

107TH CONGRESS  
1ST SESSION

# H. R. 3339

To provide for public access to information regarding the availability of insurance for small businesses, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2001

Mr. GUTIERREZ (for himself, Mr. LAFALCE, Mr. FILNER, Mrs. JONES of Ohio, Mr. DAVIS of Illinois, Mr. RUSH, Mr. LIPINSKI, Ms. CARSON of Indiana, Mr. CLAY, Mr. MCGOVERN, Ms. SCHAKOWSKY, Mr. BLAGOJEVICH, Mr. OWENS, and Mrs. CHRISTENSEN) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for public access to information regarding the availability of insurance for small businesses, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Small Business Insur-  
5 ance Data Disclosure Act”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7       (a) FINDINGS.—The Congress finds that—

1           (1) there are 25,500,000 small businesses in  
2 the United States, representing more than 99 per-  
3 cent of the employers in the Nation;

4           (2) small business employ 51 percent of the pri-  
5 vate sector workforce and create more than 80 per-  
6 cent of all new jobs in the United States;

7           (3) there were 612,400 new employer firms in  
8 the United States in 2000, an increase of 4.3 per-  
9 cent from 1999;

10           (4) small business bankruptcies decreased by  
11 14.8 percent between 1999 and 2000 to the lowest  
12 level in more than 20 years;

13           (5) the business failure index has decreased by  
14 1.7 percent since 1999;

15           (6) small businesses are the most vulnerable  
16 market sector in times of economic uncertainty or  
17 downturn and experience difficulties with making  
18 loan payments on existing debts, paying employees,  
19 paying vendors, purchasing materials, supplies, and  
20 inventory, paying rent, mortgage, insurance pre-  
21 miums, and other operating expenses, and securing  
22 financing for their businesses;

23           (7) there are disparities in the insurance cov-  
24 erage provided by some insurers between areas hav-  
25 ing different incomes and racial composition;

1           (8) such disparities in affordability and avail-  
2           ability of insurance severely limit the ability of en-  
3           trepreneurs to obtain credit for starting, growing, or  
4           expanding small businesses; and

5           (9) the lack of affordable and adequate small  
6           business insurance severely curtails the establish-  
7           ment and growth of such businesses.

8           (b) PURPOSES.—The purposes of this Act are—

9           (1) to enhance the availability and affordability  
10          of insurance products and services to all small busi-  
11          nesses of all economic circumstances and in all geo-  
12          graphic areas;

13          (2) to enhance the ability of insurance compa-  
14          nies to meet the needs of all small businesses, in-  
15          cluding small businesses located in underserved com-  
16          munities and minority- and women-owned small  
17          businesses;

18          (3) to establish a nationwide database for deter-  
19          mining the availability, affordability, and adequacy  
20          of insurance coverage for small businesses;

21          (4) to facilitate the enforcement of Federal and  
22          State laws that prohibit illegally discriminatory in-  
23          surance practices; and

24          (5) to determine whether the extent and charac-  
25          teristics of small business insurance availability, af-

1       fordability, and coverage require public officials to  
2       take any actions—

3               (A) to remedy redlining or other illegally  
4               or unfairly discriminatory insurance practices;  
5               or

6               (B) regarding areas underserved by insur-  
7               ers, with respect to small business insurance.

8   **SEC. 3. ESTABLISHMENT OF GENERAL REQUIREMENTS TO**  
9               **SUBMIT SMALL BUSINESS INSURANCE INFOR-**  
10              **MATION.**

11       (a) **IN GENERAL.**—The Administrator of the Small  
12 Business Administration shall, by regulation, establish re-  
13 quirements for insurers to compile and submit information  
14 to the Administrator for each annual reporting period, in  
15 accordance with this Act.

16       (b) **CONSULTATION.**—In establishing the require-  
17 ments for the submission of information under this Act,  
18 the Administrator shall consult with Federal agencies hav-  
19 ing appropriate expertise, the National Association of In-  
20 surance Commissioners, State insurance regulators, statis-  
21 tical agents, representatives of small businesses, rep-  
22 resentatives of insurance agents (including minority insur-  
23 ance agents), representatives of property and casualty in-  
24 surers that provide insurance for small businesses, and

1 community, consumer, and civil rights organizations, as  
2 appropriate.

