

**AMENDMENT TO H.R. 2761, AS REPORTED  
OFFERED BY MR. HENSARLING OF TEXAS**

After section 4 of the bill, insert the following new section:

**1 SEC. 5. NATIONAL TERRORISM RESERVE FUND.**

2       The Terrorism Risk Insurance Act of 2002 (15  
3 U.S.C. 6701 note) is amended by inserting after section  
4 106A, as added by section 4 of this Act, the following new  
5 section:

**6 “SEC. 106B. NATIONAL TERRORISM RESERVE FUND.**

7       “(a) ESTABLISHMENT.—The Secretary shall estab-  
8 lish a National Terrorism Reserve Fund (in this section  
9 referred to as the ‘Fund’).

10       “(b) PROGRAM COVERAGE CONDITIONED ON PRE-  
11 MIUM PAYMENT.—

12       “(1) PROGRAM ELIGIBILITY.—Notwithstanding  
13 any other provision of this title, an insurer shall not  
14 be eligible to receive any Federal compensation in  
15 accordance with section 103(e) for insured losses un-  
16 less such insurer has paid premiums to the Fund for  
17 the Program Year during which such insured losses  
18 occurred.

1           “(2) PASS THROUGH.—An insurer may pass  
2 through its premiums under paragraph (1) as a pol-  
3 icyholder surcharge.

4           “(3) PREMIUM AMOUNTS.—

5           “(A) IN GENERAL.—The Secretary shall  
6 establish the premium amounts for insurers to  
7 be eligible for Federal compensation under the  
8 Program. The Secretary shall establish such  
9 premium amount for an insurer for a Program  
10 Year based on a percentage of the insurer’s di-  
11 rect earned premiums it has disclosed pursuant  
12 to section 103(b)(2) for the preceding Program  
13 Year, which shall not be less than 0.5 percent  
14 for any Program Year.. The Secretary may ad-  
15 just premium amounts under this subparagraph  
16 on a year-by-year basis, taking into consider-  
17 ation the factors required to be considered  
18 under subparagraph (B).

19           “(B) FACTORS.—The Secretary shall de-  
20 termine the premium amounts pursuant to sub-  
21 paragraph (A) based upon the Secretary’s esti-  
22 mate of obtaining a reasonable amount in the  
23 Fund to offset potential future costs to the  
24 Federal Government of providing Federal com-  
25 pensation under the Program to insurers with-

1 out causing a substantially negative impact on  
2 the availability of insurance coverage in the  
3 market.

4 “(c) USE.—Amounts in the Fund shall be available  
5 for use by the Secretary only for—

6 “(1) payment to insurers, who have made pre-  
7 mium payments under this section for the Program  
8 Year in which an act of terrorism occurs, for insured  
9 losses resulting from such an act of terrorism ex-  
10 ceeding the applicable insurance marketplace aggre-  
11 gate retention amount under the Program; and

12 “(2) costs of any Federal program enacted  
13 after the date of the enactment of the Terrorism  
14 Risk Insurance Revision and Extension act of 2007  
15 to provide financial assistance for the health care  
16 costs of victims of an act of terrorism (as defined  
17 and certified pursuant to this title).”.