## Summary

The Terrorism Risk Insurance Act (TRIA) provides a critical federal backstop that enables insurers to offer terrorism risk coverage necessary for commercial real estate financing, development, and operations. Since its enactment in 2002 following the Sept. 11 attacks, TRIA's public-private framework has supported insurance market stability and economic resilience at minimal cost to taxpayers.

The program expires Dec. 31, 2027. Bipartisan legislation passed by both chambers would extend TRIA for seven years, through Dec. 31, 2034. However, differences between the House and Senate bills must be resolved before a reauthorization can become law. RER supports prompt enactment of a long-term extension that preserves the program's effectiveness.

### Key Takeaways

- TRIA is a proven public-private risk-sharing program that helps ensure access to terrorism insurance coverage and limits taxpayer exposure through mandatory recoupment mechanisms.
- The TRIA Program Reauthorization Act of 2026 (H.R. 7128) was advanced by the House Financial Services Committee on Jan. 22, 2026, with an overwhelming 51–2 bipartisan vote. The bill was officially reported to the full House for consideration on March 19, 2026. The measure passed the U.S. House of Representatives 373–15 on June 29.
- On April 27, 2026, a broad bipartisan group led by Sens. Dave McCormick (R-PA), Tina Smith (D-MN), Thom Tillis (R-NC), and Ruben Gallego (D-AZ) introduced the companion Senate version. The U.S. Senate passed a companion measure (S. 4395) by unanimous consent on Sept. 28, 2026.
- The Senate bill maintains the program's existing core structure. The House bill would raise the minimum loss threshold for certification of an act of terrorism from $5 million to $10 million beginning in 2029 and add certification-related Treasury requirements.
- Both bills aim to extend the Terrorism Risk Insurance Program for an additional seven years, moving the expiration date from Dec. 31, 2027, to Dec. 31, 2034. Because the two chambers passed different versions, the legislation awaits reconciliation between the House and Senate before a final bill can be sent to the president. The measure is widely expected to be attached to a larger vehicle like the National Defense Authorization Act (NDAA) or reconciled during the end-of-year legislative session.

## Background

### Why the Federal Backstop Matters

- Following 9/11, terrorism risk insurance became largely unavailable, jeopardizing real estate financing and construction. An RER survey identified more than $15 billion in real estate transactions stalled or canceled in the 14 months before TRIA was enacted.
- Terrorism losses can be highly concentrated and difficult for the private insurance and reinsurance markets to absorb alone. Treasury's 2024 Federal Insurance Office report found the program remains effective and that private reinsurance capacity is insufficient to replace the federal backstop.
- In the absence of affordable coverage, lenders could limit financing, businesses could defer investment, and communities could face major economic disruption following an attack.

### CIAT and RER Advocacy

- In 2002, RER helped establish the Coalition to Insure Against Terrorism (CIAT), a broad coalition of commercial insurance consumers formed immediately after 9/11.
- CIAT's diverse membership represents key elements of the commercial facilities sector, including

commercial real estate, banking, energy, construction, hotel and hospitality, higher education, manufacturing, transportation, entertainment, major league sports and racing, as well as public sector buyers of insurance.

- Through CIAT, RER is actively advocating for a long-term reauthorization of TRIA, working with Congress and the Department of the Treasury. Our advocacy primarily focuses on ensuring the **long-term stability** and **affordability** of terrorism insurance for commercial policyholders.
- RER and CIAT supported House passage through a June 29 coalition letter backing H.R. 7128, building on testimony and letters to the House Financial Services Committee in September 2025 and January 2026. (Roundtable Weekly, July 17)
- RER and coalition partners urged congressional leaders on July 29 to include TRIA in must-pass legislation and pressed the Senate Banking Committee to advance S. 4395 in a Sept. 16 letter. They warned that insurance policies already extending beyond 2027 could face conditional exclusions if reauthorization is delayed. (Roundtable Weekly, July 31)
- RER and CIAT continue advocating for final House-Senate agreement and enactment before year-end to provide certainty for policyholders and insurers. (Roundtable Weekly, Oct. 2)

## Recommendations

**Enact a Long-Term Reauthorization of TRIA:** Congress should promptly enact a seven-year extension through 2034 to ensure continued economic stability, maintain access to terrorism risk insurance, and protect taxpayers through the program's mandatory recoupment mechanism.

- **Protect economic and homeland security:** Allowing TRIA to expire would jeopardize access to affordable terrorism insurance, disrupt commercial real estate financing, and threaten investment, liquidity, and economic growth.
- **Prevent market disruption and job losses:** Following 9/11, the lack of terrorism insurance stalled real estate transactions and construction projects, contributing to an estimated 300,000 lost jobs before TRIA's enactment. Reauthorization would prevent similar disruptions and provide certainty for insurers and policyholders.
- **Preserve an effective federal backstop:** RER concurs with the 2024 Department of Treasury's Federal Insurance Office's Report on the Effectiveness of the Terrorism Risk Insurance Program, which concluded that the current terrorism risk insurance program remains effective and that private reinsurance capacity is insufficient to replace the federal backstop. Maintaining the program is essential to ensuring the continued availability of terrorism coverage at minimal taxpayer cost.