

**H.R.26 – The Terrorism Risk Insurance Program Reauthorization Act of 2015**  
***Section by Section***

**Section 1. Short Title.**

This bill may be cited as the “Terrorism Risk Insurance Program Reauthorization Act of 2015.”

**Title I – Extension of Terrorism Insurance Program**

**Section 101. Extension of Terrorism Insurance Program.**

Extends the Terrorism Risk Insurance Program for six years through December 31, 2020.

**Section 102. Federal Share.**

Beginning on January 1, 2016, decreases the Federal share of losses under the program by 1 percentage point annually until it equals 80 percent.

**Section 103. Program Trigger.**

Beginning in calendar year 2016, increases the program trigger to \$200 million in \$20 million annual increments over five years.

**Section 104. Recoupment of Federal Share of Compensation Under the Program.**

Increases the amount of Federal assistance that the Treasury Secretary must recoup from the insurance industry following a certified act of terrorism. Increases the current mandatory recoupment amount of \$27.5 billion by \$2 billion each calendar year until the mandatory recoupment amount reaches \$37.5 billion. In addition, once the insurance marketplace aggregate retention amount reaches \$37.5 billion, requires the Treasury Secretary to issue a final rule to annually revise the amount so that it is equal to the annual average of the sum of insurer deductibles for all insurers participating in the program for the prior three calendar years.

**Section 105. Certification of Acts of Terrorism; Consultation with Secretary of Homeland Security.**

Removes the Secretary of State from the certification of acts of terrorism process and states that the Treasury Secretary must consult with the Secretary of Homeland Security in order to certify an act of terrorism.

**Section 106. Technical Amendments.**

Amends the program’s definition of “control” to exclude an entity that is acting as an attorney-in-fact for another entity and such other entity is a reciprocal insurer. Replaces references to “program year” and “transition period” with the term “calendar years.” Requires insurers to issue disclosure notices to policyholders only at the time of offer and renewal of the policy rather than at the time of offer, purchase, and renewal, as required under current law.

**Section 107. Improving the Certification Process.**

Directs the Secretary of the Treasury to study the process for certifying an act of terrorism, specifically a reasonable timeline for determining accurately whether to certify an act as an act of terrorism, and the impact of the length of any timeline on the insurance industry, policyholders, consumers, and taxpayers as a whole. Upon completion of the study, requires the Secretary to

issue final rules governing the certification process and timeline, within nine months after reporting study results to the appropriate congressional committees.

**Section 108. GAO Study.**

Requires the Government Accountability Office (GAO) to study the viability of the Federal government assessing and collecting upfront premiums from insurers for terrorism reinsurance coverage or requiring insurers to create capital reserve funds for terrorism-related risks. This study would also provide a comparative analysis of the types of systems implemented in other countries that collect or assess premiums or create capital reserve funds.

**Section 109. Membership of Board of Governors of the Federal Reserve System.**

Amends the Federal Reserve Act to require the President, in selecting members of the Board of Governors of the Federal Reserve System, to appoint at least one member with demonstrated primary experience working in or supervising community banks having less than \$10 billion in total assets.

**Section 110. Advisory Committee on Risk-Sharing Mechanisms.**

Requires the Treasury Secretary to establish an advisory committee to provide advice and recommendations to encourage the growth of nongovernmental, private market reinsurance capacity for protection against losses arising from acts of terrorism.

**Section 111. Reporting of Terrorism Insurance Data.**

Beginning on January 1, 2016, requires the Treasury Secretary to collect the following information: (1) lines of insurance with exposure to terrorism; (2) premiums earned on terrorism risk coverage; (3) the geographical location of risk exposure; (4) the pricing of terrorism risk insurance; (5) the take-up rate of terrorism risk insurance; (6) the amount of private reinsurance for acts of terrorism purchased; and (7) such other data as the Secretary deems appropriate. Requires the Secretary to collect the data in a manner that does not reveal proprietary information of the participating insurers, and to provide the House and Senate Committees of jurisdiction a report not later than June 30, 2016 and every other year thereafter.

**Section 112. Annual Study of Small Insurer Market Competitiveness.**

Beginning on June 30, 2017, requires the Treasury Secretary to conduct a biennial study of small insurers participating in the TRIA program to identify any competitive challenges they may face in the terrorism risk insurance marketplace.

**Title II – National Association of Registered Agents and Brokers Reform.**

**Section 201. Short Title.**

Provides that this title may be referred to as the “National Association of Registered Agents and Brokers Reform Act of 2014.”

**Section 202. Reestablishment of the National Association of Registered Agents and Brokers.**

Amends the Gramm-Leach-Bliley Act to repeal the contingent conditions preventing the establishment of the National Association of Registered Agents and Brokers (NARAB) and establishes the NARAB.

### **Title III – Business Risk Mitigation and Price Stabilization.**

#### **Section 301. Short Title.**

States that this title may be cited as the 'Business Risk Mitigation and Price Stabilization Act of 2014.'

#### **Section 302. Margin Requirements.**

Amends section 4s(e) (registration and regulation of swap dealers and major swap participants) of the Commodity Exchange Act by adding a new paragraph clarifying that the margin and capital requirements imposed by that Act do not apply to transactions in which one of the parties qualifies for the end user exemption to the clearing requirement in section 2(h)(7)(A) or treatment of affiliates in section 2(h)(7)(D). Amends section 15F(e) of the Securities Exchange Act of 1934 as added by section 764(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act governing margin and capital requirements and exempts counterparties to security-based swap contracts from those requirements other than for financial entities as defined under the Dodd-Frank Act.

#### **Section 303. Implementation.**

This section excludes the amendments made by this title to the Commodity Exchange Act from the requirements of the Paperwork Reduction Act and from notice and comment requirements of the Administrative Procedure Act.