

1 **COMMITTEE:** **COMMUNICATIONS, FINANCIAL SERVICES AND**
2 **INTERSTATE COMMERCE**

3 **RESOLUTION:** **RESOLUTION IN SUPPORT OF THE FURTHER**
4 **EXTENSION OF THE TERRORISM RISK**
5 **INSURANCE ACT OF 2002**

6 **TYPE:** **RESOLUTION**

7 WHEREAS, the United States continues to be engaged in an ongoing war
8 against terrorism and the threats of future attacks inside the country remains; and

9 WHEREAS, future attacks could include the use of unconventional (nuclear,
10 biological, chemical or radiological) weapons that could result in a large number
11 of casualties or could involve attacks such as cyber-terrorism that would impact
12 businesses and critical infrastructure across the nation; and

13 WHEREAS, the Terrorism Risk Insurance Program, created through the
14 enactment of the Terrorism Risk Insurance Act (TRIA) of 2002 and extended in
15 2005 and 2007, has allowed for a viable and stable terrorism risk insurance
16 market; and

17 WHEREAS, absent extension by Congress, the Terrorism Risk Insurance Act of
18 2002 will expire on December 31, 2014; and

19 WHEREAS, failure by Congress to extend TRIA would likely result in the inability
20 of insurers to offer widespread coverage for future catastrophes resulting from

21 terrorism or would likely create capacity concerns where terrorism coverage must
22 be provided; and

23 WHEREAS, without adequate terrorism insurance coverage, banks may be
24 unwilling to extend loans for commercial transactions, such as mortgages,
25 construction projects and other capital-intensive initiatives; and

26 WHEREAS, the lack of private terrorism insurance to cover losses from future
27 terrorist attacks may require the federal government to cover such losses; and

28 WHEREAS, without the shared public-private responsibility program established
29 by the Terrorism Risk Insurance Act of 2002, a limited availability of insurance
30 against terrorism would have a severe adverse effect on our country's economy
31 as financiers might be reluctant to lend, businesses might be reluctant to invest,
32 and commercial consumers might be unable to afford insurance; and

33 WHEREAS, the Terrorism Risk Insurance Program is an essential component of
34 effective national economic recovery following a catastrophic terrorist attack in
35 the United States; and

36 WHEREAS, NCSL supported the enactment of the Terrorism Risk Insurance Act
37 of 2002 and subsequent extensions in 2005 and 2007;

38 NOW, THEREFORE, BE IT RESOLVED, that NCSL supports a long-term
39 extension of the Terrorism Risk Insurance Act of 2002; and

40 NOW, THEREFORE, BE IT FURTHER RESOLVED, NCSL urges Congress and
41 the Administration to take action as soon as possible to extend the Terrorism
42 Risk Insurance Act of 2002.