3 (c) HEALTH AND LIFE INSURANCE LINES NOT IN-  
4 CLUDED.—This Act shall not apply to life or health lines  
5 of insurance or to insurers that provide only life or health  
6 insurance products.

7 **SEC. 4. REPORTING OF SMALL BUSINESS INSURANCE IN-**  
8 **FORMATION.**

9 (a) IN GENERAL.—The requirements established pur-  
10 suant to section 3 to carry out this section shall—

11 (1) be designed to ensure that information is  
12 submitted and compiled under this section as may be  
13 necessary to permit analysis and comparison of the  
14 availability and affordability of insurance coverage  
15 and the quality or type of insurance coverage for  
16 small businesses, by census tract (including low- and  
17 moderate-income neighborhoods), location of the  
18 small business, and the race and gender of small  
19 business owners; and

20 (2) specify the data elements required to be re-  
21 ported under this section and require uniformity in  
22 the definitions of the data elements.

23 (b) INSURERS.—

24 (1) AGGREGATE INFORMATION.—The regula-  
25 tions issued under section 3 shall require that each

1 insurer for a designated line of insurance under sec-  
2 tion 8(a)(1) shall compile and submit to the Admin-  
3 istrator, for each annual reporting period—

4 (A) the total number of policies issued in  
5 such line, total exposures covered by such poli-  
6 cies, and total amount of premiums for such  
7 policies, by designated line and by census tract,  
8 including low- and moderate-income neighbor-  
9 hoods, in which the insured risk is located;

10 (B) the total number of cancellations and  
11 nonrenewals (expressed in terms of policies or  
12 exposures, as determined by the Administrator),  
13 by designated line and by census tract, includ-  
14 ing low- and moderate-income neighborhoods, in  
15 which the insured risk is located; and

16 (C) for such designated line of insurance,  
17 information that will enable the Administrator  
18 to assess the aggregate loss experience for the  
19 insurer, by census tract, including low- and  
20 moderate-income neighborhoods, in which the  
21 insured risk is located.

22 (2) SPECIFICATION OF INFORMATION FOR  
23 ITEMIZED DISCLOSURE.—

24 (A) IN GENERAL.—The regulations issued  
25 under section 3 regarding annual reporting re-

1            requirements for insurers for a designated line of  
2            insurance under section 8(a)(1) shall, with re-  
3            spect to policies issued under the designated  
4            line or exposure units covered by such policies,  
5            as determined by the Administrator—

6                    (i) specify the data elements that shall  
7                    be submitted;

8                    (ii) provide for the submission of in-  
9                    formation on an individual insurer basis;

10                   (iii) provide for the submission of the  
11                   information with the least burden on insur-  
12                   ers, particularly small insurers, and insur-  
13                   ance agents;

14                   (iv) take into account existing statis-  
15                   tical reporting systems in the insurance in-  
16                   dustry;

17                   (v) require reporting by census tract,  
18                   including low- and moderate-income neigh-  
19                   borhoods, in which the insured risk is lo-  
20                   cated;

21                   (vi) provide for the submission of in-  
22                   formation that—

23                            (I) identifies the designated line,  
24                            and subline or coverage type; and

1 (II) where applicable, distin-  
2 guishes between the type of policy  
3 under each such subline or coverage  
4 type that provides full replacement  
5 cost and all other bases for computing  
6 claims, such as actual cash value and  
7 fair market value;

8 (vii) provide for the submission of in-  
9 formation that distinguishes policies writ-  
10 ten in a residual market from policies writ-  
11 ten in the voluntary market;

12 (viii) specify—

13 (I) whether information shall be  
14 submitted on the basis of policy or ex-  
15 posure unit; and

16 (II) whether information, when  
17 submitted, shall be aggregated by like  
18 policyholders with like policies, except  
19 that the Administrator shall not per-  
20 mit such aggregation if it will ad-  
21 versely affect the accuracy of the in-  
22 formation reported;

23 (ix) in addition to reporting approvals,  
24 provide for the submission of information  
25 regarding the number of denials, cancella-



1 tions, and nonrenewals of policies under  
2 the designated line by census tract in  
3 which the insured risk is located, by race,  
4 gender, and revenue size of the small busi-  
5 ness policyholder, and by whether the pol-  
6 icy was issued in a voluntary or residual  
7 market; and

8 (x) provide for the submission of in-  
9 formation on the racial characteristics,  
10 gender, and revenue size of the small busi-  
11 ness policyholders at the level of detail  
12 comparable to that required by the Home  
13 Mortgage Disclosure Act of 1975 (and the  
14 regulations issued thereunder).

