



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

500 New Jersey Avenue, N.W.
Washington, DC 20001-2020
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www.realtors.org/governmentaffairs

Pat Vredevoogd Combs
ABR, CRS, GRI, PMN
President

Dale A. Stinton
CAE, CPA, CMA, RCE
EVP/CEO

GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Edward R. Royce
2185 Rayburn House Office Building
Washington, DC 20515

Dear Representative Royce:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

The REALTORS® Commercial Alliance includes the Institute for Real Estate Management (IREM) and the Society of Industrial and Office Realtors (SIOR). IREM is the only professional real estate management association serving both the multifamily and the commercial real estate sectors. SIOR represents over 3,100 commercial real estate experts who have combined, leased or sold, over 2.4 billion square feet of space in the past year.

Terrorism insurance is often vital to the financing to commercial real estate transaction. Thus, the availability and affordability of coverage is not only important to property management and brokerage, but can also greatly impact the stability and health of commercial real estate markets. The draft "Terrorism Risk Insurance Revision and Extension Act of 2007" represents a strong first step in ensuring the continued availability of terrorism coverage, particularly as it pertains to conventional terrorism coverage.

NAR Supports Extending the Terrorism Risk Insurance Program for at Least 10 Years:

Economic certainty enables property managers and owners to more accurately predict property operating expenses and financing costs over time. The long term extension of TRIA would provide such certainty. By eliminating concerns that terrorism coverage may become unavailable or extremely costly, NAR believes a 10 year extension would ensure greater stability in commercial real estate markets.

Presidents Working Group on Financial Markets Reports Should Cover the Impact of Terrorism Risk Insurance Pricing on Commercial Real Estate:

The proposed legislation requires that Treasury report on the effectiveness of the terrorism risk insurance program at years three, six and nine. The legislation also establishes a blue ribbon commission to provide recommendations to increase private sector capacity and long term solutions at years five and eight. NAR believes that these reports will provide an excellent opportunity to determine how well the

program is performing. Given the volatility of insurance costs, NAR urges Congress to require both the blue ribbon commission and the Treasury to report on the impact terrorism insurance pricing has had on commercial real estate markets.

NAR Supports the Proposed Bill's Elimination of the Distinction between Foreign and Domestic acts of Terrorism:

The goal of the terrorism insurance program should be to cover the true unpredictable nature of terrorist risk regardless of whether its sources are foreign or domestic. According to a RAND study¹, Al Qaeda can be described as nebulous, segmented, and polycentric in character. In such an environment, nationalities matter little and the source of an attack may not be immediately apparent.

NAR Supports Making NBCR Coverage Available at Reasonable Rates:

NBCR coverage is almost impossible for insurers to write. GAO, Treasury and the President's Working Group have all concluded that a private reinsurance market for NBCR risks is unlikely to ever emerge. Yet, losses from a NBCR attack can greatly exceed the value of the destroyed commercial property.

NAR's commercial members believe that a terrorism risk insurance program, in order to be truly effective, must include coverage for such attacks. The legislative proposal takes an important first step in developing capacity and ensuring that such coverage is available. NAR urges Congress to continue working with the insurance industry to ensure that the pricing of such coverage does not become excessively burdensome.

The Proposed Commission on Terrorism Risk Insurance should have a Representative from the Commercial Real Estate Brokerage Community:

NAR also believes that the Commission on Terrorism Risk Insurance would be well served to have a member of the commercial real estate brokerage community. Commercial real estate brokers, with their intimate knowledge of local real estate markets are involved in all classes of commercial real estate, and facilitate transactions of all different sizes. Commercial real estate brokers see first hand how insurance availability and affordability can impact the operation and value of a property, and as a result act as a bellwether for coming commercial real trends.

