

AMENDMENT TO H.R. 4314
OFFERED BY MR. OXLEY OF OHIO

Page 1, line 9, strike “sections 102” and insert “sections 101”.

Page 1, after line 10, insert the following new section:

1 **“SEC. 101. CONGRESSIONAL FINDINGS AND PURPOSE.**

2 “(a) FINDINGS.—The Congress finds that—

3 “(1) the ability of businesses and individuals to
4 obtain property, casualty, group life, and NBCR in-
5 surance at reasonable and predictable prices, in
6 order to spread the risk of both routine and cata-
7 strophic loss, is critical to economic growth, urban
8 development, and the construction and maintenance
9 of public and private housing, as well as to the pro-
10 motion of United States exports and foreign trade in
11 an increasingly interconnected world;

12 “(2) property, casualty, and life insurance firms
13 are important financial institutions, the products of
14 which allow mutualization of risk and the efficient
15 use of financial resources and enhance the ability of
16 the economy to maintain stability, while responding



1 to a variety of economic, political, environmental,
2 and other risks with a minimum of disruption;

3 “(3) the ability of the insurance industry to
4 cover the unprecedented financial risks presented by
5 potential acts of terrorism in the United States can
6 be a major factor in the recovery from terrorist at-
7 tacks, while maintaining the stability of the econ-
8 omy;

9 “(4) widespread financial market uncertainties
10 have arisen following the terrorist attacks of Sep-
11 tember 11, 2001, including the absence of informa-
12 tion from which financial institutions can make sta-
13 tistically valid estimates of the probability and cost
14 of future terrorist events, and therefore the size,
15 funding, and allocation of the risk of loss caused by
16 such acts of terrorism;

17 “(5) a decision by property, casualty, group life,
18 and NBCR insurers to deal with such uncertainties,
19 either by terminating property, casualty, group life
20 and NBCR coverage for losses arising from terrorist
21 events, or by radically escalating premium coverage
22 to compensate for risks of loss that are not readily
23 predictable, could seriously hamper ongoing and
24 planned construction, property acquisition, and other



1 business projects, generate a dramatic increase in
2 rents, and otherwise suppress economic activity; and

3 “(6) the United States Government should pro-
4 vide temporary financial compensation to insured
5 parties, contributing to the stabilization of the
6 United States economy in a time of national crisis,
7 while the financial services industry develops the sys-
8 tems, mechanisms, products, and programs nec-
9 essary to create a viable financial services market for
10 private terrorism risk insurance.

11 “(b) PURPOSE.—The purpose of this title is to estab-
12 lish a temporary Federal program that provides for a
13 transparent system of shared public and private com-
14 pensation for insured losses resulting from acts of ter-
15 rorism, in order to—

16 “(1) protect consumers by addressing market
17 disruptions and ensure the continued widespread
18 availability and affordability of property, casualty,
19 group life, and NBCR insurance for terrorism risk;
20 and

21 “(2) allow for a transitional period for the pri-
22 vate markets to stabilize, resume pricing of such in-
23 surance, and build capacity to absorb any future
24 losses, while preserving State insurance regulation
25 and consumer protections.”.



Page 12, line 4, strike “17.5 percent” and insert “16 percent”.

Page 12, lines 5 and 6, strike “20 percent” and insert “21.5 percent”.

Page 13, line 21, strike “2.5 percent” and insert “2.0 percent”.

Page 16, line 10, strike “radiological” and insert “radioactive”.

Page 19, strike lines 17 through 20 and insert the following new clause:

1 “(v) A designation as a RIMS Fellow
2 (RS) issued by the Global Risk Manage-
3 ment Institute.”.

Page 25, lines 1 and 2, strike “entities and” and insert “entities,”.

Page 25, line 2, before the period insert “, and State workers’ compensation reinsurance pools”.

Page 27, strike lines 14 through 17 and insert the following new clause:

4 “(iii) with respect to each Additional
5 Program Year thereafter that coverage is
6 provided under the Program, the amount



1 that is equal to the sum of (I) the dollar
2 amount applicable under this subpara-
3 graph for the Program Year preceding
4 such Additional Program Year, and (II)
5 \$50,000,000;”.

Page 39, line 12, strike “RADIOLOGICAL” and insert
“RADIOACTIVE”.

Page 39, line 21, strike “radiological” and insert
“radioactive”.

Page 40, after line 14, insert the following new
paragraph:

6 “(2) ISSUES.—The study under this section
7 shall include an analysis of whether, and in what
8 manner, such a Federal program should incorporate
9 any or all of the following concepts: tax-free capital
10 reserves; voluntary mutual reinsurance pools; a dis-
11 tinction between sophisticated and non-sophisticated
12 commercial purchasers for the purposes of exemp-
13 tion from regulation; or Federal support for the pur-
14 chase of reinsurance by State disaster insurance pro-
15 grams.”.

Page 40, line 15, strike “(2)” and insert “(3)”.

Page 45, line 1, strike “nine” and insert “eleven”.

Page 45, line 22, strike “and”.



Page 45, line 23, strike the period and insert a semicolon.

Page 45, after line 23, insert the following new clauses:

- 1 “(viii) a representative of the sur-
- 2 vivors of the victims of the September 11,
- 3 2001 attacks; and
- 4 “(ix) a representative of the reinsur-
- 5 ance industry.”.

Page 46, line 10, insert “affordable” before “coverage”.

Strike line 13 on page 49 and all that follows through line 2 on page 51.

Page 51, line 3, strike “(D)” and insert “(A)”.

Page 51, line 8, strike “(E)” and insert “(B)”.

Page 51, strike lines 16 and 17 and insert the following: “The Congress intends that, by December 31, 2007, all States, with respect to sub-” .

Page 53, strike lines 5 and 6 and insert the following: “The Congress intends that, by December 31, 2007, all States streamline their sur-”.

