

# What's News In Insurance

## ***President Signs TRIA Extension***

With only five days left before the Terrorism Risk Insurance Act was set to expire on Dec. 31, 2007, President George Bush signed into law legislation that reauthorizes the federal backstop for seven years.

Some key provisions of HR 2761 or the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2007 include extending the current program for seven years; eliminating the distinction between foreign and domestic terrorism; and requiring the U.S. General Accountability Office (GAO) to conduct two studies. One study to address the issue of providing terrorist insurance coverage for nuclear, biological, chemical or radiological (NBCR) events and how best to expand such coverage; and the other – to be completed in six months – to examine the issue of high-risk areas in the United States that are faced with unique capacity constraints. Furthermore, the bill makes adjustments to the current mandatory recoupment requirements of the TRIA program through the use of accelerated policyholder surcharges during the first four years of the seven-year extension (2008-2012).

“We are pleased that President Bush has signed into law the Terrorism Risk Insurance Program Reauthorization and Extension Act of 2007, which reauthorizes the Terrorism Risk Insurance Program for seven years, through Dec. 31, 2014,” said Joseph Annotti, senior vice president of the Property Casualty Insurers Association of America, in a written statement. “This seven-year extension brings unprecedented certainty and stability to the terrorism insurance market and keeps in place an extremely successful and important public/private partnership that helps commercial insurance buyers and the entire economy protect themselves from the financial devastation of a future terrorist attack.”

The bill was signed by the President on Wednesday aboard Air Force One.

“The President’s signature today marks the final step and puts in place the long-term program necessary to help protect our nation from the threat of terrorism,” said Gov. Marc Racicot, president of the American Insurance Association, in a written statement. “Since its enactment in 2002, TRIA has been critical to businesses throughout the nation that have relied upon the program for the stability and certainty it provides the private marketplace. The seven-year extension included in this bill will help remove the risk, uncertainty and instability in the market and will foster long-term investment and economic growth.

Risk managers also applauded passage of the terrorism risk insurance bill, calling the TRIPRA “a success for U.S. businesses, as well as a safeguard for the national economy.”

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