

**[DISCUSSION DRAFT]**113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**H. R.** \_\_\_\_\_

To modernize the Liability Risk Retention Act of 1986 and expand types of commercial insurance authorized, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. Ross introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To modernize the Liability Risk Retention Act of 1986 and expand types of commercial insurance authorized, 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 “Risk Retention Mod-  
5       ernization Act of 2014”.

6       **SEC. 2. COMMERCIAL INSURANCE.**

7       The Liability Risk Retention Act of 1986 is amend-  
8       ed—

1 (1) in section 2(a) (15 U.S.C. 3901(a))—

2 (A) in paragraph (6), by striking “and” at  
3 the end;

4 (B) in paragraph (7)(B), by striking the  
5 period at the end and inserting “; and”; and

6 (C) by adding at the end the following new  
7 paragraph:

8 “(8) ‘commercial insurance’ includes all forms  
9 of commercial insurance other than group health,  
10 life, disability, or workers compensation insurance.”;  
11 and

12 (2) in section 3(b) (15 U.S.C. 3902(b))—

13 (A) in paragraph (2), by striking “and” at  
14 the end;

15 (B) in paragraph (3), by striking the pe-  
16 riod at the end and inserting “; and”; and

17 (C) by adding at the end the following new  
18 paragraph:

19 “(4) the provision of other lines of commercial  
20 insurance by a risk retention group, provided that—

21 “(A) the risk retention group has been  
22 chartered or licensed as an insurance company  
23 under the laws of a State and authorized to en-  
24 gage in the business of insurance under the  
25 laws of such State;

1           “(B) the risk retention group has engaged  
2           in the business of insurance pursuant to the  
3           charter or license and authority described in  
4           subparagraph (A) for a period not less than five  
5           consecutive years; and

6           “(C) the risk retention group maintains  
7           capital and surplus of at least \$5,000,000.”.

8   **SEC. 3. CONFORMING AND CLARIFYING AMENDMENTS.**

9           The Liability Risk Retention Act of 1986 is further  
10          amended—

11                 (1) in section 2(a) (15 U.S.C. 3901(a))—

12                         (A) in paragraph (4)—

13                                 (i) in subparagraph (C)(i), by striking  
14                                 “a liability” and inserting “an”; and

15                                 (ii) in subparagraph (G)—

16   (I) in clause (i), by inserting “or  
17   other commercial” after “liability”  
18   each place such term appears; and

19   (II) in clause (ii)—

20   (aa) by inserting “or other  
21   commercial” after “liability”; and

22   (bb) by inserting “or other  
23   risk sharing group or arrange-  
24   ment” after “group”);

1 (B) in paragraph (5)(A), by inserting “or  
2 other commercial” after “liability”; and

3 (C) in paragraph (6), by striking “or the  
4 District of Columbia” and inserting “, the Dis-  
5 trict of Columbia, and the Territories of the  
6 United States;”.

7 (2) in section 3 (15 U.S.C. 3902)—

8 (A) in subsection (a)(1)(C), by inserting  
9 “or other commercial” after “liability”; and

10 (B) in subsection (d)(1)(B), by inserting  
11 “or other commercial” after “liability”;

12 (3) in section 4 (15 U.S.C. 3903)—

13 (A) in subsection (b)—

14 (i) in paragraph (1), by inserting “or  
15 other commercial” after “liability”; and

16 (ii) in paragraph (2)—

17 (I) by redesignating subpara-  
18 graphs (B) and (C) as subparagraphs  
19 (C) and (D), respectively; and

20 (II) by inserting after subpara-  
21 graph (A) the following new subpara-  
22 graph:

23 “(B) other lines of commercial insurance;”;

24 and

1 (B) in subsection (d)(1)(B), by inserting  
2 “and other commercial” after “liability”; and  
3 (4) in section 6(b) (15 U.S.C. 3905(b)), by in-  
4 serting “or other commercial” after “liability” each  
5 place such term appears.

6 **SEC. 4. EFFECT ON STATE LAW.**

7 Section 6 of the Liability Risk Retention Act of 1986  
8 (15 U.S.C. 3905) is amended by adding at the end the  
9 following new subsection:

10 “(e) STATE LAW SUPERSEDED.—The provisions of  
11 this Act shall supersede any State law, including any law,  
12 decision, rule, regulation, or other State action having the  
13 effect of law of any State, that limits the authority of,  
14 or prohibits, risk retention groups from offering any type  
15 of commercial insurance, except for group health, life, or  
16 disability insurance or workers’ compensation insurance.”.

17 **SEC. 5. AMENDMENT TO SHORT TITLE.**

18 Section 1 of the Liability Risk Retention Act of 1986  
19 (15 U.S.C. 3901 note) is amended by striking “Liability  
20 Risk Retention Act of 1986” and inserting “Risk Reten-  
21 tion Act of 1986”.