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Sincerely,



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June 20, 2007

The Honorable Michele Bachmann
412 Cannon House Office Building
Washington, DC 20515

Dear Representative Bachmann:

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The Honorable Joe Baca
1527 Longworth House Office Building
Washington, DC 20515

Dear Representative Baca:

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June 20, 2007

The Honorable Tim Mahoney
1541 Longworth House Office Building
Washington, DC 20515

Dear Representative Mahoney:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Ginny Brown-Waite
414 Cannon House Office Building
Washington, DC 20515

Dear Representative Brown-Waite:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Tom Feeney
323 Cannon House Office Building
Washington, DC 20515

Dear Representative Feeney:

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June 20, 2007

The Honorable David Scott
417 Cannon House Office Building
Washington, DC 20515

Dear Representative Scott:

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GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Richard H. Baker
341 Cannon House Office Building
Washington, DC 20515

Dear Representative Baker:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

The REALTORS® Commercial Alliance includes the Institute for Real Estate Management (IREM) and the Society of Industrial and Office Realtors (SIOR). IREM is the only professional real estate management association serving both the multifamily and the commercial real estate sectors. SIOR represents over 3,100 commercial real estate experts who have combined, leased or sold, over 2.4 billion square feet of space in the past year.

Terrorism insurance is often vital to the financing to commercial real estate transaction. Thus, the availability and affordability of coverage is not only important to property management and brokerage, but can also greatly impact the stability and health of commercial real estate markets. The draft "Terrorism Risk Insurance Revision and Extension Act of 2007" represents a strong first step in ensuring the continued availability of terrorism coverage, particularly as it pertains to conventional terrorism coverage.

NAR Supports Extending the Terrorism Risk Insurance Program for at Least 10 Years:

Economic certainty enables property managers and owners to more accurately predict property operating expenses and financing costs over time. The long term extension of TRIA would provide such certainty. By eliminating concerns that terrorism coverage may become unavailable or extremely costly, NAR believes a 10 year extension would ensure greater stability in commercial real estate markets.

Presidents Working Group on Financial Markets Reports Should Cover the Impact of Terrorism Risk Insurance Pricing on Commercial Real Estate:

The proposed legislation requires that Treasury report on the effectiveness of the terrorism risk insurance program at years three, six and nine. The legislation also establishes a blue ribbon commission to provide recommendations to increase private sector capacity and long term solutions at years five and eight. NAR believes that these reports will provide an excellent opportunity to determine how well the

program is performing. Given the volatility of insurance costs, NAR urges Congress to require both the blue ribbon commission and the Treasury to report on the impact terrorism insurance pricing has had on commercial real estate markets.

NAR Supports the Proposed Bill's Elimination of the Distinction between Foreign and Domestic acts of Terrorism:

The goal of the terrorism insurance program should be to cover the true unpredictable nature of terrorist risk regardless of whether its sources are foreign or domestic. According to a RAND study¹, Al Qaeda can be described as nebulous, segmented, and polycentric in character. In such an environment, nationalities matter little and the source of an attack may not be immediately apparent.

NAR Supports Making NBCR Coverage Available at Reasonable Rates:

NBCR coverage is almost impossible for insurers to write. GAO, Treasury and the President's Working Group have all concluded that a private reinsurance market for NBCR risks is unlikely to ever emerge. Yet, losses from a NBCR attack can greatly exceed the value of the destroyed commercial property.

NAR's commercial members believe that a terrorism risk insurance program, in order to be truly effective, must include coverage for such attacks. The legislative proposal takes an important first step in developing capacity and ensuring that such coverage is available. NAR urges Congress to continue working with the insurance industry to ensure that the pricing of such coverage does not become excessively burdensome.

The Proposed Commission on Terrorism Risk Insurance should have a Representative from the Commercial Real Estate Brokerage Community:

NAR also believes that the Commission on Terrorism Risk Insurance would be well served to have a member of the commercial real estate brokerage community. Commercial real estate brokers, with their intimate knowledge of local real estate markets are involved in all classes of commercial real estate, and facilitate transactions of all different sizes. Commercial real estate brokers see first hand how insurance availability and affordability can impact the operation and value of a property, and as a result act as a bellwether for coming commercial real trends.

