

September 17, 2019

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

The undersigned organizations, representing a wide variety of business interests, urge Congress to work swiftly to pass a long-term reauthorization of the Terrorism Risk Insurance Act (TRIA) which is currently set to expire at the end of 2020.

The tragic terrorist attacks on September 11, 2001, fundamentally changed the landscape for insuring against the risk of terrorism in the United States. Struck with an inability to model frequency, location, and the potentially devastating scale of modern terrorism, insurers were forced to pull out of the marketplace, and in the months following the attacks, the inability of insurance policyholders to secure terrorism risk insurance contributed to a paralysis in the economy, especially in the construction, travel and tourism, and real estate finance sectors.

Since its initial enactment in 2002, TRIA has served as a vital public-private risk sharing mechanism, ensuring that private terrorism risk insurance coverage remains available to commercial businesses, educational institutions and non-profit organizations at virtually no cost to the taxpayer. According to a 2019 Marsh study, the education, media, financial institutions, real estate, hospitality and gaming, and health care sectors had the highest 'take-up' rates among the 17 industry segments surveyed – all above 70%. TRIA fosters certainty in the marketplace and allows all of these interconnected elements of the economy to continue to move forward.

In 2018, the Treasury Department reported that “the Program has made terrorism risk insurance available and affordable in the United States, and the market for terrorism risk insurance has been relatively stable for the past decade.” Absent TRIA, there is not sufficient insurance and reinsurance capital available to provide comprehensive terrorism coverage to U.S. insurance buyers.

To this end, the undersigned organizations urge Congress to promptly enact a “clean” long-term extension of this vital program. Previous reforms to the program have minimized taxpayer exposure making further reforms unnecessary. In fact, the key “dials” are already effectively indexed to premium growth at both the company and industry level, and the federal share will continue to decrease in future years even if Congress makes no changes to the program beyond a simple change of the expiration date.

Making changes to the TRIA mechanism to increase insurer retentions could affect the ability of many insurers, particularly smaller and mid-sized companies, to write risks or markets altogether, which ultimately impacts the ability of policyholders to secure adequate coverage. Maintaining a workable federal terrorism insurance mechanism is vital for our nation’s economic security, and without adequate coverage, our ability to mitigate further economic fallout in the

event of an attack would be greatly impaired. There is no homeland security without economic security.

The American business community remembers all too well the twelve-day lapse in the program in early 2015 and the disruption that lapse played in a variety of markets. We urge Congress to help provide much needed certainty by passing a long-term reauthorization of this important program without delay.

Sincerely,

A.I.M. Mutual Insurance Companies

ACIG Insurance Company

Alliance Security

Allianz Global Corporate & Specialty

American Association of Port Authorities

American Bankers Association

American Council of Engineering
Companies

American Council on Education

American Family Insurance

American Gaming Association

American Property Casualty Insurance
Association

American Public Power Association

American Resort Development
Association

American Short Line and Regional
Railroad Association

Anderson Area Chamber of Commerce

Aon

Apache Junction Chamber of Commerce
and Visitor Center

ARCTRUST

Argo Group

Arrow Mutual Liability Insurance
Company

Associated General Contractors of
America

Associated Wire Rope Fabricators

Association of American Railroads

Atlantic Charter Insurance Company

AvalonBay Communities Inc.

AXA XL

Ballard Spahr LLP

Barron Mutual Insurance Company

Barton Mutual Insurance Company

Beacon Capital Partners, LLC

Beaver Creek Mutual Insurance Company

Benton Mutual Insurance Association

Black Hawk Mutual Insurance Company

Bloomfield Mutual Insurance Company

Boise Metro Chamber

Bolingbrook Area Chamber of Commerce

Boston Properties

Bradford Victor-Adams Mutual Insurance Company

Bremer Mutual Insurance Association

Broad Reach Retail Partners, LLC

Brookfield Properties

Broome Co-operative Insurance Company

Brotherhood Mutual Insurance Company

Buckeye Valley Chamber of Commerce

Bucksbaum Properties

Builders Mutual Insurance Company

California Association of Boutique & Breakfast Inns

California Hotel & Lodging Association

Camarillo Chamber of Commerce

CapSpecialty

CCIM Institute

Celina Mutual Insurance Company

Central Illinois Mutual Insurance Company

Century Mutual Insurance Association

Chautauqua Patrons Insurance Company

Chester County Chamber

Chubb (Pennsylvania)

CM Group

CNA Financial

Coalition to Insure Against Terrorism (CIAT)

Columbia Insurance Group

Community Associations Institute

Community Insurance Company

Co-operative Insurance Companies

Corporate Office Properties Trust

Cousins Properties

Decatur Chamber of Commerce

CRE Finance Council

CSX

Cumberland Mutual Fire Insurance Company

CUNA Mutual Group

Cushman & Wakefield Inc.

