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CIAT EXPRESSES APPRECIATION TO CONGRESSWOMAN WATERS FOR PANEL DISCUSSION ON REAUTHORIZING TERRORISM RISK INSURANCE ACT

Legislation Enables Private Market To Provide Terrorism Risk Insurance

“Risk of Terrorism Remains Acutely Apparent”

WASHINGTON, DC—The Coalition to Insure Against Terrorism (CIAT), which represents business consumers of terrorism risk insurance, expressed its appreciation to Rep. Maxine Waters (D-CA), Ranking Member of the House Financial Services Committee, for hosting a panel discussion today on the reauthorization of the Terrorism Risk Insurance Act (TRIA).

TRIA was originally enacted in 2002 in response to reinsurance and primary insurance companies excluding terrorism risk coverage from their policies after paying more than $30 billion in claims in the wake of the September 11, 2001 terrorist attacks. The absence of terrorism risk coverage restricted business activity, producing job losses and contributing to economic hardship.

TRIA brought terrorism risk insurance back to the market by requiring insurers to make the coverage available and establishing a regime under which the federal government would act as a reinsurer of last resort for a major terror attack. The law was renewed in 2005 and 2007, and it is scheduled to sunset at the end of 2014 unless it is renewed again.

Participating in the panel discussion were CIAT representatives W. Edward Walter, President and CEO of Host Hotels and Resorts, Inc., and Jeffrey D. DeBoer, President and CEO of the Real Estate Roundtable.

“The risk of terrorism remains acutely apparent to my company,” Walter said. “The thwarted 2010 Times Square bombing attempt happened directly in front of our Marriott Marquis, and the Boston Marathon bombings took place just two blocks from our Boston Marriott Copley Place and Sheraton Boston hotels. In the aftermath of another large terrorism event, without TRIA, we would likely face the same situation we confronted after 9/11, with insurance capacity limited, if available at all.”

Commenting on the need for an early reauthorization of TRIA, DeBoer noted, “In both 2005 and 2007, our members saw policy renewals that included “springing exclusions,” which would have voided terrorism coverage upon the expiration of TRIA. Based on this experience, as well as continued statements by the insurance industry about its lack of ability to model terrorism risk, we have already been told by a number of our members that they have been told by their carriers to again expect “springing exclusions” on policy renewals that extend past December 31, 2014.”
“TRIA has made it possible for businesses to purchase the terrorism risk coverage they need through the private market at almost no cost to the taxpayer,” said CIAT spokesperson Martin DePoy. “CIAT strongly advocates reauthorization of TRIA at the earliest possible date to avoid the marketplace uncertainty and business disruption that would result from delaying its reauthorization,” he added.

“We look forward to working with Ranking Member Waters and other Congressional leaders to move this important legislative initiative forward,” DePoy said.

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The Coalition to Insure Against Terrorism represents a wide range of businesses and other organizations throughout the real estate, manufacturing, utility, construction, transportation, entertainment and retail sectors. CIAT speaks for business insurance policyholders as part of an ongoing effort to ensure that terrorism coverage is both available and affordable. Visit our Web site at www.insureagainstterrorism.org.

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