Again, we applaud you for making the long-term renewal of the terrorism risk insurance program a priority. We appreciate the opportunity to share NAR's views and look forward to working with you on this timely piece of legislation.

Sincerely,



Pat V. Combs, ABR, CRS, GRI, PMN
2007 President, National Association of REALTORS®

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NATIONAL ASSOCIATION OF REALTORS®

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June 20, 2007

The Honorable Ron Klein
313 Cannon House Office Building
Washington, DC 20515

Dear Representative Klein:

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Gary Weaver, Vice President

June 20, 2007

The Honorable Jim Marshall
504 Cannon House Office Building
Washington, DC 20515

Dear Representative Marshall:

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Gary Weaver, Vice President

June 20, 2007

The Honorable Stephen F. Lynch
221 Cannon House Office Building
Washington, DC 20515

Dear Representative Lynch:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Gary Weaver, Vice President

June 20, 2007

The Honorable Carolyn McCarthy
106 Cannon House Office Building
Washington, DC 20515

Dear Representative McCarthy:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Frank D. Lucas
2311 Rayburn House Office Building
Washington, DC 20515

Dear Representative Lucas:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Christopher Shays
1126 Longworth House Office Building
Washington, DC 20515

Dear Representative Shays:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Gary L. Ackerman
2243 Rayburn House Office Building
Washington, DC 20515

Dear Representative Ackerman:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

The REALTORS® Commercial Alliance includes the Institute for Real Estate Management (IREM) and the Society of Industrial and Office Realtors (SIOR). IREM is the only professional real estate management association serving both the multifamily and the commercial real estate sectors. SIOR represents over 3,100 commercial real estate experts who have combined, leased or sold, over 2.4 billion square feet of space in the past year.

Terrorism insurance is often vital to the financing to commercial real estate transaction. Thus, the availability and affordability of coverage is not only important to property management and brokerage, but can also greatly impact the stability and health of commercial real estate markets. The draft "Terrorism Risk Insurance Revision and Extension Act of 2007" represents a strong first step in ensuring the continued availability of terrorism coverage, particularly as it pertains to conventional terrorism coverage.

NAR Supports Extending the Terrorism Risk Insurance Program for at Least 10 Years:

Economic certainty enables property managers and owners to more accurately predict property operating expenses and financing costs over time. The long term extension of TRIA would provide such certainty. By eliminating concerns that terrorism coverage may become unavailable or extremely costly, NAR believes a 10 year extension would ensure greater stability in commercial real estate markets.

Presidents Working Group on Financial Markets Reports Should Cover the Impact of Terrorism Risk Insurance Pricing on Commercial Real Estate:

The proposed legislation requires that Treasury report on the effectiveness of the terrorism risk insurance program at years three, six and nine. The legislation also establishes a blue ribbon commission to provide recommendations to increase private sector capacity and long term solutions at years five and eight. NAR believes that these reports will provide an excellent opportunity to determine how well the

program is performing. Given the volatility of insurance costs, NAR urges Congress to require both the blue ribbon commission and the Treasury to report on the impact terrorism insurance pricing has had on commercial real estate markets.

NAR Supports the Proposed Bill's Elimination of the Distinction between Foreign and Domestic acts of Terrorism:

The goal of the terrorism insurance program should be to cover the true unpredictable nature of terrorist risk regardless of whether its sources are foreign or domestic. According to a RAND study¹, Al Qaeda can be described as nebulous, segmented, and polycentric in character. In such an environment, nationalities matter little and the source of an attack may not be immediately apparent.

NAR Supports Making NBCR Coverage Available at Reasonable Rates:

NBCR coverage is almost impossible for insurers to write. GAO, Treasury and the President's Working Group have all concluded that a private reinsurance market for NBCR risks is unlikely to ever emerge. Yet, losses from a NBCR attack can greatly exceed the value of the destroyed commercial property.