Davis Chamber of Commerce

Donahue Schriber Realty Group

Draper Area Chamber of Commerce

Dundee Mutual Insurance Company

Dunham & Chemung Mutual Insurance Company

East Tennessee Mutual Insurance Company

Eastern Iowa Mutual Insurance Association

EastGroup Properties

Edison Electric Institute

Edwardsville/Glen Carbon Chamber of Commerce

El Centro Chamber of Commerce

El Dorado County Chamber of Commerce

Electric Insurance Company

Erie Insurance

Essex Property Trust, Inc.

Extra Space Storage

Falls City Mutual Insurance Company Inc.

Farmers Home Fire Insurance Company of West Virginia, Inc.

Farmers Home Insurance Company

Farmers Insurance Company of Flemington

Farmers Mutual Fire Insurance Company of Marble

Farmers Mutual Insurance Company

Farmers Mutual Insurance Company Manchester

Farmers Pioneer Mutual Insurance Company

Farmers Protective Mutual Insurance Company

Farmers Union Mutual Insurance Company (AR)

Farmers Union Mutual Insurance Company (ND)

Farmers' and Mechanics' Mutual Insurance Company

Farmland Partners Inc.

First Maxfield Mutual Insurance Association

Food Marketing Institute

Foodservice Equipment Distributors Association (FEDA)

Forreston Mutual Insurance Company

Forward Mutual Insurance Company

Frankenmuth Mutual Insurance Company

Frederick Mutual Insurance Company

Gallagher Real Estate & Hospitality Services

General Reinsurance Corporation

German-American Farm Mutual Insurance Company

Gilroy Chamber of Commerce

Governmental Interinsurance Exchange

Grange Insurance

Great American Insurance Group

Greater Boca Raton Chamber of Commerce

Greater Coachella Valley Chamber of Commerce

Greater Conejo Valley Chamber of Commerce

Greater Flagstaff Chamber of Commerce

Greater New York Mutual Insurance Company

Greater Phoenix Chamber of Commerce

Greater Springfield Chamber of Commerce

Greater Yakima Chamber of Commerce

Grinnell Mutual Reinsurance Company

Hamel Mutual Insurance Company

Hamlet Mutual Insurance Company

Hanover Area Chamber of Commerce

Harding & Perkins Farm Mutual Insurance Company

Harford Mutual Insurance Company

Hawaii Employers Mutual Insurance Company
Heritage Mutual Insurance Association
Hilton Hotels & Resorts
Hochheim Prairie Farm Mutual Insurance Association
Horse Prairie Mutual Insurance Company
Host Hotels & Resorts
Hotel Association of Los Angeles
Household & Commercial Products Association
Hueneme Chamber of Commerce
Humboldt Mutual Insurance Association
Hutensky Capital Partners
International Council of Shopping Centers (ICSC)
IFG Companies
Illinois Association of Mutual Insurance Companies
Illinois Chamber of Commerce
IMT Insurance Company
Independence Realty Trust
Independent Insurance Agents & Brokers of America
Indiana Chamber of Commerce
Innovative Signal Analysis
International Franchise Association
International Speedway Corporation
International Safety Equipment Association

Island Insurance Companies
Jo Daviess Mutual Insurance Company
Kane County Mutual Insurance Company
Kilroy Realty Corporation
Kite Realty
Lake Havasu Area Chamber of Commerce
Lamar Advertising Company
Lansing Regional Chamber of Commerce
LaPrairie Mutual Insurance Company
Laredo Chamber of Commerce
Las Vegas Metro Chamber of Commerce
Lexington Chamber of Commerce
Liberty Mutual Insurance
Liberty Property Trust
Lincoln City Chamber of Commerce
Lititz Mutual Insurance Company
Livingston Mutual Insurance Company
Lloyd's of London
Lodi Chamber of Commerce
Loews Hotels & Co
Long Beach Area Chamber of Commerce
Long Beach Hospitality Alliance
Los Angeles Area Chamber of Commerce
Lubbock Chamber of Commerce
LWD Inc.
Marana Chamber of Commerce
Marriott International

Marshalltown Area Chamber of Commerce

Medical Properties Trust, Inc.

Mendota Mutual Insurance Company

Mennonite Mutual Insurance Company

Merchants Mutual Insurance Company

Mesa Chamber of Commerce

MetLife

MFS Mutual Insurance Company

MGM Resorts International

Mid-State Farmers Mutual Insurance Company

Millers Mutual Group

Monmouth Real Estate Investment Corporation

Mortgage Bankers Association

Mound Prairie Mutual Insurance Company

Mower County Farmers Mutual Insurance Company

MS & AD Insurance Group

Munich Reinsurance America, Inc.

