

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

---

Prepared By: The Professional Staff of the Committee on Banking and Insurance

---

BILL: CS/SM 1538

INTRODUCER: Committee on Banking and Insurance and Senator Bean

SUBJECT: Terrorism Risk Insurance Act

DATE: March 27, 2014

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Matiyow	Knudson	BI	Fav/CS
2.			CJ	
3.			RC	

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

---

**I. Summary:**

CS/SM 1538 urges Congress to reauthorize the Terrorism Risk Insurance Act of 2002 before December 31, 2014. The memorial urges Congress to keep the reforms adopted in 2007 when Congress last reauthorized the Act.

**II. Present Situation:**

On November 26, 2002, President George W. Bush signed into law the Terrorism Risk Insurance Act of 2002 (TRIA).<sup>1</sup> The law created a temporary, federally backed Terrorism Risk Insurance Program (TRIP) administered by the Treasury Department. TRIP provides reinsurance to insurers that are required to offer terrorism insurance for Property and Casualty lines. Subject to a deductible and program trigger, the government will reimburse insurers for up to 85 percent of losses from any terrorism events that have been verified by the Department of the Treasury, the State Department and the Attorney General. The original law was set to expire on December 31, 2005.

On December 22, 2005, President George W. Bush signed into law The Terrorism Risk Insurance Extension Act of 2005 (TRIEA).<sup>2</sup> The law extended the implementation of TRIP.

---

<sup>1</sup> Pub. L. 107-297, 116 Stat. 2322.

<sup>2</sup> Pub. L. 109-144, 119 Stat. 2660.

On December 26, 2007, President George W. Bush signed into law the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA).<sup>3</sup> The law extended the implementation of TRIP through December 31, 2014, however, several provisions of the initial 2002 Act were changed in the 2007 extension. Most notably the definition for an “act of terrorism” was changed to include domestic non-foreign sponsored acts of terrorism.

### **III. Effect of Proposed Changes:**

CS/SM 1538 urges Congress to reauthorize the Terrorism Risk Insurance Act of 2002 before December 31, 2014. The memorial urges Congress to keep the reforms adopted in 2007 when Congress last reauthorized the Act.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

### **V. Fiscal Impact Statement:**

#### **A. Tax/Fee Issues:**

None.

#### **B. Private Sector Impact:**

None.

#### **C. Government Sector Impact:**

None.

### **VI. Technical Deficiencies:**

None.

### **VII. Related Issues:**

None.

---

<sup>3</sup> Pub. L. 110-160, 121 Stat. 1839.

**VIII. Statutes Affected:**

None.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Banking and Insurance on March 25, 2014:**

The CS clarifies that the memorial urges Congress to keep the reforms adopted in 2007 when Congress last reauthorized the Act.

- B. **Amendments:**

None.

---

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

---