

tional Association of Insurance Commissioners, representatives of the insurance industry, representatives of the securities industry, and representatives of policy holders, shall perform an ongoing analysis regarding the long-term availability and affordability of insurance for terrorism risk.

“(2) REPORT.—Not later than September 30, 2006, and thereafter in 2010 and 2013, the President’s Working Group on Financial Markets shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on its findings pursuant to the analysis conducted under paragraph (1).

“(f) INSURANCE FOR NUCLEAR, BIOLOGICAL, CHEMICAL, AND RADIOLOGICAL TERRORIST EVENTS.—

“(1) STUDY.—The Comptroller General of the United States shall examine—

“(A) the availability and affordability of insurance coverage for losses caused by terrorist attacks involving nuclear, biological, chemical, or radiological materials;

“(B) the outlook for such coverage in the future; and

“(C) the capacity of private insurers and State workers compensation funds to manage risk associated with nuclear, biological, chemical, and radiological terrorist events.

“(2) REPORT.—Not later than 1 year after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007 [Dec. 26, 2007], the Comptroller General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report containing a detailed statement of the findings under paragraph (1), and recommendations for any legislative, regulatory, administrative, or other actions at the Federal, State, or local levels that the Comptroller General considers appropriate to expand the availability and affordability of insurance for nuclear, biological, chemical, or radiological terrorist events.

“(g) AVAILABILITY AND AFFORDABILITY OF TERRORISM INSURANCE IN SPECIFIC MARKETS.—

“(1) STUDY.—The Comptroller General of the United States shall conduct a study to determine whether there are specific markets in the United States where there are unique capacity constraints on the amount of terrorism risk insurance available.

“(2) ELEMENTS OF STUDY.—The study required by paragraph (1) shall contain—

“(A) an analysis of both insurance and reinsurance capacity in specific markets, including pricing and coverage limits in existing policies;

“(B) an assessment of the factors contributing to any capacity constraints that are identified; and

“(C) recommendations for addressing those capacity constraints.

“(3) REPORT.—Not later than 180 days after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007 [Dec. 26, 2007], the Comptroller General shall submit a report on the study required by paragraph (1) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

“(h) STUDY OF SMALL INSURER MARKET COMPETITIVENESS.—

“(1) IN GENERAL.—Not later than June 30, 2017, and every other June 30 thereafter, the Secretary shall conduct a study of small insurers (as such term is defined by regulation by the Secretary) participating in the Program, and identify any competitive challenges small insurers face in the terrorism risk insurance marketplace, including—

“(A) changes to the market share, premium volume, and policyholder surplus of small insurers relative to large insurers;

“(B) how the property and casualty insurance market for terrorism risk differs between small and

large insurers, and whether such a difference exists within other perils;

“(C) the impact of the Program’s mandatory availability requirement under section 103(c) on small insurers;

“(D) the effect of increasing the trigger amount for the Program under section 103(e)(1)(B) on small insurers;

“(E) the availability and cost of private reinsurance for small insurers; and

“(F) the impact that State workers compensation laws have on small insurers and workers compensation carriers in the terrorism risk insurance marketplace.

“(2) REPORT.—The Secretary shall submit a report to the Congress setting forth the findings and conclusions of each study required under paragraph (1).”

[Pub. L. 114-1, title I, §§103, 105, 111, 112, Jan. 12, 2015, 129 Stat. 4, 5, 10, 12, which directed amendment of “subparagraph (B) of section 103(e)(1)”, “paragraph (1)(A) of section 102”, “section 104”, and “section 108”, respectively, without specifying the name of the Act being amended, were executed to those sections of the Terrorism Risk Insurance Act of 2002 (title I of Pub. L. 107-297, set out above), to reflect the probable intent of Congress.]

[Pub. L. 110-160, §4(b)(2), Dec. 26, 2007, 121 Stat. 1840, which directed amendment of section 103(e)(3) of Pub. L. 107-297, set out above, by substituting period for “and the Congress shall” and all that follows through the end of the paragraph”, was executed by substituting period for “and the Congress shall” and all that followed through end of first sentence, to reflect the probable intent of Congress, in light of insertion of last sentence of par. (3) by Pub. L. 110-160, §4(b)(1).]

#### TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

#### SUBCHAPTER I—STATE REGULATION OF INSURANCE

##### § 6711. Functional regulation of insurance

The insurance activities of any person (including a national bank exercising its power to act as agent under section 92 of title 12) shall be functionally regulated by the States, subject to section 6701 of this title.

(Pub. L. 106-102, title III, §301, Nov. 12, 1999, 113 Stat. 1407.)

