

upon the date of enactment (November 26, 2002). Preemptions of terrorism risk exclusions in policies, mandatory participation provisions, disclosure and other requirements, and conditions for federal payment contained in the Act applied immediately to those entities that came within the Act's definition of "insurer."

The disclosure requirements are statutory conditions for federal payment under the Program. The disclosure requirements were effective immediately upon enactment and remain ongoing requirements that apply to new and renewed policies throughout the life of the Program. In the event of an act of terrorism resulting in insured losses under the Program, insurers must certify, and Treasury must ascertain, that these disclosure requirements have been met before federal payment is made. Similarly, the make available requirements are important elements of the Act. These requirements were effective immediately upon enactment and applied to policies in effect at that time. The make available requirements will continue to apply to new and renewed policies through the end of 2004 (and if the requirements are extended by the Secretary, through 2005). Given the significance of the disclosure and make available requirements to policyholders and insurers, there is an urgent need to issue immediately effective regulations. This includes the need to clarify, as necessary, the previously issued interim final rule. Moreover, because the changes are in the nature of clarifications, there should be no operational impact on insurers and no need for a delayed effective date.

Accordingly, pursuant to 5 U.S.C. 553(d)(3), Treasury has determined that there is good cause for this final rule to become effective immediately upon publication.

This final rule is a significant regulatory action and has been reviewed by the Office of Management and Budget under the terms of Executive Order 12866.

It is hereby certified that this final rule will not have a significant economic impact on a substantial number of small entities. The Act requires all licensed or admitted insurers to participate in the Program. This includes all insurers regardless of size or sophistication. The Act also defines property and casualty insurance without any reference to the size or scope of the commercial entity. The disclosure and make available requirements are required by the Act. The final rule allows all insurers, whether large or small, to use existing

systems and business practices to demonstrate compliance. Accordingly, any economic impact associated with the final rule flows from the Act and not the final rule. However, the Act and the Program are intended to provide benefits to the U.S. economy and all businesses, including small businesses, by providing a federal reinsurance backstop to commercial property and casualty insurers and their policyholders and by spreading the risk of insured loss resulting from an act of terrorism.

List of Subjects in 31 CFR Part 50

Terrorism risk insurance.

Authority and Issuance

■ For the reasons set forth above, the interim final rule amending Subparts B and C of 31 CFR Part 50, which was published at 68 FR 19302 on April 18, 2003, is adopted as a final rule with the following changes:

PART 50—TERRORISM RISK INSURANCE PROGRAM

■ 1. The authority citation for 31 CFR Part 50 continues to read as follows:

Authority: 5 U.S.C. 301; 31 U.S.C. 321; Title I, Pub. L. 107–297, 116 Stat. 2322 (15 U.S.C. 6701 note).

■ 2. Section 50.12(d) of Subpart B is revised to read as follows:

§ 50.12 Clear and conspicuous disclosure.

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(d) *Use of producer.* If an insurer normally communicates with a policyholder through an insurance producer or other intermediary, an insurer may provide disclosures through such producer or other intermediary. If an insurer elects to make the disclosures through an insurance producer or other intermediary, the insurer remains responsible for ensuring that the disclosures are provided by the insurance producer or other intermediary to policyholders in accordance with the Act.

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■ 3. Section 50.14 of Subpart B is revised to read as follows:

§ 50.14 Separate line item.

An insurer is deemed to be in compliance with the requirement of providing disclosure on a "separate line item in the policy" under § 50.10(d) if the insurer makes the disclosure:

(a) On the declarations page of the policy;

(b) Elsewhere within the policy itself; or

(c) In any rider or endorsement, or other document that is made a part of the policy.

■ 4. Section 50.18(b)(2) of Subpart B is revised to read as follows:

§ 50.18 Disclosure required by reinstatement provision

* * * * *

(b) * * *

(2) The insurer provided notice at least 30 days before any such reinstatement of the increased premium for such terrorism coverage and the rights of the insured with respect to such coverage, including the date upon which the exclusion would be reinstated if no payment is received, and the insured fails to pay any increased premium charged by the insurer for providing such terrorism coverage.

■ 5. Section 50.21(a) of Subpart C is revised to read as follows:

§ 50.21 Make available.

(a) *General.* The requirement to make available coverage as provided in § 50.20 applies to policies in existence on November 26, 2002, new policies issued and renewals of existing policies during the period beginning on November 26, 2002 and ending on December 31, 2004 (the last day of Program Year 2), and if the requirement is extended by the Secretary, to new policies issued and renewals of existing policies in Program Year 3 (calendar year 2005). The requirement applies at the time an insurer makes the initial offer of coverage as well as at the time an insurer makes an initial offer of renewal of an existing policy.

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Dated: October 1, 2003.

Wayne A. Abernathy,

Assistant Secretary of the Treasury.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[CGD09–03–270]

RIN 1625–AA00

Safety Zone; Wisconsin Central Rail Road Bridge Fox River, Green Bay, WI

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone on