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**NCOIL REAFFIRMS UNWAVERING SUPPORT FOR TRIA EXTENSION**

**Washington, D.C., March 30, 2005**-- The National Conference of Insurance Legislators (NCOIL) reaffirmed its unwavering support for extending the Terrorism Risk Insurance Act of 2002 (TRIA) in a March 24 letter from NCOIL President Rep. Craig Eiland (TX) to U.S. Rep. Michael G. Oxley, Chair of the House Committee on Financial Services, and Congressman Richard Shelby, Chair of the Senate Committee on Banking, Housing and Urban Affairs.  The letter retransmitted an NCOIL resolution, originally sent to Congress in July 2004, supporting extension of TRIA in order to forestall major marketplace disruptions.  The resolution also supported inclusion of group life insurance in any extension legislation.

Rep. Craig Eiland, acting on behalf of the full NCOIL Executive Committee, warned in the letter that the United States continues to be the ultimate target of many dangerous international terrorists and possible future attacks could include the use of nuclear, biological, chemical or radiological weapons.  According to Rep. Eiland, “Since risks from catastrophic terrorist events can't be quantified or diversified by insurers, the consequence of such events could be the insolvency of both individual insurers and the industry as a whole.”  He continued that if such an event occurred, the federal government alone may have to cover the losses.

After the tragedies of 9/11, TRIA allowed for the creation of a viable terrorism risk insurance market for property and commercial losses, the letter stated.  Rep. Eiland cautioned that failure to extend TRIA would likely result in the inability of insurers to offer coverage for terrorist events.  If that occurred, banks might be unwilling to extend loans for commercial transactions such as mortgages, construction projects and other capital-intensive initiatives.  Rep. Eiland advised that such a situation would have severe adverse effects on our country's economy

NCOIL was the first legislative organization to publicly support creation of a limited, temporary federal backstop for terrorism coverage.

NCOIL is an organization of state legislators focused on insurance legislation and regulation.  Many legislators active in NCOIL either chair or are members of the committee responsible for insurance regulation in their respective state houses across the country. 

Attached is [Rep. Eiland’s March 24 letter](http://www.ncoil.org/news/TRIAExtensionLetter.doc). The July 2004 resolution is available on the NCOIL Web site at[www.ncoil.org](http://www.ncoil.org/).

 For more information, please contact NCOIL at 202-220-3014.

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