15 (B) RULES REGARDING OBTAINING RACIAL  
16 INFORMATION.—

17 (i) WRITING REQUIREMENT.—The in-  
18 formation specified in subparagraph (A)(x)  
19 relating to the racial characteristics of ap-  
20 plicants for, and policyholders of, insur-  
21 ance shall be obtained only in accordance  
22 with the procedures for requesting and re-  
23 cording racial information established in  
24 Regulation C of the Board of Governors of  
25 the Federal Reserve System under the

1 Home Mortgage Disclosure Act of 1975, as  
2 in effect on the date of the enactment of  
3 this Act.

4 (ii) NOTICE OF VOLUNTARY NATURE  
5 OF QUESTION.—Any such written question  
6 shall clearly indicate that a response to the  
7 question is voluntary on the part of the ap-  
8 plicant or policyholder, but encouraged,  
9 and that the information is being re-  
10 quested by the Federal Government to  
11 monitor the availability and affordability of  
12 insurance.

13 (iii) PROVISION OF INFORMATION BY  
14 AGENT OR INSURER.—If an applicant for,  
15 or policyholder of, insurance declines to  
16 provide such information, the agent or in-  
17 surer for such insurance may provide such  
18 information.

19 (3) RULE FOR REPORTING BY INSURERS.—An  
20 insurer for a designated line shall submit informa-  
21 tion required under paragraph (1) and information  
22 required pursuant to paragraph (2), for risks in-  
23 sured under such line that are located within each  
24 census tract any part of which is located in a State  
25 for which the insurer is offering the designated line.

1 **SEC. 5. WAIVER OF REPORTING REQUIREMENTS.**

2 (a) WAIVER FOR STATES COLLECTING EQUIVALENT  
3 INFORMATION.—

4 (1) AUTHORITY.—Subject to the requirements  
5 under this section, the Administrator shall provide,  
6 by regulation, for the waiver of the applicability of  
7 the provisions of section 4 for each insurer  
8 transacting business within a State referred to in  
9 paragraph (2), but only with respect to information  
10 required to be submitted under such sections that  
11 relates to insured risks located in the State.

12 (2) REQUIREMENTS.—The Administrator may  
13 make a waiver pursuant to paragraph (1) only with  
14 respect to a State that the Administrator determines  
15 has in effect a law or other requirement that—

16 (A) requires insurers to submit to the  
17 State information that is at least the same or  
18 equivalent to the information that is required to  
19 be submitted to the Administrator pursuant to  
20 section 4;

21 (B) provides for adequate enforcement of  
22 such law or other requirements; and

23 (C) provides for the same annual reporting  
24 period used by the Administrator under this  
25 Act and for submission of the information to

1           the Administrator in a timely fashion, as deter-  
2           mined by the Administrator.

3           (3) DURATION.—A waiver pursuant to para-  
4           graph (1) may remain in effect only during the pe-  
5           riod for which the State law or other requirement re-  
6           quired under paragraph (2) remains in effect.

7           (b) MULTIPLE-STATE AREAS.—In the case of any  
8           census tract that contains area within—

9           (1) any State for which a waiver has been made  
10          pursuant to subsection (a), and

11          (2) any State for which such a waiver has not  
12          been made,

13          the provisions of this Act requiring submission of informa-  
14          tion to the Administrator regarding such tract or area  
15          shall be considered to apply only to the portion that is  
16          located within the State for which such a waiver has not  
17          been made.

18          (c) AUTHORITY FOR ADMINISTRATOR TO OBTAIN IN-  
19          FORMATION DIRECTLY FROM INSURERS.—If the State for  
20          which a waiver has been made pursuant to subsection (a)  
21          does not submit to the Administrator the information re-  
22          quired under subsection (a)(2)(A) or submits information  
23          that is not complete, the Administrator shall require the  
24          insurers transacting business within the State to submit  
25          such information directly to the Administrator.

