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January 5, 2015

Dear Senator,

The National Association of Professional Insurance Agents (PIA), a national trade association that represents independent insurance agents across the country, respectfully asks Congress to pass a bill to reauthorize the Terrorism Risk Insurance Act (TRIA) in an expedited manner. Since the program lapsed January 1, it is imperative Congress act immediately on this important issue to help protect the U.S. economy.

Shortly after the events of September 11, 2001, the property/casualty sector of the insurance industry determined that it could not sustain an additional terrorist attack without serious financial consequences befalling consumers and the nation's economy. As a result, TRIA was written and signed into law in 2002.

Due to the catastrophic nature of a terrorist attack, many insurers exclude terrorism coverage from their policies. The high level of exposure, particularly for certain geographic areas, has created an increased need for such insurance. The TRIA program addresses those concerns by offering a feasible solution through what has proven to be a successful public/private partnership.

Negotiators in Congress came together in a bipartisan manner in December and agreed on a compromise bill for a long-term reauthorization. PIA supported that bill (S. 2244 in 113th Congress), which overwhelmingly passed the House on December 10 and had a great deal of support in the Senate. It failed in the Senate due to unrelated provisions and procedural tactics.

Disruption in the terrorism insurance marketplace is already being felt. With insurers no longer obligated to offer terrorism as part of property coverage, this will lead to reduced availability and potentially lower terrorism insurance penetration. It also creates considerable confusion and uncertainty for businesses, consumers, and agents.

PIA urges Congress to do the responsible thing and pass this bill, or similar legislation, to provide a long-term, straightforward reauthorization of TRIA before the program's lapse causes serious damage to the U.S. economy and our national security. It is critical that Congress provide a long-term extension of TRIA to give certainty to consumers and stability to the markets.

Sincerely,

Mike Becker
Executive Vice President and CEO
PIA National