

American Bankers Association
American Bankers Insurance Association
American Council of Engineering Companies
American Gas Association
American Hotel and Lodging Association
American Land Title Association
American Public Gas Association
American Public Power Association
American Resort Development Association
American Society of Association Executives
Associated Builders and Contractors
Associated General Contractors of America
Association of American Railroads
Association of Art Museum Directors
Babson Capital Management LLC
Building Owners and Managers Association International
Boston Properties
CCIM Institute
Campbell Soup Company
Century 21 Department Stores
Chemical Producers and Distributors Association
Citigroup Inc.
Commercial Mortgage Securities Association
Cornerstone Real Estate Advisers, Inc.
CSX Corporation
Edison Electric Institute
Electric Power Supply Association
The Financial Services Roundtable
The Food Marketing Institute
General Aviation Manufacturers Association
Helicopter Association International
Hilton Hotels Corporation
Host Hotels & Resorts, Inc.
Independent Electrical Contractors
Institute of Real Estate Management
Intercontinental Hotels
International Council of Shopping Centers
International Franchise Association
International Safety Equipment Association
The Long Island Import Export Association
Marriott International
Mortgage Bankers Association
National Apartment Association
National Association of Home Builders
National Association of Industrial and Office Properties
National Association of Manufacturers
National Association of REALTORS®
National Association of Real Estate Investment Trusts
National Association of Waterfront Employers
National Association of Wholesaler-Distributors
National Basketball Association
National Collegiate Athletic Association
National Council of Chain Restaurants
National Football League
National Hockey League
National Multi Housing Council
National Petrochemical & Refiners Association
National Restaurant Association
National Retail Federation
National Roofing Contractors Association
National Rural Electric Cooperative Association
The New England Council
Partnership for New York City
Office of the Commissioner of Baseball
Public Utilities Risk Management Association
The Real Estate Board of New York
The Real Estate Roundtable
Securities Industry and Financial Markets Association
Society of American Florists
Starwood Hotels and Resorts
Taxicab, Limousine & Paratransit Association
Travel Business Roundtable
Trizec Properties, Inc.
UJA-Federation of New York
Union Pacific Corporation
U.S. Chamber of Commerce

CIAT

**COALITION TO INSURE
AGAINST TERRORISM**
www.insureagainstterrorism.org

July 22, 2007

The Honorable Paul Kanjorski, Chairman
Subcommittee on Capital Markets, Insurance, and Government-Sponsored
Enterprises
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20510

Dear Chairman Kanjorski:

The Coalition to Insure Against Terrorism (CIAT), a broad-based coalition of business insurance policyholders representing a significant segment of the nation's GDP, strongly endorses H.R.2761, the Terrorism Risk Insurance Revision and Extension Act (TRIREA) of 2007 introduced by Representative Michael Capuano and others that would extend and improve the Terrorism Risk Insurance Extension Act (TRIEA). As the principal consumers of this vital insurance coverage, CIAT thanks you for your continued leadership on the issue of terrorism risk insurance and encourages you and your Subcommittee to quickly move this legislation to the full Committee.

The current federal terrorism risk insurance program has been a tremendous success. TRIEA has helped keep the economy going in the face of continued terrorist threats by allowing businesses across America to secure this commercially necessary product, saving countless jobs in the process. Moreover, it serves as an important tool to minimize the severe economic disruption that almost certainly will occur from a future terrorist attack.

With TRIEA's expiration looming at the end of 2007, CIAT earlier this year outlined a number of key enhancements to the program that we believe need to be part of any extension legislation. CIAT is pleased that H.R.2761 includes these key provisions.

Most important to policyholders are four provisions. First, the program's term would be extended to ten years. We applaud H.R.2761 for recognizing that such an extension affords policyholders with the certainty necessary for long-term projects and economic activity to move forward. With this in mind, CIAT would support any amendment during the mark-up phase that allows for a longer program duration beyond the proposed ten years.

Second, H.R.2761 would give businesses an important new option to purchase insurance for catastrophic non-conventional terrorism risks - the types of risks our government warns us about repeatedly – by making available to policyholders insurance against weapons of mass destruction – so-called NBCR risks - under "same terms and conditions" as “conventional” risks.

Third, this legislation would eliminate the distinction between foreign and domestic acts. As the London bombings and the foiled Kennedy Airport plot demonstrate, we must be prepared for “home-grown” terrorism as well as threats from abroad.

Lastly, H.R.2761 would return the program’s trigger level to \$50 million which will encourage smaller insurers, currently unable to participate in the program, to return to the terrorism risk insurance marketplace, thereby providing policyholders with a wider choice of insurance options.

There are two additional issues of importance to CIAT. First, CIAT supports the proposed "reset mechanism" contained in H.R.2761. This provision will provide an additional targeted incentive for private insurers to make terrorism risk insurance capacity available in those geographic areas that have suffered most from catastrophic terrorism.

Finally, CIAT opposes any increase in the "recoupment" provision contained in TRIEA. CIAT considers any increase above the current amount to be an excessive burden on the victims of terrorism and has the potential to be a lengthy drag on the economy in the aftermath of the next terrorist attack.

If enacted, H.R.2761 will ensure that the nation's workers and businesses will be able to secure adequate and affordable insurance coverage against terrorism after year-end, and that the nation has a sound policy in place to enable the economy to recover quickly should another terrorist attack occur in the U.S.

CIAT thanks you for taking a significant step towards securing the economy against terrorism risk by scheduling this mark-up.

Sincerely,

The Coalition to Insure Against Terrorism