1 **SEC. 6. SUBMISSION OF INFORMATION TO ADMINISTRATOR**  
2 **AND MAINTENANCE OF INFORMATION.**

3 (a) PERIOD OF MAINTENANCE.—Each insurer re-  
4 quired by this Act to compile and submit information to  
5 the Administrator shall maintain such information for the  
6 3-year period beginning upon the conclusion of the annual  
7 reporting period to which such information relates. The  
8 Administrator shall maintain any information submitted  
9 to the Administrator for such period as the Administrator  
10 considers appropriate and feasible to carry out the pur-  
11 poses of this Act and to allow for historical analysis and  
12 comparison of the information.

13 (b) SUBMISSION.—The Administrator shall issue reg-  
14 ulations prescribing a standard schedule (taking into con-  
15 sideration the provisions of section 7(a)), format, and  
16 method for submitting information under this Act to the  
17 Administrator. The format and method of submitting the  
18 information shall facilitate and encourage the submission  
19 in a form readable by a computer. Any insurer submitting  
20 information to the Administrator may submit in writing  
21 to the Administrator any additional information or expla-  
22 nations that the insurer considers relevant to the decision  
23 by the insurer to sell insurance.

24 **SEC. 7. AVAILABILITY AND ACCESS SYSTEM.**

25 (a) AVAILABILITY TO PUBLIC.—

1           (1) IN GENERAL.—The Administrator shall  
2 maintain and make available to the public, in ac-  
3 cordance with the requirements of this section, any  
4 information submitted to the Administrator under  
5 this Act and any information compiled by the Ad-  
6 ministrator under this Act.

7           (2) TIMING.—The Administrator shall make  
8 such information publicly available on a timetable  
9 determined by the Administrator, but not later than  
10 9 months after the conclusion of the annual report-  
11 ing period to which the information relates, except  
12 that such information shall not be made available to  
13 the public until it is available in its entirety unless  
14 not all the information required to be reported is  
15 available by such date.

16 (b) PUBLIC ACCESS SYSTEM.—

17           (1) IMPLEMENTATION.—The Administrator  
18 shall implement a system to facilitate access to any  
19 information required to be made available to the  
20 public under this Act.

21           (2) BASES OF AVAILABILITY.—The system shall  
22 provide access in the following manners:

23           (A) ACCESS TO ITEMIZED INFORMATION.—

24           With respect to information submitted under by  
25 insurers, on the basis of the insurer submitting

1 the information, on the basis of the census  
2 tract, including low- and moderate-income  
3 neighborhoods, and on any other basis the Ad-  
4 ministrator considers feasible and appropriate.

5 (B) ACCESS TO AGGREGATE INFORMA-  
6 TION.—With respect to aggregate information  
7 compiled by the Administrator, on the basis of  
8 (i) the insurer submitting the information, and  
9 (ii) the census tract, including low- and mod-  
10 erate-income neighborhoods, and on any other  
11 basis the Administrator considers feasible and  
12 appropriate.

13 (c) PROTECTIONS REGARDING LOSS INFORMA-  
14 TION.—

15 (1) PROHIBITION OF DISCLOSURE OF LOSS IN-  
16 FORMATION.—Notwithstanding any other provision  
17 of this Act, the Administrator may not make avail-  
18 able to the public or otherwise disclose any informa-  
19 tion submitted under this Act regarding the amount  
20 or number of claims paid by any insurer, the  
21 amount of losses of any insurer, or the loss experi-  
22 ence for any insurer, except (A) in the form of a loss  
23 ratio (expressing the relationship of claims paid to  
24 premiums) made available or disclosed in compliance

1 with the provisions of paragraph (2), or (B) as pro-  
2 vided in paragraph (3).

3 (2) PROTECTION OF IDENTITY OF INSURER.—

4 In making available to the public or otherwise dis-  
5 closing a loss ratio for an insurer—

6 (A) the Administrator may not identify the  
7 insurer to which the loss ratio relates; and

8 (B) the Administrator may disclose the  
9 loss ratio only in a manner that does not allow  
10 any party to determine the identity of the spe-  
11 cific insurer to which the loss ratio relates, ex-  
12 cept parties having access to information under  
13 paragraph (3).

14 (3) CONFIDENTIALITY OF INFORMATION DIS-  
15 CLOSED TO GOVERNMENTAL AGENCIES.—The Ad-  
16 ministrator may make information referred to in  
17 paragraph (1) and the identity of the specific insurer  
18 to which such information relates available to any  
19 Federal entity and any State agency responsible for  
20 regulating insurance in a State and may otherwise  
21 disclose such information to any such entity or agen-  
22 cy, but only to the extent such entity or agency  
23 agrees not to make any such information available  
24 or disclose such information to any other person.



