

**HOUSE AMENDMENT TO THE SENATE**  
**AMENDMENT TO H.R. 2761**

At the end of the matter proposed to be inserted by  
the amendment of the Senate, insert the following:

**1 SEC. 6. COVERAGE OF GROUP LIFE INSURANCE.**

2 (a) FINDINGS AND PURPOSE.—Section 101 of the  
3 Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701  
4 note) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (5), by striking “and” at  
7 the end;

8 (B) by redesignating paragraph (6) as  
9 paragraph (8); and

10 (C) by inserting after paragraph (5) the  
11 following new paragraphs:

12 “(6) group life insurance companies are impor-  
13 tant financial institutions whose products make life  
14 insurance coverage affordable for millions of Ameri-  
15 cans and often serve as their only life insurance ben-  
16 efit;

17 “(7) the group life insurance industry, in the  
18 event of a severe act of terrorism, is vulnerable to

1       insolvency because high concentrations of covered  
2       employees work in the same locations, because pri-  
3       mary group life insurers do not exclude terrorism  
4       risks while most catastrophic reinsurance does ex-  
5       clude such risks, and because a large-scale loss of  
6       life would fall outside of actuarial expectations of  
7       death; and”;

8               (2) in subsection (b)(1), by inserting “and  
9       group life insurance” after “property and casualty  
10      insurance”.

11      (b) DEFINITIONS.—Section 102 of the Terrorism  
12 Risk Insurance Act of 2002 (15 U.S.C. 6701 note), as  
13 amended by the preceding provisions of this Act, is further  
14 amended—

15              (1) in paragraph (1)(B)(ii), by inserting “and  
16      group life insurance” before “losses”;

17              (2) in paragraph (5), in the matter preceding  
18      subparagraph (A)—

19                      (A) by inserting “, or group life insurance  
20                      to the extent of the amount at risk,” after  
21                      “property and casualty insurance”;

22                      (B) by inserting a comma after “insurer”;  
23                      and

24                      (C) by adding after and below subpara-  
25                      graph (B) the following:

1 “Such term shall not include any losses of an in-  
2 surer resulting from coverage of any single certifi-  
3 cate holder under any group life insurance coverages  
4 of the insurer to the extent such losses are not com-  
5 pensated under the Program by reason of section  
6 103(e)(1)(D).”;

7 (3) in paragraph (6)—

8 (A) in subparagraph (A)(i), by inserting “,  
9 or group life insurance,” after “excess insur-  
10 ance”; and

11 (B) in subparagraph (B), by inserting “or,  
12 in the case of group life insurance, that receives  
13 direct premiums,” after “insurance coverage,”;

14 (4) in paragraph (7)—

15 (A) in subparagraph (F)—

16 (i) by striking the first comma and in-  
17 serting “(i) with respect to property and  
18 casualty insurance,”; and

19 (ii) by inserting before the semicolon  
20 the following: “(ii) with respect to group  
21 life insurance, the value of an insurer’s  
22 amount at risk for a covered line of insur-  
23 ance over the calendar year immediately  
24 preceding such Program Year, multiplied  
25 by 0.0351 percent”;

1 (B) in subparagraph (G)—

2 (i) by inserting “with respect to prop-  
3 erty and casualty insurance, and such por-  
4 tion of the amounts at risk with respect to  
5 group life insurance,” after “such portion  
6 of the direct earned premiums”; and

7 (ii) by inserting “and amounts at  
8 risk” after “such direct earned premiums”;

9 (5) by redesignating paragraph (16) as para-  
10 graph (18); and

11 (6) by inserting after paragraph (15) the fol-  
12 lowing new paragraphs:

13 “(16) GROUP LIFE INSURANCE.—The term  
14 ‘group life insurance’ means an insurance contract  
15 that provides life insurance coverage, including term  
16 life insurance coverage, universal life insurance cov-  
17 erage, variable universal life insurance coverage, and  
18 accidental death coverage, or a combination thereof,  
19 for a number of individuals under a single contract,  
20 on the basis of a group selection of risks, but does  
21 not include ‘Corporate Owned Life Insurance’ or  
22 ‘Business Owned Life Insurance,’ each as defined  
23 under the Internal Revenue Code of 1986, or any  
24 similar product, or group life reinsurance or  
25 retrocessional reinsurance.

1           “(17) AMOUNT AT RISK.—The term ‘amount at  
2           risk’ means face amount less statutory policy re-  
3           serves for group life insurance issued by any insurer  
4           for insurance against losses occurring at the loca-  
5           tions described in subparagraph (A) of paragraph  
6           (5).”.

7           (c) MANDATORY AVAILABILITY.—Section 103(c) of  
8           the Terrorism Risk Insurance Act of 2002 (15 U.S.C.  
9           6701 note) is amended by striking “During each Program  
10          Year” and all that follows through “property and casualty  
11          insurance” in paragraph (2) and inserting the following:

12           “(1) AVAILABILITY OF COVERAGE FOR INSURED  
13          LOSSES.—During each Program Year, each entity  
14          that meets the definition of an insurer under section  
15          102 shall make available, in all of its insurance poli-  
16          cies for property and casualty insurance and in all  
17          of its insurance policies for group life insurance,”.

