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Dear Representative:

On behalf of the 1.1 million members of the National Association of REALTORS® (NAR) and its affiliates, the CCIM Institute, the Institute of Real Estate Management (IREM), and the Society of Industrial and Office REALTORS® (SIOR), I urge you to support the “Terrorism Risk Insurance Program Reauthorization Act of 2015,” when the House votes on it this week. The reauthorization measure passed the House by a bipartisan vote of 417-7 in the 113th Congress, and is the result of a true compromise between the House and Senate. The bill renews the Terrorism Risk Insurance Act (TRIA) for six years and reduces the federal government’s exposure to risk while making minimal changes to a program that has worked since its inception in 2002 at virtually no cost to taxpayers.

NAR’s membership includes commercial practitioners and brokers who work with clients whose development plans and properties require terrorism insurance to secure financing. As more time passes without a reauthorized TRIA, many such policyholders will lose their coverage as private insurers invoke “springing exclusions” and cancel policies due to its expiration. TRIA has been a success, keeping private terrorism insurance coverage available and affordable while protecting taxpayers and limiting the federal government’s exposure to only the most extreme events. This reauthorization bill would maintain that market stability through the year 2020, and reduce the government’s exposure even further by increasing the “trigger” amount from \$100 million to \$200 million and also raising the recoupment amount from \$27.5 billion to \$37.5 billion over the course of five years. It also requires studies by the Treasury Department and the GAO on the certification process, competitive challenges to small insurers, and the prospects of implementing upfront premiums and creating a capital reserve fund under the program.

Please give your support to this important legislation when it reaches the House floor. The longer that TRIA is allowed to remain expired, the more scarce and expensive terrorism insurance will become, causing construction projects to stall and commercial property values to drop, as we saw in the wake of the September 11, 2001 terrorist attacks. TRIA provides a crucial framework for economic recovery in the wake of a catastrophic terrorist attack, and allows the United States to maintain a stable terrorism insurance market so employers can invest in properties and create jobs without assuming the risk and liabilities of a terrorist attack. Your support of this reauthorization bill will put an end to the market instability caused by TRIA’s uncertain future and provide stability for years to come.

Sincerely,



Chris Polychron
2015 President, National Association of REALTORS®

