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October 29, 2019

The Honorable Maxine Waters
Chairwoman
House Financial Services Committee
2221 Rayburn House Office Building
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
House Financial Services Committee
2004 Rayburn House Office Building
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

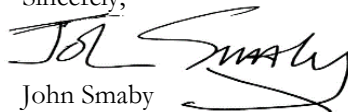
On behalf of the more than 1.3 million members of the National Association of REALTORS® (NAR) and its commercial affiliates, the CCIM Institute and the Institute of Real Estate Management (IREM), NAR is pleased to support H.R. 4634, the “Terrorism Risk Insurance Program Reauthorization Act of 2019,” introduced by Chairwoman Waters. This bipartisan legislation would extend the Terrorism Risk Insurance Program (TRIP) for ten years, providing stability to the current system which has successfully kept terrorism insurance available and affordable since 2002.

NAR’s membership includes thousands of commercial practitioners operating in markets across the country. They are involved in every sector of the industry: commercial development; sales of industrial, office, and retail buildings; hospitality and resort sales; commercial property management; and the leasing of commercial properties of all kinds. Their work is vital to the communities in which they live and work, and to the U.S. economy as a whole. To these members and their clients, terrorism risk insurance is often a necessary part of securing financing to close deals, build new developments, and open businesses, in turn creating jobs and attracting additional investment in these communities. Seventeen years after its creation, TRIP remains crucial toward keeping that coverage available and affordable for American businesses of all types and sizes.

The public-private risk-sharing partnership that TRIP provides ensures our nation’s business sector maintains adequate insurance coverage to effectively manage economic risks. Absent TRIP, it is likely the country will see a repeat of what happened in 2001, with many insurers no longer offering terrorism risk insurance coverage, or offering it only at significantly higher prices. Even the threat of TRIP not being reauthorized before its expiration at the end of 2020 could negatively impact the commercial real estate industry and the economy as a whole, which is why it is so important that Congress act early to reauthorize the program and provide stability in the market. Perhaps most importantly, this ten-year reauthorization does not make changes that weaken TRIP’s effectiveness, but rather improves it by including a requirement for a study on cyber terrorism, an emerging threat against the nation’s businesses.

REALTORS® thank you again for introducing this important legislation, which will provide stability to the commercial real estate industry, the U.S. economy, and our nation’s security for the next decade.

Sincerely,



John Smaby
2019 President, National Association of REALTORS®

cc: House Financial Services Committee



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