NAR's commercial members believe that a terrorism risk insurance program, in order to be truly effective, must include coverage for such attacks. The legislative proposal takes an important first step in developing capacity and ensuring that such coverage is available. NAR urges Congress to continue working with the insurance industry to ensure that the pricing of such coverage does not become excessively burdensome.

The Proposed Commission on Terrorism Risk Insurance should have a Representative from the Commercial Real Estate Brokerage Community:

NAR also believes that the Commission on Terrorism Risk Insurance would be well served to have a member of the commercial real estate brokerage community. Commercial real estate brokers, with their intimate knowledge of local real estate markets are involved in all classes of commercial real estate, and facilitate transactions of all different sizes. Commercial real estate brokers see first hand how insurance availability and affordability can impact the operation and value of a property, and as a result act as a bellwether for coming commercial real trends.

Again, we applaud you for making the long-term renewal of the terrorism risk insurance program a priority. We appreciate the opportunity to share NAR's views and look forward to working with you on this timely piece of legislation.

Sincerely,



Pat V. Combs, ABR, CRS, GRI, PMN
2007 President, National Association of REALTORS®

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NATIONAL ASSOCIATION OF REALTORS®

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Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Marsha Blackburn
509 Cannon House Office Building
Washington, DC 20515

Dear Representative Blackburn:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Joe Donnelly
1218 Longworth House Office Building
Washington, DC 20515

Dear Representative Donnelly:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Paul W. Hodes
506 Cannon House Office Building
Washington, DC 20515

Dear Representative Hodes:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Brad Miller
1722 Longworth House Office Building
Washington, DC 20515

Dear Representative Miller:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Walter J. Witek, Jr., Vice President
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June 20, 2007

The Honorable Michael E. Capuano
1530 Longworth House Office Building
Washington, DC 20515

Dear Representative Capuano:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Scott Garrett
1318 Longworth House Office Building
Washington, DC 20515

Dear Representative Garrett:

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June 20, 2007

The Honorable Donald A. Manzullo
2228 Rayburn House Office Building
Washington, DC 20515

Dear Representative Manzullo:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

The REALTORS® Commercial Alliance includes the Institute for Real Estate Management (IREM) and the Society of Industrial and Office Realtors (SIOR). IREM is the only professional real estate management association serving both the multifamily and the commercial real estate sectors. SIOR represents over 3,100 commercial real estate experts who have combined, leased or sold, over 2.4 billion square feet of space in the past year.

Terrorism insurance is often vital to the financing to commercial real estate transaction. Thus, the availability and affordability of coverage is not only important to property management and brokerage, but can also greatly impact the stability and health of commercial real estate markets. The draft "Terrorism Risk Insurance Revision and Extension Act of 2007" represents a strong first step in ensuring the continued availability of terrorism coverage, particularly as it pertains to conventional terrorism coverage.

NAR Supports Extending the Terrorism Risk Insurance Program for at Least 10 Years:

Economic certainty enables property managers and owners to more accurately predict property operating expenses and financing costs over time. The long term extension of TRIA would provide such certainty. By eliminating concerns that terrorism coverage may become unavailable or extremely costly, NAR believes a 10 year extension would ensure greater stability in commercial real estate markets.

Presidents Working Group on Financial Markets Reports Should Cover the Impact of Terrorism Risk Insurance Pricing on Commercial Real Estate:

The proposed legislation requires that Treasury report on the effectiveness of the terrorism risk insurance program at years three, six and nine. The legislation also establishes a blue ribbon commission to provide recommendations to increase private sector capacity and long term solutions at years five and eight. NAR believes that these reports will provide an excellent opportunity to determine how well the

program is performing. Given the volatility of insurance costs, NAR urges Congress to require both the blue ribbon commission and the Treasury to report on the impact terrorism insurance pricing has had on commercial real estate markets.

