

American Bankers Association
American Bankers Insurance Association
American Gas Association
American Hotel and Lodging Association
American Public Power Association
American Resort Development Association Resort Owners' Coalition
American Society of Association Executives
America's Community Bankers
Associated Builders and Contractors
Associated General Contractors of America
Association of Art Museum Directors
The Bond Market Association
Building Owners and Managers Association International
Boston Properties
CCIM Institute
Chemical Producers and Distributors Association
Commercial Mortgage Securities Association
Edison Electric Institute
Electric Power Supply Association
The Food Marketing Institute
General Aviation Manufacturers Association
Helicopter Association International
Hilton Hotels Corporation
Host Marriott
Independent Electrical Contractors
Institute of Real Estate Management
International Council of Shopping Centers
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
New York City Partnership
Public Utilities Risk Management Association
The Real Estate Board of New York
The Real Estate Roundtable
Six Continents Hotels
Society of American Florists
Starwood Hotels and Resorts
Taxicab, Limousine & Paratransit Association
UJA-Federation of New York
U.S. Chamber of Commerce
Westfield



April 21, 2004

The Honorable George W. Bush
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

The Coalition to Insure Against Terrorism (CIAT), a broad-based alliance of insurance policyholders, was formed after 9/11 to support your efforts to enact the Terrorism Risk Insurance Act (TRIA). Thanks to your indispensable leadership in securing passage of this legislation, TRIA has been a success in its limited life to date. It has stabilized the terrorism insurance marketplace and restored capacity that previously was unavailable to an enormous portion of the U.S. economy, thereby ensuring business continuity that is critical to the nation's overall economic and employment security.

Notwithstanding the encouraging signs that TRIA is working for now as intended, the members of CIAT are increasingly anxious about the looming prospect that our ability to obtain comprehensive and cost-effective terrorism coverage will be diminished substantially in 2005 unless the Secretary of the Treasury moves affirmatively, by September 1, 2004, to extend the so-called "make available" provision of TRIA. If this provision is allowed to expire this year, American businesses face the alarming prospect that terrorism insurance policies again will become scarce, if not unavailable altogether, *a full year earlier* than the statute's termination date at the end of 2005. Further, it is likely that the financial markets will react negatively in the final quarter of 2004 to the prospect that insurance may not be available.

This is because, absent such an extension, primary insurers would no longer be mandated to make terrorism insurance available on the same terms and conditions as other insurance, and because the private market for terrorism reinsurance below the federal trigger has failed to develop in a sufficient manner.

Although we had hoped initially, like all who were involved in the passage of TRIA, that a significant private market for terrorism reinsurance would emerge in a post-9/11 TRIA environment, this does not appear to have happened. Consequently, we are seriously concerned that with the absence of a "mandate" in 2005 under TRIA and with a paucity of private market reinsurance available, primary insurers will not offer, or "make available," significant, comprehensive terrorism insurance for the 2005 marketplace. This is especially troubling since the current marketplace is already handicapped by the unavailability of insurance

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against biological, chemical, radiological and nuclear events – even though TRIA backstops such events – and the very limited availability of insurance against terrorism not covered by TRIA (so-called “domestic” events).

Given your strong and unflagging support for TRIA in the wake of 9/11, we are confident that you share our view that recent developments throughout the world only underscore the importance of TRIA today and the economic imperative of affordable and available insurance against terrorism tomorrow.

Accordingly, we respectfully urge you to recommend to the Secretary of Treasury that he extend the vital “make available” provision of TRIA this year. This will ensure that the insurance industry will be prepared in 2005 to provide American business with one of the critical tools necessary to help protect the American economy and American jobs from the ugly and harmful specter of terrorism.

Respectfully yours,

THE COALITION TO INSURE AGAINST TERRORISM

cc: The Honorable John W. Snow