1 **SEC. 8. DESIGNATIONS.**

2 (a) DESIGNATION OF LINES OF INSURANCE.—

3 (1) IN GENERAL.—The Administrator shall, by  
4 regulation, designate as designated lines for pur-  
5 poses of this Act any lines of insurance for small  
6 businesses and any sublines and coverage types of  
7 small business insurance that the Administrator con-  
8 siders appropriate to determine and compare the  
9 availability, affordability, and type of coverage in  
10 such lines among applicable regions.

11 (2) REPORT.—At any time the Administrator  
12 determines that any line of insurance for small busi-  
13 nesses not described in paragraph (1) should be a  
14 designated line because disparities in coverage pro-  
15 vided under such line exist among geographic areas  
16 having different income levels or racial composition,  
17 the Administrator shall submit a report recom-  
18 mending designating such line of insurance as a des-  
19 ignated line for purposes of this Act to the Com-  
20 mittee on Financial Services of the House of Rep-  
21 resentatives and the appropriate committees of the  
22 Senate.

23 (3) DURATION.—

24 (A) IN GENERAL.—Except as provided in  
25 subparagraph (B), the Administrator shall  
26 make the designations under this subsection

1           once every 5 years, by regulation, and each line  
2           and subline or coverage type designated under  
3           such regulations shall be designated for each of  
4           the first 5 successive annual reporting periods  
5           occurring after issuance of the regulations.

6           (B) ALTERATION.—During any 5-year pe-  
7           riod referred to in subparagraph (A) in which  
8           designations are in effect, the Administrator  
9           may amend or revise the designated lines,  
10          sublines, and coverage types only by regulation  
11          and only in accordance with the requirements of  
12          this subsection. Such regulations amending or  
13          revising designations shall apply only to annual  
14          reporting periods beginning after the expiration  
15          of the 6-month period beginning on the date of  
16          issuance of the regulations.

17          (b) TIMING OF DESIGNATIONS.—The Administrator  
18          shall make the designations required by subsection  
19          (a)(3)(A) and notify interested parties during the 6-month  
20          period ending 6 months before the commencement of the  
21          first annual reporting period to which such designations  
22          apply.

23          (c) OBTAINING INFORMATION.—The Administrator  
24          may require insurers to submit to the Administrator such  
25          information as the Administrator considers necessary to

1 make designations specifically required under this Act.  
2 The Administrator may not require insurers to submit any  
3 information under this subsection that relates to any line  
4 of small business insurance not specifically authorized to  
5 be designated pursuant to this Act or that is to be used  
6 solely for the purpose of a report under subsection (a)(2).

7 **SEC. 9. ENFORCEMENT.**

8 (a) CIVIL PENALTIES.—Any insurer who is deter-  
9 mined by the Administrator, after providing opportunity  
10 for a hearing on the record, to have violated any require-  
11 ment pursuant to this Act shall be subject to a civil pen-  
12 alty of not to exceed \$5,000 for each day during which  
13 such violation continues.

14 (b) INJUNCTION.—The Administrator may bring an  
15 action in an appropriate United States district court for  
16 appropriate declaratory and injunctive relief against any  
17 insurer who violates the requirements referred to in sub-  
18 section (a).

19 (c) INSURER LIABILITY.—An insurer shall be respon-  
20 sible under subsections (a) and (b) for any violation of  
21 a statistical agent acting on behalf of the insurer.

22 **SEC. 10. EXEMPTION AND RELATION TO STATE LAWS.**

23 (a) EXEMPTION FOR UNITED STATES PROGRAMS.—  
24 Reporting shall not be required under this Act with re-

1 spect to insurance provided by any program underwritten  
2 or administered by the United States.

3 (b) RELATION TO STATE LAWS.—This Act shall not  
4 be construed as annulling, altering, or affecting the laws  
5 of any State or any political subdivision of a State relating  
6 to public disclosure, submission of information, and rec-  
7 ordkeeping or exempting any insurer subject to this Act  
8 from any obligation under, or an obligation to comply  
9 with, any such law.