18          (d) FEDERAL SHARE OF COMPENSATION.—Section  
19          103(e)(1) of the Terrorism Risk Insurance Act of 2002  
20          (15 U.S.C. 6701 note) is amended by adding at the end  
21          the following new subparagraph:

22           “(D) LIMITATION ON COMPENSATION FOR  
23          GROUP LIFE INSURANCE.—Notwithstanding any  
24          other provision of this Act, the Federal share of  
25          compensation under the Program paid by the

1 Secretary for insured losses of an insurer re-  
2 sulting from coverage of any single certificate  
3 holder under any group life insurance coverages  
4 of the insurer may not during any Program  
5 Year exceed \$1,000,000.”.

6 (e) SEPARATE RETENTION POOL.—Section  
7 103(e)(6)(E) of the Terrorism Risk Insurance Act of 2002  
8 (15 U.S.C. 6701 note) is amended by striking clauses (i)  
9 and (ii) and inserting the following new clauses:

10 “(i) for property and casualty insur-  
11 ance, the lesser of—

12 “(I) \$27,500,000,000; and

13 “(II) the aggregate amount, for  
14 all such insurance, of insured losses  
15 during such Program Year; and

16 “(ii) for group life insurance, the less-  
17 er of—

18 “(I) \$5,000,000,000; and

19 “(II) the aggregate amount, for  
20 all such insurance, of insured losses  
21 during such Program Year.”.

22 (f) SEPARATE RECOUPMENT.—Section 103(e)(7) of  
23 the Terrorism Risk Insurance Act of 2002 (15 U.S.C.  
24 6701 note), as amended by the preceding provisions of this  
25 Act, is further amended—

1 (1) in subparagraph (A)—

2 (A) in clause (i), by inserting “applicable”  
3 before “insurance”; and

4 (B) in clause (ii), by striking “all insurers”  
5 and inserting “all applicable insurers (pursuant  
6 to subparagraph (G))”;

7 (2) in subparagraph (B)—

8 (A) in the heading, by inserting “APPLICA-  
9 BLE” before “INSURANCE”; and

10 (B) by inserting “applicable” before “in-  
11 surance”; and

12 (3) by adding at the end the following new sub-  
13 paragraph:

14 “(G) SEPARATE RECOUPMENT.—“The Sec-  
15 retary shall provide that—

16 “(i) any recoupment under this para-  
17 graph of amounts paid for Federal finan-  
18 cial assistance for insured losses for prop-  
19 erty and casualty insurance shall be ap-  
20 plied to property and casualty insurance  
21 policies; and

22 “(ii) any recoupment under this para-  
23 graph of amounts paid for Federal finan-  
24 cial assistance for insured losses for group

1                   life insurance shall be applied to group life  
2                   insurance policies.”.

3           (g) POLICY SURCHARGE FOR TERRORISM LOSS RISK-  
4 SPREADING PREMIUMS.—Section 103(e)(8) of the Ter-  
5 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)  
6 is amended—

7           (1) in subparagraph (A)—

8                   (A) in the matter preceding clause (i), by  
9 striking “Any” and inserting “Subject to para-  
10 graph (7)(G), any”;

11                   (B) in clause (i), by inserting “and group  
12 life insurance policies” after “policies”; and

13                   (C) by striking clause (iii) and inserting  
14 the following new clause:

15                   “(iii) be based on—

16                           “(I) a percentage of the premium  
17 amount charged for property and cas-  
18 ualty insurance coverage under the  
19 policy; and

20                           “(II) a percentage of the amount  
21 at risk for group life insurance cov-  
22 erage under the policy.”; and

23           (2) in subparagraph (C)—

1 (A) by inserting “with respect to property  
2 and casualty insurance,” after “annual basis,”;  
3 and

4 (B) by inserting before the period at the  
5 end the following: “and, with respect to group  
6 life insurance, the amount equal to 0.0053 per-  
7 cent of the amount at risk for covered lines  
8 under the policy”.

9 **SEC. 7. LARGE EVENT RESET.**

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

12 (1) in section 102(7)—

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

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

17 (C) by adding at the end the following new  
18 subparagraph:

19 “(H) notwithstanding subparagraph (F)(i),  
20 if aggregate industry insured losses resulting  
21 from a certified act of terrorism exceed  
22 \$1,000,000,000, for any insurer that sustains  
23 insured losses resulting from such act of ter-  
24 rorism, the value of such insurer’s direct earned  
25 premiums over the calendar year immediately

1 preceding the Program Year, multiplied by a  
2 percentage, which—

3 “(i) for the Program Year consisting  
4 of calendar year 2008 shall be 5 percent;  
5 and

6 “(ii) for each Program Year there-  
7 after, shall be 50 basis points greater than  
8 the percentage applicable to the preceding  
9 Program Year, except that if an act of ter-  
10 rorism occurs during any such Program  
11 Year that results in aggregate industry in-  
12 sured losses exceeding \$1,000,000,000, the  
13 percentage for the succeeding Program  
14 Year shall be 5 percent and the increase  
15 under this clause shall apply to Program  
16 Years thereafter;

