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National Council of Insurance Legislators (NCOIL)

Resolution in Support of the Reauthorization of the Terrorism Risk Insurance Program

**Sponsored by Sen. Dan "Blade" Morrish (LA)*

**Adopted by the NCOIL Officers on September 17, 2019. To be discussed and considered for ratification by the NCOIL Executive Committee on December 13, 2019.*

WHEREAS, the United States continues to be engaged in an ongoing war against terrorism and the threats of future attacks inside the country remains; and

WHEREAS, future attacks could include the use of unconventional (nuclear, biological, chemical or radiological) weapons that could result in a large number of casualties or could involve attacks such as cyber-terrorism that would impact businesses and critical infrastructure across the nation; and

WHEREAS, the Terrorism Risk Insurance Program (TRIP), created through the enactment of the Terrorism Risk Insurance Act (TRIA) of 2002 and extended and modified through the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) in 2005, 2007, and 2015 has allowed for a viable and stable terrorism risk insurance market; and

WHEREAS, absent extension by Congress, TRIA will expire on December 31, 2020; and

WHEREAS, failure by Congress to extend TRIA would likely result in the inability of insurers to offer widespread coverage for future catastrophes resulting from terrorism or would likely create capacity concerns where terrorism coverage must be provided; and

WHEREAS, without adequate terrorism insurance coverage, banks may be unwilling or less likely to extend loans for commercial transactions, such as mortgages, construction projects and other capital-intensive initiatives; and

WHEREAS, the lack of private terrorism insurance to cover losses from future terrorist attacks may require the federal government to cover such losses; and

WHEREAS, without the shared public-private responsibility program established by TRIA, a limited availability of insurance against terrorism would have a severe adverse effect on our

country's economy as financiers might be reluctant to lend, businesses might be reluctant to invest, and commercial consumers might be unable to afford insurance; and

WHEREAS, TRIA is an essential component of effective national economic recovery following a catastrophic terrorist attack in the United States; and

WHEREAS, NCOIL supported the enactment of TRIA and subsequent extensions in 2005, 2007 and 2015; and

NOW, THEREFORE, BE IT RESOLVED, that NCOIL supports a long-term extension of TRIA; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that NCOIL urges Congress and the Administration to take action as soon as possible to extend TRIA.

NOW, THEREFORE, BE IT FINALLY RESOLVED, that a copy of this Resolution shall be sent to the Chair of the U.S. Senate Committee on Banking, Housing, and Urban Affairs; the Chair of the U.S. Senate Committee on Banking, Housing, and Urban Affairs' Subcommittee on Securities, Insurance, and Investment; the Chair of the U.S. House Financial Services Committee; the Chair of the U.S. House Financial Services' Subcommittee on Housing, Community Development and Insurance; the Chair of all state committees that have jurisdiction over insurance matters; each State's Insurance Commissioner; and the Director of the Federal Insurance Office.