

September 15, 2025

The Honorable Mike Flood
Chairman
Subcommittee on Housing and Insurance
United States House of Representatives
Washington, DC 20515

The Honorable Emanuel Cleaver II
Ranking Member
Subcommittee on Housing and Insurance
United States House of Representatives
Washington, DC 20515

Dear Chairman Flood and Ranking Member Cleaver:

Thank you for holding this important hearing to examine the reauthorization of the program established by the Terrorism Risk Insurance Act of 2002 (TRIA) and its subsequent reauthorizations (the Program). The [Coalition to Insure Against Terrorism \(CIAT\)](http://www.insureagainstterrorism.org) is writing today to express its support for a long-term reauthorization of TRIA and to urge prompt Congressional action to renew this critical program in advance of its expiration on December 31, 2027.

Terrorism continues to pose a clear and present danger to our nation and to the American economy. According to the 2025 Annual Threat Assessment from the ODNI, “A diverse set of foreign actors are targeting U.S. health and safety, critical infrastructure, industries, wealth, and government. State adversaries and their proxies are also trying to weaken and displace U.S. economic and military power in their regions and across the globe.”¹

The Department of Homeland Security’s Office of Intelligence and Analysis 2025 Homeland Threat Assessment states, “Foreign terrorist organizations (FTOs) and their supporters will maintain their enduring intent to conduct or inspire attacks in the Homeland.”²

There is no homeland security without economic security. One of the stated aims of terrorists is to disrupt our economy: “... targeting America’s economy is the most efficient way to draw the path of obliteration of America.”³

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 diverse CIAT membership represents key elements of the commercial facilities sector, including 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. According to a 2019 Marsh⁴ study, the

¹ 2025 Annual Threat Assessment (ATA), Office of the Director of National Intelligence, March 2025.

² 2025 Homeland Threat Assessment, Office of Intelligence and Analysis, Department of Homeland Security.

³ Quazi Mohammad Rezwanul Ahsan Nafis, declared after being apprehended for plotting to bomb the Federal Reserve Bank of New York in 2012.

⁴ 2019 *Terrorism Risk Insurance Report*, Marsh Risk Management Research, 2019.

education, health care, financial institutions, and real estate sectors had the highest ‘take-up’ rates among the 17 industry segments surveyed – all above 70%.

We believe that the Program has been, and remains, extremely effective in achieving its primary purpose, which was to stabilize the market following 9/11 and to ensure the continued availability of terrorism coverage for commercial policyholders in the future. As part of its national economic security, America needs a stable and reliable terrorism insurance market so that employers can invest in assets and create jobs without assuming the risk and liabilities of a terrorist attack. At almost no cost to the taxpayer, the Program has been the key factor in ensuring that the private insurance market has remained intact and continues to meet the needs of commercial policyholders during the on-going threat of a future terrorist attack – all while minimizing federal taxpayer exposure.

Should the Program be allowed to sunset, we would expect a period of profound economic slow-down – posing a very real threat to our economic and homeland security. American businesses, schools, real estate owners, bond holders and the entire financial services system all depend on their ability to finance insured collateral. Without the ability to maintain adequate insurance coverage, a business or a property owner’s capacity to finance is materially impaired and its liquidity is jeopardized.

As the principal commercial buyers of terrorism insurance, CIAT members remember all too well the economic environment that led to establishment of the program. In the aftermath of 9/11, it was virtually impossible for commercial policyholders to secure coverage against terrorism risk; however, 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. It further underscores the need to have TRIA in place to minimize the economic fallout from the next terrorist attack.

CIAT concurs with the 2018 Department of Treasury Federal Insurance Office’s “*Report on the Effectiveness of the Terrorism Risk Insurance Program*” which concluded that the current terrorism risk insurance program is “effective in making terrorism risk insurance available and affordable in the insurance marketplace,”⁵ and that there is insufficient “private reinsurance capacity for the exposure the Program currently supports in connection with a catastrophic terrorism loss.”⁶ There has been no evidence that private markets can develop adequate terrorism risk capacity without some type of federal participation. The U.S. Government Accountability

⁵ FEDERAL INSURANCE OFFICE, U.S. DEPT. OF THE TREASURY, REPORT ON THE EFFECTIVENESS OF THE TERRORISM RISK INSURANCE PROGRAM 2 (June 2018).

⁶ Id. at 47.

Office (GAO), and the President's Working Group on Financial Markets concluded that “acts of terrorism” are uninsurable risks.⁷

Without TRIA in place, we believe the availability of terrorism risk coverage will diminish, or insurers will simply stop offering the coverage altogether. CIAT members have seen evidence of this each time that the TRIA has been up for renewal (most recently in 2019). In each instance, policy renewals often included "springing exclusions" which would have voided terrorism coverage upon the expiration of TRIA.

In conclusion, CIAT continues to believe that the Program has been a tremendous success. It is a comprehensive plan to provide for economic continuity and recovery in the wake of a major terrorist attack, while simultaneously protecting taxpayers via a mandatory recoupment mechanism. We urge Congress to promptly enact a long-term reauthorization of this important program.

Sincerely,

The Coalition to Insure Against Terrorism

cc: The Honorable French Hill, Chairman, U.S. House Committee on Financial Services
The Honorable Maxine Waters, U.S. House Committee on Financial Services

⁷ *Terrorism Risk Insurance: Report of the President's Working Group on Financial Markets*, September 2006, p.12; *Terrorism Insurance: Measuring and Predicting Losses from Unconventional Weapons Is Difficult, but Some Industry Exposure Exists*, United States Government Accountability Office, September 2006, p. 4.