NAR Supports the Proposed Bill's Elimination of the Distinction between Foreign and Domestic acts of Terrorism:

The goal of the terrorism insurance program should be to cover the true unpredictable nature of terrorist risk regardless of whether its sources are foreign or domestic. According to a RAND study¹, Al Qaeda can be described as nebulous, segmented, and polycentric in character. In such an environment, nationalities matter little and the source of an attack may not be immediately apparent.

NAR Supports Making NBCR Coverage Available at Reasonable Rates:

NBCR coverage is almost impossible for insurers to write. GAO, Treasury and the President's Working Group have all concluded that a private reinsurance market for NBCR risks is unlikely to ever emerge. Yet, losses from a NBCR attack can greatly exceed the value of the destroyed commercial property.

NAR's commercial members believe that a terrorism risk insurance program, in order to be truly effective, must include coverage for such attacks. The legislative proposal takes an important first step in developing capacity and ensuring that such coverage is available. NAR urges Congress to continue working with the insurance industry to ensure that the pricing of such coverage does not become excessively burdensome.

The Proposed Commission on Terrorism Risk Insurance should have a Representative from the Commercial Real Estate Brokerage Community:

NAR also believes that the Commission on Terrorism Risk Insurance would be well served to have a member of the commercial real estate brokerage community. Commercial real estate brokers, with their intimate knowledge of local real estate markets are involved in all classes of commercial real estate, and facilitate transactions of all different sizes. Commercial real estate brokers see first hand how insurance availability and affordability can impact the operation and value of a property, and as a result act as a bellwether for coming commercial real trends.

Again, we applaud you for making the long-term renewal of the terrorism risk insurance program a priority. We appreciate the opportunity to share NAR's views and look forward to working with you on this timely piece of legislation.

Sincerely,



Pat V. Combs, ABR, CRS, GRI, PMN
2007 President, National Association of REALTORS®

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Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Christopher S. Murphy
501 Cannon House Office Building
Washington, DC 20515

Dear Representative Murphy:

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Gregory W. Meeks
2342 Rayburn House Office Building
Washington, DC 20515

Dear Representative Meeks:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Gary Weaver, Vice President

June 20, 2007

The Honorable Rick Renzi
418 Cannon House Office Building
Washington, DC 20515

Dear Representative Renzi:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Paul E. Gillmor
1203 Longworth House Office Building
Washington, DC 20515

Dear Representative Gillmor:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Shelley Moore Capito
1431 Longworth House Office Building
Washington, DC 20515

Dear Representative Capito:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Brad Sherman
2242 Rayburn House Office Building
Washington, DC 20515

Dear Representative Sherman:

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June 20, 2007

The Honorable Peter T. King
339 Cannon House Office Building
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Dear Representative King:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

The REALTORS® Commercial Alliance includes the Institute for Real Estate Management (IREM) and the Society of Industrial and Office Realtors (SIOR). IREM is the only professional real estate management association serving both the multifamily and the commercial real estate sectors. SIOR represents over 3,100 commercial real estate experts who have combined, leased or sold, over 2.4 billion square feet of space in the past year.

Terrorism insurance is often vital to the financing to commercial real estate transaction. Thus, the availability and affordability of coverage is not only important to property management and brokerage, but can also greatly impact the stability and health of commercial real estate markets. The draft "Terrorism Risk Insurance Revision and Extension Act of 2007" represents a strong first step in ensuring the continued availability of terrorism coverage, particularly as it pertains to conventional terrorism coverage.

NAR Supports Extending the Terrorism Risk Insurance Program for at Least 10 Years:

Economic certainty enables property managers and owners to more accurately predict property operating expenses and financing costs over time. The long term extension of TRIA would provide such certainty. By eliminating concerns that terrorism coverage may become unavailable or extremely costly, NAR believes a 10 year extension would ensure greater stability in commercial real estate markets.

