



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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

November 17, 2005

United States Senate
Washington, DC 20510

Dear Senator:

On behalf of its more than one million members, the NATIONAL ASSOCIATION OF REALTORS® (NAR) urges you to support S. 467, the "Terrorism Risk Insurance Extension Act of 2005," which will ensure the continued availability and affordability of terrorism insurance.

By creating a federal reinsurance backstop against losses resulting from a catastrophic terrorist attack, the Terrorism Risk Insurance Act of 2002 (TRIA) has allowed economic development to flourish and keep the commercial real estate markets strong, amidst the on going threat of a terror attack. Passage of S. 467 will ensure that the overall sense of economic and employment security that TRIA has brought will continue, while at the same time encouraging the insurance marketplace to become less dependent on the federal backstop.

NAR is concerned that without legislative action this year, the expiration of TRIA will likely result in an increase in premiums, a decrease in the number of businesses obtaining terrorism insurance, and in some markets, the complete unavailability of coverage. This disruption in the commercial real estate market will complicate the financing of numerous commercial real estate properties, impede the development of large scale commercial and residential development, leave large sectors of the economy uninsured in the event of a terror attack, and compel property owners to pass on the increased costs of terrorism coverage.

The swift passage of S. 467 in the Senate, and H.R. 4314 in the House, will reassure the commercial real estate market that terrorism insurance will be available and affordable beyond December 31 of this year, the date by which TRIA expires.

NAR applauds your efforts to address this critical issue this year.

Sincerely,

A handwritten signature in cursive script that reads "Jerry Giovaniello".

Jerry Giovaniello
Senior Vice President & Chief Lobbyist