Muscatine Mutual Insurance Association

Mutual of Indiana Insurance Company

Mutual of Wausau Group

NAMA—The National Automatic Merchandising Association

National Association of Real Estate Investment Trusts (Nareit)

National Apartment Association

National Association for Stock Car Auto Racing (NASCAR)

National Association of College and University Business Officers (NACUBO)

National Association of Home Builders

National Association of Mutual Insurance Companies (NAMIC)

National Association of Professional Employer Organizations

National Association of REALTORS®

National Association of Surety Bond Producers

National Association of Wholesaler-Distributors

National Black Chamber of Commerce

National Electrical Contractors Association

National Fire & Casualty Company

National Fire & Indemnity Exchange

National Hockey League

National Investor Relations Institute

National Multifamily Housing Council

National Restaurant Association

National Retail Federation

National Rural Electric Cooperative Association

National Waste & Recycling Association

Nationwide Mutual Fire Insurance Company

New Prague-Ceska-Louisville Mutual Insurance Company

New Vienna Mutual Insurance Association
Nonprofits Insurance Alliance
Norfolk & Dedham Mutual Fire Insurance Company
North Country Chamber of Commerce
North Orange County Chamber
North Star Mutual Insurance Company
Northern Finnish Mutual Insurance Company
Norwegian Mutual Insurance Association
Nuclear Energy Institute (NEI)
Oakwood Mutual Insurance Company
Ohio Mutual Insurance Group
OneBeacon Insurance Group, LLC
Orthopaedic Research Society
Oxnard Chamber of Commerce
Palm Desert Area Chamber of Commerce
Park Hotels & Resorts
Partnership for New York City
Pasadena Chamber of Commerce
Patriot Insurance Company
Pella Mutual Insurance Company
Penn Charter Mutual Insurance Company
Penn National Insurance
Pennsylvania Chamber of Business and Industry
Pennsylvania Lumbermens Mutual Insurance Company
Peoples Mutual Insurance Association

Peru Waltham Mutual Insurance
Pharmacists Mutual Insurance Group
Pioneer State Mutual Insurance Company
PMA Companies
Poweshiek Mutual Insurance Association
Prescott Valley Chamber of Commerce
Prophetstown Farmers Mutual Insurance Company
Rayonier, Inc.
Real Estate Board of New York
Regional Chamber of Commerce - San Gabriel Valley
Reinsurance Association of America
Reno + Sparks Chamber of Commerce
Restoration Risk Retention Group, Inc.
Riverton Chamber of Commerce
Rockford Mutual Insurance Company
Rolling Meadows Chamber
Rudin Management Company, Inc.
Safety National Casualty Corp.
Safety Specialty Insurance Company
San Gabriel Valley Economic Partnership
Schuylkill Chamber of Commerce
Seaview Investors LLC
SeaWorld Parks & Entertainment
SECURA Insurance Companies
Selma and Dallas County Chamber of Commerce and Tourism Information
Seneca, Sigel Mutual Insurance Company

Sentry Insurance
Shelbyville Mutual Insurance Company
Shelter Insurance
Shopping Center Interests, LLC
Sierra Vista Area Chamber of Commerce
Securities Industry and Financial Markets Association (SIFMA)
Society Insurance, A Mutual Company
South Jordan Chamber of Commerce
Southeast Mutual Insurance Company
Southern Company
Southwest California Legislative Council
Southwest Iowa Mutual Insurance Association
Spirit Realty Capital
Spring Vale Mutual Insurance Company
Starr Companies
Steele Traill County Mutual Insurance Company
Stephenson County Mutual Insurance Company
Sterling Insurance Company
Stirling Properties, LLC
STORE Capital
Surprise Regional Chamber of Commerce
Svea Mutual Insurance Company
Sverdrup Mutual Insurance Company
Swiss Re Americas
Tama County Mutual Insurance Association

Taubman Centers
Tenaska
Texas Hospital Insurance Exchange
The Building Owners and Managers Association (BOMA) International
The Chamber of Medford/Jackson County
The Council of Insurance Agents and Brokers
The Durst Organization
The Gray Insurance Company
The Hanover Insurance Company
The Hartford
The Macerich Company
The MEMIC Group
The Philadelphia Contributionship
The Port Authority of New York, New Jersey
The Real Estate Roundtable
The Taubman Company
The Travelers Companies, Inc.
The Victor Chamber of Commerce
The Walt Disney Company
Torrance Area Chamber of Commerce
Tucson Metro Chamber
Tulsa Regional Chamber
U.S. Chamber of Commerce
U.S. Travel Association
UDR, Inc.
UJA-Federation of New York

United Mutual Insurance Company
Upland Mutual Insurance, Inc.
Utica First Insurance Company
Utica National Insurance Group
Valley Mutual Insurance Association
W. R. Berkley Corporation
Watseka Mutual Insurance Company
Wayne Mutual Insurance Company
Weingarten Realty Investor
Welltower, Inc.
Western Iowa Mutual Insurance
Association
Western National Mutual Insurance
Company
Westfield
Westfield insurance Company
Westminster American Insurance
Company
Wholesale & Specialty Insurance
Association
Wisconsin Association of Mutual
Insurance Companies
Zurich North America