

July 19, 2004

U.S. House of Representatives  
Washington, DC 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 extend the “Terrorism Risk Insurance Act of 2002” (TRIA) which is scheduled to sunset at the end of 2005.

By creating a federal reinsurance backstop against losses resulting from a catastrophic terrorist attack, 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 which has kept our economy strong will continue. Without congressional action, TRIA will sunset at the end of next year, thereby jeopardizing continued terrorism insurance availability.

Recently Treasury Secretary John Snow extended the “make available requirement” through 2005. That action recognized the importance terrorism insurance availability to the nation’s economy, and the weakness of the reinsurance market to replace the federal backstop.

Without the extension of the TRIA, it is very likely that terrorism insurance will not be available beyond 2005. Without extending this legislation, by the middle of next year, we may begin to see property and casualty insurance policy renewals exclude terrorism coverage for 2006, thereby endangering the sense of economic security the terrorism insurance program brought since TRIA’s passage in 2002.

Several bills have been introduced that would extend TRIA. NAR urges Congress to work in a bi-partisan manner to pass a bill that will both extend TRIA for an additional two years and provide a gradual phase out of federal assistance so that the private terrorism insurance market will have a “soft landing” with minimal disruptions in coverage.

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

Sincerely,

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

Jerry Giovaniello  
Sr. Vice President