

# What's News In Insurance

## ***House Bill Renews Federal Terrorism Reinsurance for 10 Years, Expands Definition***

Congress officially has a new bill to reauthorize the federal terrorism reinsurance program.

Two Democrats from Massachusetts—U.S. Rep. Mike Capuano and the Chairman of the House Financial Services Committee Barney Frank—have introduced H.R. 2761, the Terrorism Risk Insurance Revision and Extension Act of 2007 (TRIREA).

The bill extends the Terrorism Risk Insurance Act (TRIA) for 10 years and, its supporters contend, will spur the development of a private market for terrorism risk insurance.

The Terrorism Risk Insurance Revision and Extension Act of 2007 (TRIREA) includes provisions to:

*Extend TRIA for 10 years with current co-payments and deductibles for conventional terrorism acts;*

*Expand TRIA's "make available" requirement to include NBCR coverage;*

*Change TRIA's definition of terrorism to include acts of domestic terrorism;*

*Set the program trigger at \$50 million;*

*Add group life insurance to the lines of insurance for which terrorism coverage must be made available;*

*Decrease deductibles and triggers for areas previously impacted by a significant terrorist attack; and,*

*Continue to require studies of the development of a private market for terrorism risk insurance.*

After the 9/11 terrorist attacks, many insurance companies excluded terrorism events from their insurance policies. As a result, Congress in 2002 passed TRIA, which created a federal backstop to protect against terrorism related losses. In 2005, the measure was extended for two years and currently is set to expire at the end of 2007.

"TRIA has helped make terrorism insurance available and affordable to businesses, particularly those in our major urban areas. Improving and extending the program will help stabilize the economy, as well as help protect American workers and our communities against possible terrorist attacks," stated Congressman Capuano.

*For a complete copy of the article, please visit our website.*