



May 8, 2008

The Honorable Dennis Moore
United States House of Representatives
1727 Longworth House Office Building
Washington, D.C. 20515-1603

Dear Representative Moore:

We write to lend our general support to your efforts to modernize and expand the Liability Risk Retention Act (LRRA) to include property coverage. The “Increasing Insurance Coverage Options for Consumers Act of 2008” is an important piece of legislation that addresses capacity shortages in the commercial property marketplace. In addition, the enhanced corporate governance standards you propose would ensure that risk retention groups are operated in ways that better protect the best interests of their insureds.

The establishment of risk retention groups and risk purchasing groups, through the Liability Risk Retention Act, has provided a successful model for the sale of specialized insurance across State lines. The Act presented consumers with another competitive option to help deal with the cyclicity of liability insurance availability and cost. The result has been greater premium competition and reduced costs, especially in areas where coverage is very limited and relatively unaffordable. To that end, we strongly believe that an expansion of the LRRA to cover property would provide similar relief to a commercial property market afflicted by significant catastrophic events over the past seven years.

It is also important to point out that the corporate governance standards in your bill would better secure the operation of risk retention groups for the benefit of the insureds. The requirements on ownership and control would strengthen the insureds’ authority and reduce the possibility that management companies would be able to promote their own interests at the expense of the member-owners.

We thank you for your leadership on this issue and other issues pertaining to the stabilization of the insurance marketplace. We look forward to the opportunity to work with you to improve and pass this important piece of legislation into law.

Regards,

<i>American Resort Development Association</i>	<i>American Risk Retention Coalition</i>
<i>Atlantic Health</i>	<i>Captive Insurance Companies Association</i>
<i>CHSI Captive & Insurance Managers LLC</i>	<i>Coalition to Insure Against Terrorism</i>
<i>Consumer Federation of America</i>	<i>Council of Insurance Agents and Brokers</i>
<i>Council of Large Public Housing Authorities</i>	<i>Georgia Captives Insurance Association</i>
<i>District of Columbia Insurance and Securities Regulation</i>	<i>MedStar Health</i>
<i>Housing Authority Insurance Group</i>	<i>International Council of Shopping Centers</i>
<i>Montana Captive Insurance Association</i>	<i>National Association of Realtors</i>
<i>National Multi-Housing Council</i>	<i>National Apartment Association</i>
<i>National Specialty Underwriters</i>	<i>Nevada Captive Insurance Association</i>
<i>ORG Risk Management Corporation</i>	<i>Premier Hotel Insurance Group</i>
<i>Property Casualty Insurance Association of America</i>	<i>Self-Insurance Institute of America</i>
<i>Risk Insurance Management Society</i>	<i>Public Housing Authorities Directors' Association</i>
<i>Taft Companies</i>	<i>Zurich</i>