



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 15, 2005

Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of its more than one million members, the NATIONAL ASSOCIATION OF REALTORS® (NAR) urges you to support legislation that 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 amidst the on going threat of a terror attack. Extension of this legislation will ensure that the overall sense of economic and employment security that has kept our economy strong will continue.

NAR is concerned that 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 scenario 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.

As you deliberate the future of TRIA, we urge you, in light of the ever changing terrorist threat, to not modify TRIA in ways that would increase premiums and decrease a property owner's ability to obtain terrorism insurance.

As the legislative calendar draws to a close, NAR also urges you to act expeditiously to mark up and send to the full house a TRIA extension bill that ensures both the continued affordability and availability of terrorism insurance.

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