

DEPARTMENT OF THE TREASURY**31 CFR Part 50**

RIN 1505-AA98

Terrorism Risk Insurance Program**AGENCY:** Departmental Offices, Treasury.**ACTION:** Notice of proposed rulemaking by cross-reference to interim final rule.

SUMMARY: The Department of the Treasury (Treasury) is issuing this proposed rule as part of its implementation of Title I of the Terrorism Risk Insurance Act of 2002 (the Act). That Act established a temporary Terrorism Risk Insurance Program (Program) under which the Federal Government will share the risk of insured loss from certified acts of terrorism with commercial property and casualty insurers until the Program sunsets on December 31, 2005. This rule incorporates and clarifies statutory conditions for federal payment under the Program that require insurers to make certain disclosures to policyholders. The rule also incorporates and clarifies statutory requirements that insurers "make available," in their commercial property and casualty insurance policies, terrorism risk coverage for insured losses under the Program. The rule generally incorporates interim guidance previously issued by Treasury in this area, but with some modifications. This proposed rule, together with the interim final rule published elsewhere in this separate part of the **Federal Register**, are the second in a series of regulations Treasury will issue to implement the Act.

DATES: Written comments may be submitted on or before May 19, 2003.

ADDRESSES: Submit comments (if hard copy, preferably an original and two copies) to Office of Financial Institutions Policy, Attention: Terrorism Risk Insurance Program Public Comment Record, Room 3160 Annex, Department of the Treasury, 1500 Pennsylvania Ave., NW., Washington, DC 20220. Because paper mail in the Washington, DC area may be subject to delay, it is recommended that comments be submitted by electronic mail to: triacomment@do.treas.gov. All comments should be captioned with "April 18, 2003 TRIA Interim Final Rule Comments." Please include your name, affiliation, address, e-mail address and telephone number in your comment. Comments will be available for public inspection by appointment only at the Reading Room of the Treasury Library.

To make appointments, call (202) 622-0990 (not a toll-free number).

FOR FURTHER INFORMATION CONTACT: Mario Ugoletti, Deputy Director, Office of Financial Institutions Policy (202) 622-2730, or Martha Ellett or Cynthia Reese, Attorney-Advisors, Office of the Assistant General Counsel (Banking & Finance), (202) 622-0480 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:**I. The Proposed Rule**

Published elsewhere in this separate part of the **Federal Register** is an interim final rule adding Subparts B and C to 31 CFR part 50, which comprises Treasury's regulations implementing the Act. The preamble to the interim final rule explains these provisions of the proposed rule in detail, and the text of the interim final rule serves as the text for this proposed rule.

II. Procedural Requirements

This proposed rule is a significant regulatory action and has been reviewed by the Office of Management and Budget under the terms of Executive Order 12866.

It is hereby certified that this proposed rule will not have a significant economic impact on a substantial number of small entities. The Act requires all licensed or admitted insurers to participate in the Program. This includes all insurers regardless of size or sophistication. The Act also defines property and casualty insurance to mean commercial lines without any reference to the size or scope of the commercial entity. The disclosure and make available requirements are required by the Act. The proposed rule allows all insurers, whether large or small, to use existing systems and business practices to demonstrate compliance. Accordingly, any economic impact associated with the proposed rule flows from the Act and not the proposed rule. However, the Act and the Program are intended to provide benefits to the U.S. economy and all businesses, including small businesses, by providing a federal reinsurance backstop to commercial property and casualty insurance policyholders and spreading the risk of insured loss resulting from an act of terrorism.

List of Subjects in 31 CFR Part 50

Terrorism risk insurance.

Authority and Issuance

For the reasons set forth above, the Department of the Treasury proposes to adopt as a final rule the interim final rule adding subparts B and C to 31 CFR part 50, as follows:

The text of proposed subparts B and C to 31 CFR part 50 is the same as the text of subparts B and C to 31 CFR part 50 in the interim final rule published elsewhere in this separate part of this issue of the **Federal Register**.

Dated: April 11, 2003.

Wayne A. Abernathy,
Assistant Secretary of the Treasury.

[FR Doc. 03-9612 Filed 4-17-03; 8:45 am]

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DEPARTMENT OF THE TREASURY**31 CFR Part 50**

RIN 1505-AA99

Terrorism Risk Insurance Program**AGENCY:** Departmental Offices, Treasury.**ACTION:** Notice of proposed rulemaking.

SUMMARY: The Department of the Treasury (Treasury) is issuing this proposed rule as part of its implementation of Title I of the Terrorism Risk Insurance Act of 2002 (Act). The Act established a temporary Terrorism Risk Insurance Program (Program) under which the Federal Government will share the risk of insured losses from certified acts of terrorism with commercial property and casualty insurers until the Program sunsets on December 31, 2005. This notice of proposed rulemaking would apply provisions of the Act to State residual market insurance entities and State workers' compensation funds which are insurers under the Program. This is the third in a series of regulations that Treasury will issue to implement the Act.

DATES: Written comments may be submitted on or before May 19, 2003.

ADDRESSES: Submit comments (if hard copy, preferably an original and two copies) to Office of Financial Institutions Policy, Attention: Terrorism Risk Insurance Program Public Comment Record, Room 3160 Annex, Department of the Treasury, 1500 Pennsylvania Ave., NW., Washington, DC 20220. Because paper mail in the Washington, DC area may be subject to delay, it is recommended that comments be submitted by electronic mail to: triacomment@do.treas.gov. All comments should be captioned with "April 18, 2003 NPRM TRIA Comments." Please include your name, affiliation, address, e-mail address and telephone number in your comment. Comments will be available for public inspection by appointment only at the Reading Room of the Treasury Library.