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NCOIL URGES SUPPORT FOR BILL REAUTHORIZING TRIA UNTIL 2030

Congressional Action Taken on Federal Backstop Program for Insurance Against Terrorism

Manasquan, NJ – House Financial Services Committee Chairwoman Maxine Waters introduced H.R. 4634, the Terrorism Risk Insurance Program Reauthorization Act of 2019 (TRIPRA) on October 11th. NCOIL supports this bi-partisan bill for a long-term reauthorization of the Terrorism Risk Insurance Act of 2002 (TRIA) for ten more years, from December 31, 2020 to December 31, 2030.

Congress reauthorized and modified TRIA in 2005, 2007, and 2015 through TRIPRA. Signed by President George W. Bush in 2002, TRIA created a temporary federal program that provides for a transparent system of shared public and private compensation for certain insured losses resulting from a certified act of terrorism. Its enactment permitted private markets to stabilize, resume pricing, and build capacity after the events of September 11, 2001. The Secretary of the Treasury administers the program with the assistance of the Federal Insurance Office.

Just last month, a bi-partisan group of NCOIL legislators met with members of Congress in Washington to discuss the importance of terrorism risk insurance and ensuring that TRIA is reauthorized in a timely manner. Congress must take action to extend the protection offered by TRIA well in advance of the December 31, 2020 deadline in order to avoid adverse economic consequences. On September 17th, NCOIL Officers adopted a Resolution in Support of the Reauthorization of TRIA.

“TRIA is critical to the nation’s economic security. Without this backstop, the space in which a viable private market for terrorism insurance has grown would be threatened,” said LA Sen. Dan “Blade” Morrish, NCOIL President. “NCOIL supports the enactment of a long-term extension of TRIA because it has provided this country with important protection for economic continuity and recovery in the event of a future terrorist attack.”

NCOIL is a long-time supporter of TRIA, as the United States continues to be engaged in an ongoing war against international terrorists and the threats of future attacks inside the country remains high. Without adequate coverage, a limited availability of insurance against terrorism



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would have a severe adverse effect on our country's economy. Financiers would be reluctant to lend, businesses would be reluctant to invest, and consumers would be unable to afford terrorism risk insurance.

Commissioner Tom Considine, NCOIL CEO, said "American businesses must be provided with the essential coverage to successfully operate in today's uncertain global environment. Failure by Congress to extend TRIA would likely result in the inability of insurers to offer coverage for future catastrophes resulting from terrorism, making terrorism risk insurance unavailable and unaffordable. NCOIL applauds Chairwoman Waters for introducing this bill as well as the 27 bipartisan cosponsors who signed on to ensure a sustained and stable terrorism risk insurance marketplace."

H.R. 4634 was referred to the House Committee on Financial Services on October 11th. Chairwoman Waters announced her plan for long-term, bipartisan TRIA Reauthorization on October 16th at a press conference.

Two subcommittees of the House Financial Services Committee held a joint hearing on October 16th, at which NCOIL submitted the following Statement for the Record:

NCOIL Statement for the Record U.S. House Financial Services Committee Subcommittee on Housing, Community Development, and Insurance and Subcommittee on National Security, International Development, and Monetary Policy Hearing on "Protecting America: The Reauthorization of the Terrorism Risk Insurance Program" - October 16, 2019: <http://ncoil.org/wp-content/uploads/2019/10/TRIA-statement-10-14-19.pdf>

NCOIL Resolution in Support of the Reauthorization of TRIA: Adopted Sep. 17, 2019 <http://ncoil.org/wp-content/uploads/2019/10/NCOIL-TRIA-DC-Resolution.pdf>

Congresswoman Waters' opening remarks from press conference discussing TRIA Reauthorization can be viewed here: <https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=404526>

Full information about H.R. 4634 can be viewed here: <https://www.congress.gov/bill/116th-congress/house-bill/4634?s=1&r=53>