17 except that for purposes of determining under  
18 this subparagraph whether aggregate industry  
19 insured losses exceed \$1,000,000,000, the Sec-  
20 retary may combine insured losses resulting  
21 from two or more certified acts of terrorism oc-  
22 ccurring during such Program Year in the same  
23 geographic area (with such area determined by  
24 the Secretary), in which case such insurer shall  
25 be permitted to combine insured losses resulting

1 from such acts of terrorism for purposes of sat-  
2 isfying its insurer deductible under this sub-  
3 paragraph; and except that the insurer deduct-  
4 ible under this subparagraph shall apply only  
5 with respect to compensation of insured losses  
6 resulting from such certified act, or combined  
7 certified acts, and that for purposes of com-  
8 pensation of any other insured losses occurring  
9 in the same Program Year, the insurer deduct-  
10 ible determined under subparagraph (F)(i) shall  
11 apply.”; and

12 (2) in section 103(e)(1)(B)—

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

15 (B) by adding after and below clause (ii)  
16 the following:

17 “except that if a certified act of terrorism oc-  
18 curs for which resulting aggregate industry in-  
19 sured losses exceed \$1,000,000,000, the appli-  
20 cable amount for any subsequent certified act of  
21 terrorism shall be the amount specified in sec-  
22 tion 102(1)(B)(ii).”.

1 **SEC. 8. AVAILABILITY OF LIFE INSURANCE WITHOUT RE-**  
2 **GARD TO LAWFUL FOREIGN TRAVEL.**

3 Section 103(c) of the Terrorism Risk Insurance Act  
4 of 2002 (15 U.S.C. 6701 note), as amended by the pre-  
5 ceding provisions of this Act, is further amended by add-  
6 ing at the end the following new paragraph:

7 “(2) AVAILABILITY OF LIFE INSURANCE WITH-  
8 OUT REGARD TO LAWFUL FOREIGN TRAVEL.—Dur-  
9 ing each Program Year, each entity that meets the  
10 definition of an insurer under section 102 and any  
11 other entity that issues insurance contracts that pro-  
12 vide life insurance coverage shall make available, in  
13 all of its life insurance policies issued after the date  
14 of the enactment of the Terrorism Risk Insurance  
15 Program Reauthorization Act of 2007 under which  
16 the insured person is a citizen of the United States  
17 or an alien lawfully admitted for permanent resi-  
18 dence in the United States, coverage that neither  
19 considers past, nor precludes future, lawful foreign  
20 travel by the person insured, and shall not decline  
21 such coverage based on past or future, lawful foreign  
22 travel by the person insured or charge a premium  
23 for such coverage that is excessive and not based on  
24 a good faith actuarial analysis, except that an in-  
25 surer may decline or, upon inception or renewal of  
26 a policy, limit the amount of coverage provided

1 under any life insurance policy based on plans to en-  
2 gage in future lawful foreign travel to occur within  
3 12 months of such inception or renewal of the policy  
4 but only if, at time of application—

5 “(A) such declination is based on, or such  
6 limitation applies only with respect to, travel to  
7 a foreign destination—

8 “(i) for which the Director of the Cen-  
9 ters for Disease Control and Prevention of  
10 the Department of Health and Human  
11 Services has issued a highest level alert or  
12 warning, including a recommendation  
13 against non-essential travel, due to a seri-  
14 ous health-related condition;

15 “(ii) in which there is an ongoing  
16 military conflict involving the armed forces  
17 of a sovereign nation other than the for-  
18 eign destination to which the insured per-  
19 son is traveling; or

20 “(iii)(I) that the insurer has specifi-  
21 cally designated in the terms of the life in-  
22 surance policy at the inception of the pol-  
23 icy or at renewal, as applicable; and

1 “(II) with respect to which the insurer  
2 has made a good-faith determination  
3 that—

4 “(aa) a serious fraudulent situa-  
5 tion exists which is ongoing; and

6 “(bb) the credibility of informa-  
7 tion by which the insurer can verify  
8 the death of the insured person is  
9 substantially compromised; and

10 “(B) in the case of any limitation of cov-  
11 erage, such limitation is specifically stated in  
12 the terms of the life insurance policy at the in-  
13 ception of the policy or at renewal, as applica-  
14 ble.”.

15 **SEC. 9. PROGRAM TRIGGER.**

16 Section 103(e)(1)(B)(ii) of the Terrorism Risk Insur-  
17 ance Act of 2002 (15 U.S.C. 6701 note) is amended by  
18 striking “\$100,000,000” and inserting “\$50,000,000”.

19 **SEC. 10. APPLICABILITY.**

20 The amendments made by this Act shall apply begin-  
21 ning on January 1, 2008. The provisions of the Terrorism  
22 Risk Insurance Act of 2002, as in effect on the day before  
23 the date of the enactment of this Act, shall apply through  
24 the end of December 31, 2007.