

**H.R. 4762, a bill to amend title 49, United States Code, to extend the non-premium war risk insurance program**

As ordered reported by the House Committee on Transportation and Infrastructure on July 27, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	4	4
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	4	4
Spending Subject to Appropriation (Outlays)	0	0	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?	Yes
<b>Mandate Effects</b>			
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 4762 would reauthorize the Non-premium War Risk Insurance Program of the Federal Aviation Administration (FAA) through 2025. That program, currently scheduled to expire on September 30, 2023, provides free insurance to certain air carriers engaged in operations that are deemed essential to U.S. foreign policy or national security. The Department of Defense indemnifies the FAA against all losses covered under the insurance.

In general, amounts in the Aviation Insurance Revolving Fund are available without further appropriation to support the program; any associated spending is classified as mandatory. That fund currently has about \$2.4 billion in unobligated balances. In recent years, program claims and administrative costs have averaged about \$2 million annually. On that basis, CBO estimates that enacting H.R. 4762 would increase direct spending by \$2 million per year through 2025, or \$4 million over the 2023-2033 period.

The CBO staff contact for this estimate is Aaron Krupkin. The estimate was reviewed by Chad Chirico, Director of Budget Analysis.



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