

May 7, 2026

Federal Insurance Office  
ATTN: Richard Ifft, Room 1410 MT  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

**RE: 2026 TRIP Effectiveness Report**

Dear Mr. Ifft:

The Coalition to Insure Against Terrorism ("CIAT") files these comments in response to the Request for Comment (RFC) published in the March 25, 2026 *Federal Register*. 91 Fed. Reg. 14632.

CIAT is a broad coalition of commercial insurance consumers formed immediately after 9/11 to ensure that American businesses could obtain comprehensive and affordable terrorism insurance. The coalition's diverse membership represents commercial real estate, banking, energy, construction, hotel and hospitality, higher education, manufacturing, transportation, entertainment, the major league sports and racing, as well as public sector buyers of insurance. The CIAT membership can be found at <http://www.insureagainstterrorism.org/who-we-are/>.

CIAT is pleased to have the opportunity to comment on the overall effectiveness of the Terrorism Risk Insurance Program ("TRIP," or "Program"). CIAT members, as policyholders rather than insurers, are not in a position to provide specific comments on all questions presented by FIO, but it is important that the policyholder perspective be heard as Treasury considers this important program.

**Statutory Question 1. The Overall Effectiveness of TRIP.**

CIAT and its members were the driving force behind enactment of The Terrorism Risk Insurance Act ("TRIA") in 2002 and steadfast champions across four subsequent reauthorizations of the Program. We continue to believe the Program has been an unquestioned success because it effectively accomplished its primary objective – ensuring availability of terrorism coverage for commercial policyholders.

Maintaining a stable and competitive terrorism insurance marketplace is critical to America's economic national security. Terrorism insurance allows businesses to invest in assets and create jobs, while being protected from potentially massive losses that could result from an act of terrorism. For more than twenty years, the Program has ensured this important marketplace has remained intact, and the economy protected as a result.

**Statutory Question 2. The Availability and Affordability of Terrorism Risk Insurance.**

Terrorism risk coverage has been available to commercial policyholders since TRIA's enactment. As the principal commercial buyers of terrorism insurance, CIAT members remember all too well the economic environment that led to it. In the aftermath of 9/11, it was virtually impossible for commercial policyholders to secure coverage against terrorism risk; meanwhile, banks and other capital providers would not provide financing without it. According to a Real Estate Roundtable survey, over \$15 billion in real estate-related transactions were stalled or even cancelled because of a lack of terrorism risk insurance in the 14 months between 9/11 and TRIA's enactment. Additionally, due to deferred construction investment, the White House Council of Economic Advisors estimated that there was a direct loss of 300,000 jobs during that period. In short, the lack of availability of terrorism insurance for commercial policyholders had a very real and far-reaching impact on the economy.

TRIA's "make available" requirement created the market for CIAT members to access coverage and have kept insurers in the market ever since. While private capacity for terrorism risk and private industry's retention under TRIA have grown over time, CIAT is unconvinced that the private market would be able to devote the necessary capacity to terrorism risk absent the TRIA backstop.

In fact, we have seen evidence that capacity would dwindle without TRIA. Previously, when reauthorization of the program has extended into the final year of an existing authorization, CIAT members have seen policy renewals issued containing "springing exclusions" that would void terrorism cover if TRIA were to expire during the policy term. In the 2019 reauthorization, Congress acted over a year in advance of TRIA's planned expiration, so such exclusions were less apparent, but CIAT members reported the presence of springing exclusions for multi-year policies that extended into 2021. With an otherwise volatile insurance marketplace compensating for inflationary risk, more frequent and intense weather

events, and other factors impacting overall capacity, TRIA's backstop has helped ensure the availability and relative stability of terrorism risk insurance.

We can also report that coverage remains generally affordable, as evidenced by the high take-up rates associated with terrorism cover. For example, FIO's own 2024 report on TRIA's effectiveness similarly has shown strong take-up rates for terrorism insurance -- whether measured by policy count, direct earned premium, or policy limits.<sup>1</sup>

#### **Additional Question 2. Availability of Terrorism Risk Insurance for Nuclear, Biological, Chemical, or Radiological (NBCR) Exposures.**

Protecting for losses stemming from NBCR exposure is challenging since NBCR risk is typically excluded from commercial policies for terrorism and non-terrorism perils alike. Even though TRIA contains a "make available" requirement for providing terrorism coverage, that mandate does not extend to NBCR terrorism risk making for a limited and often prohibitively expensive market for policyholders looking to protect themselves from these specific forms of peril.

To the extent that we see availability of cover for NBCR terrorism, it is primarily in workers compensation, due to state laws that prohibit its exclusion. Additionally, some CIAT members utilize captive insurers to secure a limited amount of NBCR cover backstopped by TRIA. Without the TRIA backstop, we would expect NBCR coverage in the workers compensation market to continue (as mandated by state law) but those policies would dramatically increase in cost, and insurers may limit their risk concentrations. Additionally, while we might see some availability of specialty NBCR cover in the standalone market if the TRIA backstop lapsed, that coverage would likely be extremely limited and prohibitively expensive.

CIAT believes the lack of availability of coverage against NBCR risk has little to do with the design of TRIA since coverage in this space is not unique to terrorism risk.

