposes of determining under  
6 this subparagraph whether aggregate industry  
7 insured losses exceed \$1,000,000,000, the Sec-  
8 retary may combine insured losses resulting  
9 from two or more certified acts of terrorism oc-  
10 ccurring during such Program Year in the same  
11 geographic area (with such area determined by  
12 the Secretary), in which case such insurer shall  
13 be permitted to combine insured losses resulting  
14 from such acts of terrorism for purposes of sat-  
15 isfying its insurer deductible under this sub-  
16 paragraph; and except that the insurer deduct-  
17 ible under this subparagraph shall apply only  
18 with respect to compensation of insured losses  
19 resulting from such certified act, or combined  
20 certified acts, and that for purposes of com-  
21 pensation of any other insured losses occurring  
22 in the same Program Year, the insurer deduct-  
23 ible determined under subparagraph (F) shall  
24 apply.”; and

25 (2) in section 103(e)(1)(b)—

1 (A) in clause (ii), by striking the period at  
2 the end and inserting a semicolon; and

3 (B) by adding after and below clause (ii)  
4 the following:

5 “except that if a certified act of terrorism occurs for  
6 which resulting aggregate industry insured losses exceed  
7 \$1,000,000,000, the applicable amount for any subsequent  
8 certified act of terrorism shall be the amount specified in  
9 section 102(1)(B)(ii).”.

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