10 **SEC. 11. SURVEY OF AVAILABILITY AND AFFORDABILITY**  
11 **OF SMALL BUSINESS PROPERTY AND CAS-**  
12 **UALTY INSURANCE.**

13 (a) SURVEY.—The Administrator of the Small Busi-  
14 ness Administration shall, through the Office of Advocacy  
15 of such Administration, conduct a survey of a statistically  
16 representative sample of small business owners regarding  
17 their experiences in applying for, obtaining, and being re-  
18 fused small business insurance, which shall—

19 (1) obtain information about coverage levels, in-  
20 cluding coverage for acts of terrorism and acts of  
21 nature, and average annual premiums; and

22 (2) involve a sample size that is large enough  
23 to reach meaningful conclusions about the avail-  
24 ability and affordability of insurance by gender,  
25 race, and ethnicity of the small business owner, by

1 revenue amount of the small business, and by census  
2 tract location of the small business.

3 (b) REPORT.—Not later than 1 year after the date  
4 of the enactment of this Act, the Administrator of the  
5 Small Business Administration shall complete the survey  
6 under subsection (a) and submit a report to the Congress  
7 regarding the results of the survey, which shall include—

8 (1) identification and an analysis of any trends  
9 in the availability and affordability of small business  
10 insurance products or services, particularly with re-  
11 spect to small businesses in low-income communities,  
12 minority-owned small businesses, and women-owned  
13 small businesses;

14 (2) identification and an analysis of any bar-  
15 riers to the availability and affordability of insurance  
16 products and services, particularly with respect to  
17 small businesses in low-income communities, minor-  
18 ity-owned small businesses, and women-owned small  
19 businesses; and

20 (3) any recommendations to increase access to  
21 affordable insurance products and services by small  
22 business owners, including to small businesses in  
23 low-income communities, minority-owned small busi-  
24 nesses, and women-owned small businesses.

1 **SEC. 12. SOUND UNDERWRITING PRACTICES.**

2 This Act may not be construed to encourage or au-  
3 thorize unsound underwriting practices.

4 **SEC. 13. REGULATIONS.**

5 (a) AUTHORIZATION.—

6 (1) IN GENERAL.—The Administrator shall  
7 issue any regulations required under this Act and  
8 any other regulations that may be necessary to carry  
9 out this Act.

10 (2) SUBSTANTIVE REGULATIONS.—The regula-  
11 tions shall be issued in accordance with the proce-  
12 dures under section 553 of title 5, United States  
13 Code, for substantive regulations.

14 (3) EFFECTIVE DATE.—Except as otherwise  
15 provided in this Act, such final regulations shall be  
16 issued before the end of the 18-month period begin-  
17 ning on the date of the enactment of this Act.

18 (b) BURDENS.—In prescribing such regulations, the  
19 Administrator shall take into consideration the adminis-  
20 trative, paperwork, and other burdens on insurance  
21 agents, including independent insurance agents, involved  
22 in complying with the requirements of this Act and shall  
23 minimize the burdens imposed by such requirements with  
24 respect to such agents.

1 **SEC. 14. DEFINITIONS.**

2 For purposes of this Act, the following definitions  
3 shall apply:

4 (1) ADMINISTRATOR.—The term “Adminis-  
5 trator” means the Administrator of the Small Busi-  
6 ness Administration.

7 (2) AGENT.—The term “agent”—

8 (A) means, with respect to an insurer, an  
9 agent licensed by a State who sells property and  
10 casualty insurance; and

11 (B) includes agents who are employees of  
12 the insurer, agents who are independent con-  
13 tractors working exclusively for the insurer, and  
14 agents who are independent contractors ap-  
15 pointed to represent the insurer on a nonexclu-  
16 sive basis.

17 (3) DESIGNATED LINE.—The term “designated  
18 line” means a line of insurance or bid, performance,  
19 and payment bonds designated by the Administrator  
20 under section 8(a).

21 (4) EXPOSURES.—The term “exposures”  
22 means, for purposes of section 4, with respect to an  
23 insurance policy, an expression of an exposure unit  
24 covered under the policy compared to the duration of  
25 the policy (pursuant to standards established by the  
26 Administrator for uniform reporting of exposures).

1           (5) EXPOSURE UNITS.—The term “exposure  
2 units” means, for purposes of section 4, a small  
3 business covered under an insurance policy for small  
4 business fire and allied lines coverage.

