

## Growth of Indexed Annuities —A Truly Amazing Story

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## Oregon's Insurance Division to Sponsor Five Bills in Legislature

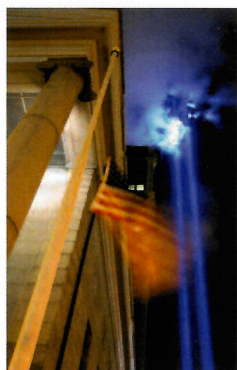
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## As 2006 Closes, Future of Terrorism Risk Insurance Act in Flux

**TOM JOHNSON**  
U.S. Insurance News

It appears the U.S. Congress and the White House are headed for a showdown on the extension of the Terrorism Risk Insurance Act (TRIA), and the shape of the legislation that may emerge from the coming battle is anybody's guess.

The terrorist attacks of September 11, 2001 put the insurance industry and the U.S. economy in a quandary. The devastating consequences of terrorist acts were obvious. How could economic development proceed if American businesses feared their assets would be



hijacked, blown up or worse? How could insurers give up the terrorism exclusions in their policies, calculate risk and set premium rates to cover potential terrorism claims without exposing themselves to catastrophic losses?

In an effort to calm jitters and engender confidence in the economy, on November 26, 2002, President Bush signed into law the first Terrorism Risk Insurance Act. The law provided a temporary federal "backstop" for insurance claims related to events certified by the Secretary of the Treasury as acts of terrorism.

Essentially, all terrorism exclusions in force on commercial property and casualty policies were

## Democrats in Charge: What Will Changes on Capitol Hill Mean for the Insurance and Financial Industries?

**RACHEL DEROWITSCH**  
U.S. Insurance News

Every spring, baseball fans take a close look at their team's roster to familiarize themselves with the club's new faces. A flurry of winter activity leaves many teams with a new-look roster and some fans wondering for whom they are rooting.

Anyone in the insurance and financial industries might want to take a lesson from inquisitive baseball fans as Democrats take control of the House and Senate on January 3. Election turnover and retirements have sent a small army of new faces to Capitol Hill, and returned some familiar faces to the reigns of committees—the battlegrounds where key bills and issues will either be given new life or shelved, at least until after the next election.

What affect will these freshmen Congressmen and restructured committees have on the insurance and financial industries, and perhaps more importantly, what tops the agenda of the Democrats and the new Congress?

### Initial Initiatives

Democrats are indicating that the following two issues will be included in their initial initiatives.

- Pay-as-you-go rules. Pay-Go rules, which required that new tax cuts or new entitlement spending be offset by a reduction in expenditures elsewhere in the budget, were part of the 1990 Budget Enforcement Act. However, the Republicans let these rules expire, an issue that some Democratic candidates used to their benefit—citing the rising budget deficit—this past election season.

Democrats, led by Speaker-elect Rep. Nancy Pelosi (D-Calif.), have said they want to reinstate Pay-Go rules. If such rules are passed, there could be many ramifications for the insurance-financial industries. For instance, NAIFA (the National Association of Insurance and Financial Advisors) would like to see new tax incentives for consumers to purchase annuities,

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