



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
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December 6, 2005

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the of the over one million members of the NATIONAL ASSOCIATION OF REALTORS® (NAR), I commend the inclusion of H.R. 4314, the "Terrorism Risk Insurance Revision Act of 2005" on the suspension calendar, and urge you to support its passage. Passage of H.R. 4314 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 ongoing threat of a terror attack. Passage of H.R. 4314 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.

The extension of the federal reinsurance backstop under H.R. 4314 will ensure that there will be no interruption in terrorism coverage as TRIA sunsets at the end of the year. It will also help reduce the likelihood of terrorism insurance premium increases, reductions in availability, and will encourage more businesses to purchase terrorism coverage. Just as important, the extension of this program will ensure that terrorism coverage will be there for those commercial and multifamily developments that need it.

The swift passage of H.R. 4314 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,

Jerry Giovaniello
Senior Vice President & Chief Lobbyist