Presidents Working Group on Financial Markets Reports Should Cover the Impact of Terrorism Risk Insurance Pricing on Commercial Real Estate:

The proposed legislation requires that Treasury report on the effectiveness of the terrorism risk insurance program at years three, six and nine. The legislation also establishes a blue ribbon commission to provide recommendations to increase private sector capacity and long term solutions at years five and eight. NAR believes that these reports will provide an excellent opportunity to determine how well the

program is performing. Given the volatility of insurance costs, NAR urges Congress to require both the blue ribbon commission and the Treasury to report on the impact terrorism insurance pricing has had on commercial real estate markets.

NAR Supports the Proposed Bill's Elimination of the Distinction between Foreign and Domestic acts of Terrorism:

The goal of the terrorism insurance program should be to cover the true unpredictable nature of terrorist risk regardless of whether its sources are foreign or domestic. According to a RAND study¹, Al Qaeda can be described as nebulous, segmented, and polycentric in character. In such an environment, nationalities matter little and the source of an attack may not be immediately apparent.

NAR Supports Making NBCR Coverage Available at Reasonable Rates:

NBCR coverage is almost impossible for insurers to write. GAO, Treasury and the President's Working Group have all concluded that a private reinsurance market for NBCR risks is unlikely to ever emerge. Yet, losses from a NBCR attack can greatly exceed the value of the destroyed commercial property.

NAR's commercial members believe that a terrorism risk insurance program, in order to be truly effective, must include coverage for such attacks. The legislative proposal takes an important first step in developing capacity and ensuring that such coverage is available. NAR urges Congress to continue working with the insurance industry to ensure that the pricing of such coverage does not become excessively burdensome.

The Proposed Commission on Terrorism Risk Insurance should have a Representative from the Commercial Real Estate Brokerage Community:

NAR also believes that the Commission on Terrorism Risk Insurance would be well served to have a member of the commercial real estate brokerage community. Commercial real estate brokers, with their intimate knowledge of local real estate markets are involved in all classes of commercial real estate, and facilitate transactions of all different sizes. Commercial real estate brokers see first hand how insurance availability and affordability can impact the operation and value of a property, and as a result act as a bellwether for coming commercial real trends.

Again, we applaud you for making the long-term renewal of the terrorism risk insurance program a priority. We appreciate the opportunity to share NAR's views and look forward to working with you on this timely piece of legislation.

Sincerely,



Pat V. Combs, ABR, CRS, GRI, PMN
2007 President, National Association of REALTORS®

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Pat Vredevoogd Combs
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President

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CAE, CPA, CMA, RCE
EVP/CEO

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Nydia M. Velázquez
2466 Rayburn House Office Building
Washington, DC 20515

Dear Representative Velázquez:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Dennis Moore
1727 Longworth House Office Building
Washington, DC 20515

Dear Representative Moore:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Gary Weaver, Vice President

June 20, 2007

The Honorable Lincoln Davis
410 Cannon House Office Building
Washington, DC 20515

Dear Representative Davis:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Gary Weaver, Vice President

June 20, 2007

The Honorable Dan Boren
216 Cannon House Office Building
Washington, DC 20515

Dear Representative Boren:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable J. Gresham Barrett
439 Cannon House Office Building
Washington, DC 20515

Dear Representative Barrett:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Deborah Pryce
320 Cannon House Office Building
Washington, DC 20515

Dear Representative Pryce:

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The Honorable Albio Sires
1024 Longworth House Office Building
Washington, DC 20515

Dear Representative Sires:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

The REALTORS® Commercial Alliance includes the Institute for Real Estate Management (IREM) and the Society of Industrial and Office Realtors (SIOR). IREM is the only professional real estate management association serving both the multifamily and the commercial real estate sectors. SIOR represents over 3,100 commercial real estate experts who have combined, leased or sold, over 2.4 billion square feet of space in the past year.