#### **Additional Question 4. Reauthorization of TRIA Beyond Current Expiration on December 31, 2027**

CIAT and our members unequivocally support a long-term reauthorization of TRIA. For more than 20 years, TRIA has created and maintained a stable market for coverage from terrorism risk and as the coalition of policyholders that seek to purchase this coverage, we believe that continuing this important backstop is critical to maintaining this market.

Further, we would strongly encourage Congress to complete its work on reauthorization before the end of 2026. As stated previously, when reauthorization extends in the final year of an existing authorization, the introduction of springing exclusions creates uncertainty at the time of policy renewals.

#### **Additional Question 5. Issues Presented by Cyber-Related Losses.**

Legislative history demonstrates<sup>2</sup> Congressional intention that the TRIA backstop be available for cyber terrorism, and there is nothing in the statute that specifically excludes cyber coverage. However, the issues that have emerged regarding cyber vis-à-vis TRIA are generally twofold: (1) whether the cyber cover is written in a TRIA-eligible line; and (2) whether the cyber event will be eligible for certification as an "act of terrorism" under TRIA.

FIO's guidance issued in late 2016 provides additional clarity on the question of eligible lines, though we note that cyber insurance remains an evolving market and additional guidance may be necessary pending future developments.

#### **Additional Question 6. Potential Changes to Encourage Take-up of Cyber-Terrorism Insurance.**

As CIAT has noted previously, cyber insurance is an evolving market. Among the chief issues presented in the context of TRIA is the lack of clarity over whether a cyber-terrorism event would be certified as an "act of terrorism" under TRIA. TRIA requires that an act be "violent" or "dangerous [to life, property, or infrastructure]" and that it cause "damage." In the cyber-terrorism context, whether the "dangerous" and the "damage" conditions are met presumably may turn upon whether, for example, destruction of financial accounts, would be considered "damage" to "property." Massive infrastructure interruptions, such as electric grid, rails, pipelines, and air traffic control, presumably would present more straight-forward application. While we recognize Treasury's need to maintain some flexibility in certification decisions, it would be helpful for FIO to provide additional guidance on the application of certain aspects of the "act of terrorism" definition in the cyber context -- in particular, the scope of what may constitute "damage," and additionally a requirement relating to intent or motivation of the perpetrator.

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<sup>1</sup> FEDERAL INSURANCE OFFICE, U.S. DEPT. OF THE TREASURY, REPORT ON THE EFFECTIVENESS OF THE TERRORISM RISK INSURANCE PROGRAM (June 2024).

<sup>2</sup> Specifically, the Conference Report on the original TRIA in 2002 notes that "the Conferees intend the legislation to apply only to primary and excess commercial property and casualty insurance (including cyberterrorism and business interruption coverage)." H.R. Rep. No. 107-779, at 24 (2002) (Conf. Rep.).

Additionally, we are aware that policymakers continue to contemplate whether a federal backstop of some kind is necessary for cyber insurance in general (*i.e.*, not just cyber-terrorism insurance). CIAT is not taking a position on whether there is a need for such a program; however, we do not believe that any such program should be incorporated into TRIP. The Program has worked well for over two decades now, and we fail to see how a dramatic expansion of the Program into non-terrorism perils would produce anything other than uncertainty and volatility into what is now a stable marketplace.

#### **Additional Question 8. Captive Insurers' Access to TRIP**

CIAT members have long used captive insurance companies as a part of their overall insurance and risk management programs and their use pre-dates the creation of the TRIA backstop. While our members often prefer to purchase commercial insurance if it is available, at a reasonable price, and with necessary terms and limits, captives can often be used to provide enhanced coverage that is not generally available, or to decrease third party premium costs for risks that the captive owner is comfortable in retaining to a larger extent. Additionally, captives have been a useful tool to provide coverage that is otherwise unavailable or prohibitively expensive, such as cover for nuclear, biological, chemical, and radiological ("NBCR") terrorism perils.

Our members believe that there could be unintended market consequences if captives were somehow limited in their ability to access the TRIA backstop. NBCR coverage, for example, could be severely limited, as it is unlikely that a captive insurer would be able to completely replace the protection provided by the TRIA backstop with private reinsurance.

#### **Additional Question 9. Captive Insurer Use for NBCR Coverage Only**

While there could be instances where captives are being used solely to provide coverage against NBCR terrorism perils, many CIAT members utilize captives as just one piece of a company's overall risk-management program and often use those captives to manage risk outside of TRIA coverage entirely.

#### **Conclusion**

Overall, CIAT continues to believe that TRIP plays a vital role in providing economic stability in the face of an unknown threat and it establishes a comprehensive plan providing for economic continuity and recovery in the wake of a major terrorist attack. For more than twenty years and across four reauthorizations by Congress, TRIA has ensured that: (1) policyholders have the security of knowing their risk is properly insured rather than dependent upon after-the-fact disaster assistance; (2) the insurance industry's risk management and claims adjustment expertise is available for terrorism risk; and (3) a more significant portion of the costs of recovery from any act of terrorism will be borne by the private insurance industry's capital base than would be the case without TRIA ensuring their participation. Through its design as a contingent backstop, having the Program in place actually decreases taxpayer exposure from a potential terror event, improves policyholder risk management, and ensures a functioning terrorism insurance marketplace.

Sincerely,

The Coalition to Insure Against Terrorism