NAR Issue Summaries

Insurance / Terrorism Insurance

NAR Committee:

Insurance Committee

What is the fundamental issue?

Congress must reauthorize the Terrorism Risk Insurance Act (TRIA) program to ensure access to affordable coverage for commercial property. TRIA is next set to expire at the end of 2027.

I am a real estate professional. What does this mean for my business?

TRIA is a public-private partnership created to fill in a gap in the private insurance market and protect the nation's business sector by making available terrorism risk insurance coverage. If terrorism insurance becomes unavailable, commercial real estate borrowers could be in technical default of financing obligations.

NAR Policy:

Supports the continued availability and affordability of terrorism risk insurance coverage under the TRIA program.

Opposition Arguments:

Opponents assert that the TRIA program is no longer necessary and should be phased out in order to the allow the private insurance market to take over. However, when the program has been allowed to briefly lapse or there has been a signficant threat of a lapse, private insurers have responded by no longer offering terrorism risk insurance coverage, or offering it at significantly higher prices that are not sustainable to commerical real estate markets.

Legislative/Regulatory Status/Outlook

The Terrorism Risk Insurance Act (TRIA) provides a federal backstop for insured losses from certified acts of terrorism. With TRIA set to expire on December 31, 2027, Congress has begun reauthorization efforts early to maintain stability in insurance and financial services markets.

On June 29, 2026, the House voted 373–15 to pass H.R. 7128, which would extend TRIA through 2034 and make two modest, bipartisan updates to the Department of Treasury's certification process:

- require public notice within 30 days of starting a TRIA review and establish a 90-day review framework, with a limited extension when sufficient information is not available; and
- update the event-certification loss threshold from $5 million to $10 million to ensure the certification process focuses on larger events

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On September 28, 2026, the Senate passed S. 4395 by unanimous consent. The Senate bill provides a seven-year extension of TRIA through 2034 but does not include the House certification process updates. To become law, an identical bill must pass both the House and Senate before it can be sent to the president.

NAR supported both bills and will continue to advocate for a timely, long-term reauthorization of TRIA.

Background on Prior Reauthorizations

- **2019:** Congress extended TRIA through 2027 as part of a year-end appropriations bill; no major changes.
- **2015:** Following a brief lapse, Congress enacted a six-year extension that:
  - Increased the program's trigger threshold from $100 million to $200 million in insured losses.
  - Reduced the federal share of losses above the threshold from 85% to 80%.
  - Raised the mandatory recoupment amount from $27.5 billion to $37.5 billion.
- **2007:** Congress approved a seven-year extension through 2014.
- **2005:** Congress enacted a two-year extension following the initial authorization.
- **2002:** Congress created TRIA under Public Law 107–297 in response to post-9/11 market disruptions.

Current Legislation/Regulation (bill number or regulation)

H.R. 7128 - TRIA Program Reauthorization Act of 2026

S. 4395 - Terrorism Risk Insurance Program Reauthorization Act of 2026

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