

**U.S. Department of Treasury
Federal Insurance Office**

Advisory Committee on Risk-Sharing Mechanisms

By-Laws and Operating Procedures

The following By-Laws and Operating Procedures (By-Laws) will govern the operations of the Advisory Committee on Risk-Sharing Mechanisms (ACRSM or Committee), whose funding and administrative support will be provided by the U.S. Department of the Treasury (Department) and the Federal Insurance Office (FIO).

Section I: Authority

(A) The ACRSM has been formed by the authority under § 110 of the Terrorism Risk Insurance Program Reauthorization Act of 2015 (Pub. L. 114-1), , which requires the Secretary of the Treasury to establish and appoint the ACRSM.

(B) The Federal Advisory Committee Act (Pub. L. 92-463, 5 U.S.C. App. 2 § 1-16, as amended) (FACA), governs the creation and operation of advisory committees. In the event of any inconsistencies between the By-Laws and FACA (including its implementing regulations), the ACRSM will act in accordance with FACA (including its implementing regulations), as the same may be amended from time to time.

Section II: Functions, Objective, Organization and Operation

(A) The functions of the ACRSM are advisory only.

(B) An objective of the ACRSM is to provide advice and recommendations to FIO with respect to the creation and development of nongovernment risk-sharing mechanisms that encourage the growth of private market reinsurance capacity for protection against losses arising from acts of terrorism.

(C) The ACRSM shall provide its advice and recommendations directly to FIO. The ACRSM will conduct its work in coordination with FIO. The Director of FIO will decide what information will be disseminated to the ACRSM for its use and consideration.

Section III: Membership

(A) The ACRSM shall consist of nine members, who shall be appointed by the Department, from among individuals not employed by the federal government. The membership will consist of directors, officers, or other employees of insurers, reinsurers, or capital market participants that are participating in, or that desire to participate in, nongovernmental risk-sharing mechanisms related to terrorism risk.

(B) The composition of the ACRSM will reflect the affected sectors of the insurance industry, including commercial property insurance, commercial casualty insurance, reinsurance, and alternative risk transfer industries. The Director of FIO shall designate a Chairperson from among the members. Members are appointed or reappointed for a term of three years.

(C) In conformity with the Presidential Memorandum of June 18, 2010,¹ no member of the ACRSM shall be a Federally-registered lobbyist. Members of the ACRSM serve at the sole discretion of the Secretary and may be removed by the Secretary or the Assistant Secretary for Management. Alternate members will not be permitted to represent those individuals appointed by the Director of FIO without prior written agreement.

Section IV: Meetings

(A) **In General.** The ACRSM shall meet at such regular intervals as necessary to carry out its duties. The ACRSM is expected to meet two times per year, in Washington, D.C., at the call of the Chairperson and with the approval of the Designated Federal Officer (the DFO), or at the call of the DFO. An official ACRSM meeting consists of a quorum of the members (including the Chairperson) then serving on the ACRSM. The DFO shall be responsible for measures to facilitate compliance with FACA. The Chairperson will preside at all meetings of the ACRSM, unless the DFO presides in accordance with FACA. The presiding officer of the ACRSM may specify the use of rules of parliamentary procedure consistent with the By-Laws. Subject to such reasonable guidelines and procedures as the presiding officer of the ACRSM may adopt, members may participate in a meeting by means of conference telephone or similar communications equipment if all members can hear or similarly communicate with one another at the same time and members of the public entitled to observe such communication can do so.

(B) **Notice.** The Department will publish a notice of each meeting in the Federal Register at least 15 calendar days before the meeting of the ACRSM, unless there are exceptional circumstances in which case the reason will be included in the Federal Register notice. The notice will include (1) the name of the Committee; (2) the time, date, place, and purpose of the Committee's meeting; (3) a summary of the agenda and/or the topics to be discussed; (4) a statement as to whether all or part of the meeting will be open to the public and, if any part is closed, a statement as to why, citing the specific statutory provision that serves as a basis for closure; and (5) the name and telephone number of the DFO or FIO or Department official who may be contacted for additional information concerning the meeting.

(C) **Agenda.** The Chairperson of the ACRSM will draft an agenda for each meeting of the ACRSM sufficiently in advance of the meeting to permit a copy or summary of the agenda to be published with the notice of the meeting, if required. The DFO or the FIO designee will approve the agenda for each meeting. The DFO, the Director of FIO (or his or her designee), or support staff will distribute the agenda to the members before each meeting and will make available copies of the agenda to members of the public attending the meeting. Items for the agenda may be submitted to the Chairperson by any member of the ACRSM or by any member of the public.

¹ Available at <http://www.whitehouse.gov/the-press-office/presidential-memorandum-lobbyists-agency-boards-and-commissions>.

(D) **Quorum.** A quorum shall consist of a simple majority of the members then serving on the ACRSM.

(E) **Voting.** In order to cast a vote, a member must attend a ACRSM meeting either in person, by telephone or other electronic means. When a decision or recommendation of the ACRSM is required, the presiding officer will request a motion for a vote. Any member may make a motion for a vote and may vote. No second after a proper motion will be required to bring any issue or recommendation to a vote. ACRSM action based on a vote requires a simple majority of the votes cast at a meeting at which there is a quorum, except that formal advice or any formal recommendation to FIO requires two-thirds of the votes cast at a meeting at which there is a quorum.