##### § 6712. Insurance underwriting in national banks

###### (a) In general

Except as provided in section 6713 of this title, a national bank and the subsidiaries of a national bank may not provide insurance in a State as principal except that this prohibition shall not apply to authorized products.

###### (b) Authorized products

For the purposes of this section, a product is authorized if—

(1) as of January 1, 1999, the Comptroller of the Currency had determined in writing that national banks may provide such product as principal, or national banks were in fact lawfully providing such product as principal;

(2) no court of relevant jurisdiction had, by final judgment, overturned a determination of the Comptroller of the Currency that national banks may provide such product as principal; and

(3) the product is not title insurance, or an annuity contract the income of which is subject to tax treatment under section 72 of title 26.

**(c) Definition**

For purposes of this section, the term “insurance” means—

(1) any product regulated as insurance as of January 1, 1999, in accordance with the relevant State insurance law, in the State in which the product is provided;

(2) any product first offered after January 1, 1999, which—

(A) a State insurance regulator determines shall be regulated as insurance in the State in which the product is provided because the product insures, guarantees, or indemnifies against liability, loss of life, loss of health, or loss through damage to or destruction of property, including, but not limited to, surety bonds, life insurance, health insurance, title insurance, and property and casualty insurance (such as private passenger or commercial automobile, homeowners, mortgage, commercial multiperil, general liability, professional liability, workers’ compensation, fire and allied lines, farm owners multiperil, aircraft, fidelity, surety, medical malpractice, ocean marine, inland marine, and boiler and machinery insurance); and

(B) is not a product or service of a bank that is—

- (i) a deposit product;
- (ii) a loan, discount, letter of credit, or other extension of credit;
- (iii) a trust or other fiduciary service;
- (iv) a qualified financial contract (as defined in or determined pursuant to section 1821(e)(8)(D)(i) of title 12); or

(v) a financial guaranty, except that this subparagraph (B) shall not apply to a product that includes an insurance component such that if the product is offered or proposed to be offered by the bank as principal—

(I) it would be treated as a life insurance contract under section 7702 of title 26; or

(II) in the event that the product is not a letter of credit or other similar extension of credit, a qualified financial contract, or a financial guaranty, it would qualify for treatment for losses incurred with respect to such product under section 832(b)(5) of title 26, if the bank were subject to tax as an insurance company under section 831 of that title; or

(3) any annuity contract, the income on which is subject to tax treatment under section 72 of title 26.

**(d) Rule of construction**

For purposes of this section, providing insurance (including reinsurance) outside the United States that insures, guarantees, or indemnifies insurance products provided in a State, or that indemnifies an insurance company with regard to insurance products provided in a State, shall be considered to be providing insurance as principal in that State.

(Pub. L. 106–102, title III, § 302, Nov. 12, 1999, 113 Stat. 1407.)

**§ 6713. Title insurance activities of national banks and their affiliates**

**(a) General prohibition**

No national bank may engage in any activity involving the underwriting or sale of title insurance.

**(b) Nondiscrimination parity exception**

**(1) In general**

Notwithstanding any other provision of law (including section 6701 of this title), in the case of any State in which banks organized under the laws of such State are authorized to sell title insurance as agent, a national bank may sell title insurance as agent in such State, but only in the same manner, to the same extent, and under the same restrictions as such State banks are authorized to sell title insurance as agent in such State.

**(2) Coordination with “wildcard” provision**

A State law which authorizes State banks to engage in any activities in such State in which a national bank may engage shall not be treated as a statute which authorizes State banks to sell title insurance as agent, for purposes of paragraph (1).

**(c) Grandfathering with consistent regulation**

**(1) In general**

Except as provided in paragraphs (2) and (3) and notwithstanding subsections (a) and (b), a national bank, and a subsidiary of a national bank, may conduct title insurance activities which such national bank or subsidiary was actively and lawfully conducting before November 12, 1999.

**(2) Insurance affiliate**

In the case of a national bank which has an affiliate which provides insurance as principal and is not a subsidiary of the bank, the national bank and any subsidiary of the national bank may not engage in the underwriting of title insurance pursuant to paragraph (1).

**(3) Insurance subsidiary**

In the case of a national bank which has a subsidiary which provides insurance as principal and has no affiliate other than a subsidiary which provides insurance as principal, the national bank may not directly engage in any activity involving the underwriting of title insurance.

**(d) “Affiliate” and “subsidiary” defined**

For purposes of this section, the terms “affiliate” and “subsidiary” have the same meanings as in section 1841 of title 12.

**(e) Rule of construction**

No provision of this Act or any other Federal law shall be construed as superseding or affecting a State law which was in effect before November 12, 1999, and which prohibits title insurance from being offered, provided, or sold in such State, or from being underwritten with respect to real property in such State, by any person whatsoever.