

TITLE XII—AIRLINE WAR RISK 11
INSURANCE LEGISLATION 12

SEC. 1201. AIR CARRIER LIABILITY FOR THIRD PARTY 13

CLAIMS ARISING OUT OF ACTS OF TER- 14
RORISM. 15

Section 44303 of title 49, United States Code, is 16
amended — 17

(1) by inserting “(a) IN GENERAL.—” before “The Sec- 18
retary of Transportation ”; 19

(2) by moving the text of paragraph (2) of sec- 20
tion 201(b) of the Air Transportation Safety and 21
System Stabilization Act (115 Stat.235) to the end 22

and redesignating such paragraph as subsection (b); 23

(3) in subsection (b) (as so redesignated)— 24

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(A) by striking the subsection heading and 1
inserting “AIR CARRIER LIABILITY FOR THIRD 2
PARTY CLAIMS ARISING OUT OF ACTS OF TER- 3
RORISM.—”; 4

(B) in the first sentence by striking “the 5
180-day period following the date of enactment 6
of this Act, the Secretary of Transportation ” and 7
inserting “the period beginning on September 8
22, 2001, and ending on December 31, 2003, the 9
Secretary ”; and 10

(C) in the last sentence by striking “this 11
paragraph ” and inserting “this subsection ”. 12

SEC. 1202. EXTENSION OF INSURANCE POLICIES. 13

Section 44302 of title 49, United States Code, is 14
amended by adding at the end the following: 15

“(f) EXTENSION OF POLICIES.— 16

“(1) IN GENERAL.—The Secretary shall extend 17
through August 31, 2003, and may extend through 18
December 31, 2003, the termination date of any in- 19
surance policy that the Department of Transportation 20
issued to an air carrier under subsection (a) and that 21

is in effect on the date of enactment of this subsection 22
on no less favorable terms to the air carrier than ex- 23
isted on June 19,2002;except that the Secretary shall 24
amend the insurance policy,subject to such terms and 25

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conditions as the Secretary may prescribe,to add cov- 1
erage for losses or injuries to aircraft hulls,pas- 2
sengers,and crew at the limits carried by air carriers 3
for such losses and injuries as of such date of enact- 4
ment and at an additional premium comparable to 5
the premium charged for third-party casualty cov- 6
erage under such policy. 7

“(2)SPECIAL RULES.—Notwithstanding para- 8
graph (1)— 9

“(A)in no event shall the total premium 10
paid by the air carrier for the policy,as amend- 11
ed,be more than twice the premium that the air 12
carrier was paying to the Department of Trans- 13
portation for its third party policy as of June 14
19,2002;and 15

“(B)the coverage in such policy shall begin 16
with the first dollar of any covered loss that is 17
incurred.” . 18

SEC. 1203. CORRECTION OF REFERENCE. 19
Effective November 19,2001,section 147 of the Avia- 20
tion and Transportation Security Act (Public Law 107 – 21
71)is amended by striking “(b)”and inserting “(c)”. 22

SEC. 1204. REPORT. 23
Not later than 90 days after the date of enactment of 24
this Act,the Secretary shall transmit to the Committee on 25

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Commerce,Science,and Transportation of the Senate and1
the Committee on Transportation and Infrastructure of the 2
House of Representatives a report that — 3
(A)evaluates the availability and cost of 4
commercial war risk insurance for air carriers 5

<i>and other aviation entities for passengers and third parties;</i>	6
<i>(B)analyzes the economic effect upon air carriers and other aviation entities of available commercial war risk insurance;and</i>	7
<i>(C)describes the manner in which the Department could provide an alternative means of providing aviation war risk reinsurance covering passengers,crew,and third parties through use of a risk-retention group or by other means.</i>	8
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