(F) **Open Meetings.** Unless otherwise determined in advance and except as provided in this paragraph (F), each meeting of the ACRSM will be open to the public either in-person as space permits or via electronic means. Once an open meeting has begun, it may not be closed for any reason. If, during the course of an open meeting, matters inappropriate for public disclosure arise during discussion, the presiding officer of the ACRSM shall order such discussion to cease and schedule the matter for closed session in accordance with FACA. All materials brought before, or presented to, the ACRSM during an open meeting will be made available to the public for review during the meeting. All such materials also will be made available on the Department's web site as soon as practicable after the relevant meeting. The Chairperson of the ACRSM may decide in advance to exclude oral public statements during a meeting in which case the meeting notice published in the Federal Register will invite written statements as an alternative. Members of the public may submit written statements to the ACRSM at any time.

(G) **Activities Not Subject to Notice and Open Meeting Requirements.** Consistent with FACA regulations, the following activities are excluded from the procedural requirements contained in Sections (B) and (F): (a) Preparatory work; meetings of two or more ACRSM members or subcommittee members convened solely to gather information, conduct research, or analyze relevant issues and facts in preparation for a meeting of the ACRSM, or to draft position papers for deliberation by the ACRSM; and (b) Administrative work; meetings of two or more ACRSM Members or subcommittee members convened solely to discuss administrative matters of the ACRSM or to receive administrative information from a Federal officer or agency.

(H) **Closed Meetings.** All or parts of meetings of the ACRSM may be closed in limited circumstances in accordance with applicable law. A request to conduct a closed meeting must be submitted by the DFO to the Director of FIO (or his or her designee) under FACA, generally at least 30 days in advance of the publication of the meeting notice in the Federal Register. The appropriate official must determine that closing the meeting is consistent with the provisions of the Government in the Sunshine Act. Consistent with Section IV (B)(4), the notice of the ACRSM meeting published in the Federal Register must include information on the closure.

(I) **Hearings.** The ACRSM may hold hearings to receive testimony or oral comments, recommendations, and expressions of concern from the public. The ACRSM may hold hearings at open meetings or in closed session in accordance with FACA and the standards in the By-laws for closing meetings to the public. The Chairperson of the ACRSM may specify reasonable

guidelines and procedures for conducting orderly hearings, such as requirements for submitting requests to testify and written testimony in advance and placing limitations on the number of persons who may testify and the duration of their testimony.

(J) **Minutes.** The DFO will prepare minutes of each meeting of the ACRSM and submit them to the Chairperson of the ACRSM for certification of their accuracy. The minutes must be certified by the Chairperson of the ACRSM within 90 calendar days of the meeting to which they relate. The DFO will distribute copies of the certified minutes to each Member. Minutes of open or closed meetings will be made available to the public, subject to the withholding of matters about which public disclosure would be harmful to the interests of the Government, industry, or others, and which are exempt from disclosure under the Freedom of Information Act. The minutes will include a list of the persons who were present at the meeting, and a complete and accurate description of the matters discussed and the resolution, if any, made by the ACRSM regarding such matters; and copies of all reports or other documents received, issued or approved by the ACRSM at the meeting.

Section V: Officials

(A) **Chairperson.** The Chairperson of the ACRSM is designated by the Director of FIO and Department officials and serves at the sole discretion of the Director of FIO to perform the duties specified in the Charter and the By-Laws.

(B) **Designated Federal Officer.** The DFO is designated by the Director of FIO and serves as the Department's agent for matters related to the ACRSM's activities. Under FACA, the DFO must, among other things, call all meetings of the ACRSM, attend meetings, and adjourn meetings when he or she determines such adjournment is in the public interest. In addition, the DFO is responsible for providing adequate staff support to the ACRSM and the Chairperson of the ACRSM in performance of the administrative functions, such as: (1) notifying Members of the time and place for each meeting; (2) maintaining the roll; (3) preparing the minutes of all meetings of the ACRSM and its subcommittees, as required by FACA; (4) attending to official correspondence; (5) maintaining official ACRSM records, including subcommittee records (if any), as required by law; (6) maintaining a webpage for the ACRSM; (7) acting on behalf of the FIO to collect, validate, and pay all vouchers for pre-approved expenditures of the ACRSM authorized by law; and (8) preparing and handling all reports (except those required by section 6 of FACA), including the annual report of the ACRSM required to be submitted to the General Services Administration under the FACA regulations.

(D) **Support Staff.** The Director of FIO or his or her designee may determine that FIO staff or staff from the Department's Office of Domestic Finance and other offices within the Department may be available to the DFO to provide adequate support for the ACRSM.

Section VI: Subcommittees

The ACRSM, with the approval of the DFO, may establish such subcommittees as it deems necessary to support the ACRSM's functions and may appoint members to, and the chairpersons of, any subcommittees so convened. The Chairperson of the ACRSM will be an *ex officio* member of each subcommittee. Each subcommittee shall be established by means of a ACRSM vote, which shall be recorded in writing, whether in the minutes of a meeting or otherwise. Only members of the ACRSM may vote and make a motion for a vote in a subcommittee. No subcommittee may provide advice or recommendations (1) directly to FIO or any other agency or officer of the Federal Government or (2) to be adopted by the ACRSM without discussion or consideration at an open meeting of the ACRSM. All activities of the subcommittees must comply with FACA, as applicable.

Section VII: Records

All documents, reports, and other materials prepared by the ACRSM or submitted to the ACRSM constitute official government records and must be maintained and made publicly available in accordance with applicable law.

Section VIII: Expenses

Expenses related to the operation of the ACRSM that are authorized by law shall be borne by the Department. Expenses of any kind must be approved in advance by the DFO.

Section IX: Amendments

The By-Laws may be amended from time to time by the affirmative vote of a majority of two-thirds of the members (including the Chairperson) then serving.