5           (6) INSURANCE.—The term “insurance” means  
6 property and casualty insurance. Such term includes  
7 primary insurance, surplus lines insurance, and any  
8 other arrangement for the shifting and distributing  
9 of risks that is determined to be insurance under the  
10 law of any State in which the insurer or insurer  
11 group engages in an insurance business.

12           (7) INSURER.—The term “insurer”—

13           (A) means any corporation, association, so-  
14 ciety, order, firm, company, mutual, partner-  
15 ship, individual, aggregation of individuals, or  
16 any other legal entity that is authorized to  
17 transact the business of property or casualty in-  
18 surance in any State or that is engaged in a  
19 property or casualty insurance business; and

20           (B) does not include an individual or entity  
21 which represents an insurer as agent solely for  
22 the purpose of selling or which represents a  
23 consumer as a broker solely for the purpose of  
24 buying insurance.



1           (8) ISSUED.—The term “issued” means, with  
2           respect to an insurance policy, newly issued or re-  
3           newed.

4           (9) JOINT UNDERWRITING ASSOCIATION.—The  
5           term “joint underwriting association” means an un-  
6           incorporated association of insurers established to  
7           provide a particular form of insurance to the public.

8           (10) MINORITY.—The term “minority” has the  
9           meaning given such term in section 1204(c) of the  
10          Financial Institutions Reform, Recovery, and En-  
11          hancement Act of 1989 (12 U.S.C. 1811 note).

12          (11) MINORITY-OWNED SMALL BUSINESS.—The  
13          term “minority-owned small business” means a  
14          small business—

15                 (A) more than 50 percent of the ownership  
16                 or control of which is held by one or more mi-  
17                 nority individuals; and

18                 (B) more than 50 percent of the net prof-  
19                 its or loss of which accrues to one or more mi-  
20                 nority individuals.

21          (12) PROPERTY AND CASUALTY INSURANCE.—  
22          The term “property and casualty insurance”—

23                 (A) means insurance against loss of or  
24                 damage to property, insurance against loss of  
25                 income or extra expense incurred because of

1           loss of, or damage to, property, and insurance  
2           against third party liability claims caused by  
3           negligence or imposed by statute or contract;  
4           and

5           (B) does not include workers' compensa-  
6           tion, professional liability, or title insurance.

7           (13) RESIDUAL MARKET.—The term “residual  
8           market”—

9           (A) means an assigned risk plan, joint un-  
10          derwriting association, or any similar mecha-  
11          nism designed to make insurance available to  
12          those unable to obtain it in the voluntary mar-  
13          ket; and

14          (B) includes each statewide plan under  
15          part A of title XII of the National Housing Act  
16          to assure fair access to insurance requirements.

17          (14) SMALL BUSINESS.—The term “small busi-  
18          ness” has the meaning given such term in section 3  
19          of the Small Business Act (15 U.S.C. 632)

20          (15) STATE.—The term “State” means any  
21          State, the District of Columbia, the Commonwealth  
22          of Puerto Rico, the Northern Mariana Islands, the  
23          Virgin Islands, American Samoa, and the Trust Ter-  
24          ritory of the Pacific Islands.

1           (16) WOMEN-OWNED SMALL BUSINESS.—The  
2           term “women-owned small business” means a small  
3           business—

4                   (A) more than 50 percent of the ownership  
5                   or control of which is held by one or more  
6                   women; and

7                   (B) more than 50 percent of the net prof-  
8                   its or loss of which accrues to one or more  
9                   women.

10 **SEC. 15. ANNUAL REPORTING PERIOD.**

11           (a) IN GENERAL.—For purposes of this Act, the an-  
12           nual reporting periods shall be the 12-month periods com-  
13           mencing in each calendar year on the same day, which  
14           shall be selected under subsection (b) by the Adminis-  
15           trator.

16           (b) SELECTION.—Not later than the expiration of the  
17           6-month period beginning on the date of the enactment  
18           of this Act, the Administrator shall, by regulation, select  
19           a day of the year upon which all annual reporting periods  
20           shall commence. In determining such day, the Adminis-  
21           trator shall consider the reporting periods used for pur-  
22           poses of State and other insurance statistical reporting  
23           systems, in order to minimize the burdens on insurers.

1 **SEC. 16. EFFECTIVE DATE.**

2       The requirements of this Act relating to reporting of  
3 information by insurers shall take effect with respect to  
4 the first annual reporting period that begins more than  
5 18 months after the date of the enactment of this Act.

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