Terrorism insurance is often vital to the financing to commercial real estate transaction. Thus, the availability and affordability of coverage is not only important to property management and brokerage, but can also greatly impact the stability and health of commercial real estate markets. The draft "Terrorism Risk Insurance Revision and Extension Act of 2007" represents a strong first step in ensuring the continued availability of terrorism coverage, particularly as it pertains to conventional terrorism coverage.

NAR Supports Extending the Terrorism Risk Insurance Program for at Least 10 Years:

Economic certainty enables property managers and owners to more accurately predict property operating expenses and financing costs over time. The long term extension of TRIA would provide such certainty. By eliminating concerns that terrorism coverage may become unavailable or extremely costly, NAR believes a 10 year extension would ensure greater stability in commercial real estate markets.

Presidents Working Group on Financial Markets Reports Should Cover the Impact of Terrorism Risk Insurance Pricing on Commercial Real Estate:

The proposed legislation requires that Treasury report on the effectiveness of the terrorism risk insurance program at years three, six and nine. The legislation also establishes a blue ribbon commission to provide recommendations to increase private sector capacity and long term solutions at years five and eight. NAR believes that these reports will provide an excellent opportunity to determine how well the

program is performing. Given the volatility of insurance costs, NAR urges Congress to require both the blue ribbon commission and the Treasury to report on the impact terrorism insurance pricing has had on commercial real estate markets.

NAR Supports the Proposed Bill's Elimination of the Distinction between Foreign and Domestic acts of Terrorism:

The goal of the terrorism insurance program should be to cover the true unpredictable nature of terrorist risk regardless of whether its sources are foreign or domestic. According to a RAND study¹, Al Qaeda can be described as nebulous, segmented, and polycentric in character. In such an environment, nationalities matter little and the source of an attack may not be immediately apparent.

NAR Supports Making NBCR Coverage Available at Reasonable Rates:

NBCR coverage is almost impossible for insurers to write. GAO, Treasury and the President's Working Group have all concluded that a private reinsurance market for NBCR risks is unlikely to ever emerge. Yet, losses from a NBCR attack can greatly exceed the value of the destroyed commercial property.

NAR's commercial members believe that a terrorism risk insurance program, in order to be truly effective, must include coverage for such attacks. The legislative proposal takes an important first step in developing capacity and ensuring that such coverage is available. NAR urges Congress to continue working with the insurance industry to ensure that the pricing of such coverage does not become excessively burdensome.

The Proposed Commission on Terrorism Risk Insurance should have a Representative from the Commercial Real Estate Brokerage Community:

NAR also believes that the Commission on Terrorism Risk Insurance would be well served to have a member of the commercial real estate brokerage community. Commercial real estate brokers, with their intimate knowledge of local real estate markets are involved in all classes of commercial real estate, and facilitate transactions of all different sizes. Commercial real estate brokers see first hand how insurance availability and affordability can impact the operation and value of a property, and as a result act as a bellwether for coming commercial real trends.

Again, we applaud you for making the long-term renewal of the terrorism risk insurance program a priority. We appreciate the opportunity to share NAR's views and look forward to working with you on this timely piece of legislation.

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Pat V. Combs, ABR, CRS, GRI, PMN
2007 President, National Association of REALTORS®

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Dale A. Stinton
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Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Geoff Davis
1108 Longworth House Office Building
Washington, DC 20515

Dear Representative Davis:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Gary Weaver, Vice President

June 20, 2007

The Honorable Jim Gerlach
308 Cannon House Office Building
Washington, DC 20515

Dear Representative Gerlach:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Gary Weaver, Vice President

June 20, 2007

The Honorable Ed Perlmutter
415 Cannon House Office Building
Washington, DC 20515

Dear Representative Perlmutter:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Gary Weaver, Vice President

June 20, 2007

The Honorable Paul E. Kanjorski
2188 Rayburn House Office Building
Washington, DC 20515

Dear Representative Kanjorski:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable John Campbell
1728 Longworth House Office Building
Washington, DC 20515

Dear Representative Campbell:

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June 20, 2007

The Honorable Robert Wexler
2241 Rayburn House Office Building
Washington, DC 20515

Dear Representative Wexler:

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June 20, 2007

The Honorable Rubén Hinojosa
2463 Rayburn House Office Building
Washington, DC 20515

Dear Representative Hinojosa:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

The REALTORS® Commercial Alliance includes the Institute for Real Estate Management (IREM) and the Society of Industrial and Office Realtors (SIOR). IREM is the only professional real estate management association serving both the multifamily and the commercial real estate sectors. SIOR represents over 3,100 commercial real estate experts who have combined, leased or sold, over 2.4 billion square feet of space in the past year.

Terrorism insurance is often vital to the financing to commercial real estate transaction. Thus, the availability and affordability of coverage is not only important to property management and brokerage, but can also greatly impact the stability and health of commercial real estate markets. The draft "Terrorism Risk Insurance Revision and Extension Act of 2007" represents a strong first step in ensuring the continued availability of terrorism coverage, particularly as it pertains to conventional terrorism coverage.

NAR Supports Extending the Terrorism Risk Insurance Program for at Least 10 Years:

Economic certainty enables property managers and owners to more accurately predict property operating expenses and financing costs over time. The long term extension of TRIA would provide such certainty. By eliminating concerns that terrorism coverage may become unavailable or extremely costly, NAR believes a 10 year extension would ensure greater stability in commercial real estate markets.

Presidents Working Group on Financial Markets Reports Should Cover the Impact of Terrorism Risk Insurance Pricing on Commercial Real Estate:

The proposed legislation requires that Treasury report on the effectiveness of the terrorism risk insurance program at years three, six and nine. The legislation also establishes a blue ribbon commission to provide recommendations to increase private sector capacity and long term solutions at years five and eight. NAR believes that these reports will provide an excellent opportunity to determine how well the

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NAR Supports the Proposed Bill's Elimination of the Distinction between Foreign and Domestic acts of Terrorism:

The goal of the terrorism insurance program should be to cover the true unpredictable nature of terrorist risk regardless of whether its sources are foreign or domestic. According to a RAND study¹, Al Qaeda can be described as nebulous, segmented, and polycentric in character. In such an environment, nationalities matter little and the source of an attack may not be immediately apparent.

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NBCR coverage is almost impossible for insurers to write. GAO, Treasury and the President's Working Group have all concluded that a private reinsurance market for NBCR risks is unlikely to ever emerge. Yet, losses from a NBCR attack can greatly exceed the value of the destroyed commercial property.

NAR's commercial members believe that a terrorism risk insurance program, in order to be truly effective, must include coverage for such attacks. The legislative proposal takes an important first step in developing capacity and ensuring that such coverage is available. NAR urges Congress to continue working with the insurance industry to ensure that the pricing of such coverage does not become excessively burdensome.

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Pat V. Combs, ABR, CRS, GRI, PMN
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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Gwen Moore
1239 Longworth House Office Building
Washington, DC 20515

Dear Representative Moore:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Jeb Hensarling
132 Cannon House Office Building
Washington, DC 20515

Dear Representative Hensarling:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Michael N. Castle
1233 Longworth House Office Building
Washington, DC 20515

Dear Representative Castle:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Gary Weaver, Vice President

June 20, 2007

The Honorable Melissa L. Bean
318 Cannon House Office Building
Washington, DC 20515

Dear Representative Bean:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

June 20, 2007

The Honorable Peter J. Roskam
507 Cannon House Office Building
Washington, DC 20515

Dear Representative Roskam:

On behalf the 1.3 million members of the National Association of REALTORS® (NAR), including over 66,000 commercial real estate professionals of the REALTORS® Commercial Alliance, I applaud your efforts to ensure the long term availability and affordability of terrorism risk insurance.

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June 20, 2007

The Honorable Adam H. Putnam
1725 Longworth House Office Building
Washington, DC 20515

Dear Representative Putnam:

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