



2014 Officers

President

Christopher B. Coleman
Mayor
Saint Paul, Minnesota

First Vice President

Ralph E. Becker
Mayor
Salt Lake City, Utah

Second Vice President

Melodee Colbert Kean
Mayor
Joplin, Missouri

Immediate Past President

Marie Lopez Rogers
Mayor
Avondale, Arizona

Executive Director

Clarence E. Anthony

Deputy Executive Director

Antoinette A. Samuel

April 16, 2014

The Honorable Tim Johnson
Chairman
Committee on Banking, Housing and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
Committee on Banking, Housing and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Johnson, Ranking Member Crapo, Chairman Hensarling and Ranking Member Waters:

As you continue to deliberate the reauthorization of the Terrorism Risk Insurance Act (TRIA), please consider the essential role our cities play in managing the terrorism risk across the country.

As a primary target for terrorist action, cities play an essential role in purchasing and managing effective terrorism risk insurance policies. Terrorism risk insurance protects cities against loss or liability that could significantly affect personnel, property, finances, and the ability of the local government to continue to fulfill its responsibilities to the public it serves.

More than 12 years after the tragic events of 9/11, the potential risk of large scale terrorist action in our cities continues to challenge the capacity and risk models of the private insurance market. That is why TRIA remains a vital public-private risk sharing mechanism with a federal backstop that guarantees terrorism risk insurance coverage remains affordable and available to local governments.

While TRIA is not set to expire until the end of the year, the renewal period for risk insurance for many cities is quickly approaching. We are concerned that cities which have terrorism policies with terms extending past TRIA's December 31, 2014, sunset date may see conditional exclusions in their policy renewals which could result in significant gaps in coverage. If Congress does not reauthorize TRIA soon, many cities could experience difficult negotiations, increased premiums and increased assumption of risk that they cannot afford. Without adequate terrorism insurance coverage, our cities' economy, jobs, and well-being are put at risk by terrorists' actions that are designed to undermine our economy and destroy our way of life.

In 2007, Congress recognized this fact and overwhelmingly approved legislation that reauthorized TRIA for seven years. We strongly believe that once again, there is a substantial majority in the House and Senate who will vote to reauthorize TRIA as soon the reauthorization legislation is reported out of your Committees. We look forward to working with you to make sure this happens as quickly as possible.

Thank you for your immediate attention to this issue and your continued dedication to making our cities safer and stronger. If we can provide further information or assistance on this issue, please contact Yucel Ors, NLC Program Director, Public Safety and Crime Prevention at ors@nlc.org or by telephone at 202.626.3124.

Sincerely,

A handwritten signature in black ink, appearing to read 'Clarence E. Anthony', with a long horizontal flourish extending to the right.

Clarence E. Anthony
Executive Director