

For Immediate Release
September 26, 2006

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NEWS RELEASE

**POLICYHOLDERS, INSURERS UNITED ON NEED FOR
LONG-TERM TERRORISM RISK INSURANCE SOLUTION**

Washington, D.C. – Many Americans think of homeland security in terms of safeguards to protect our transportation systems, urban centers and ports from terrorist attacks. But, according to the Coalition to Insure Against Terrorism (CIAT), the U.S. economy, itself, is a terrorist target. At a CIAT media briefing today, representatives from CIAT, The Real Estate Roundtable, U.S. Chamber of Commerce, the Risk and Insurance Management Society and American Insurance Association underscored that an effective homeland security program must include provisions to ensure the long-term availability of affordable terrorism risk insurance to safeguard the assets of the businesses that fuel the nation's economy.

The policyholder and insurance groups agreed that:

- Terrorism risk insurance, once a common element of nearly every commercial insurance policy, became virtually unavailable in the wake of 9/11. Reinsurers, who bore much of the financial burden of the terrorist attacks, exited the terrorism insurance marketplace. Direct insurers, unable to manage their exposure to terrorism risk without reinsurance, had to look for ways to limit their exposure, including not providing terrorism coverage. American businesses must have insurance to manage economic risk, and the lack of a private terrorism risk insurance market threatened the viability of the U.S. economy.
- In the face of this homeland security threat, Congress passed the Terrorism Risk Insurance Act (TRIA). In 2005, the Terrorism Risk Insurance Extension Act (TRIEA) extended a scaled-back version of the program through the end of 2007. TRIA and TRIEA established a federal reinsurance backstop, filling the void in the reinsurance marketplace, enabling direct insurers to provide terrorism risk insurance and bringing stability and security to the U.S. economy by equipping it to rebound from any future terrorist attack.
- There is no evidence that private reinsurers will re-enter the marketplace and no evidence that private markets can develop adequate terrorism risk insurance capacity without federal involvement.
- With TRIEA set to expire in just 15 months, it is essential that policymakers address this problem now to develop a long-term solution to protect the American economy. Policyholders already are seeing limitations in policies that would eliminate terrorism risk insurance coverage past the end of 2007.

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- Congress has shown insightful bi-partisan support for this issue in the past. CIAT and other private sector leadership organizations call for that same support from policymakers now to develop a long-term solution to this issue. CIAT and these organizations pledge our support for this critical effort.

The Coalition to Insure Against Terrorism includes:

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

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The Coalition to Insure Against Terrorism represents a wide range of businesses and other organizations throughout the transportation, real estate, manufacturing, construction, 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.