



The Real Estate Roundtable

Reauthorizing Federal Terrorism Insurance

Capital and Credit

Summary

Today, the risk of terrorism remains as strong as ever. According to the Office of the Director of National Intelligence (ODNI) 2026 Annual Threat Assessment (ATA), a range of terrorist groups, especially those motivated by Islamist ideology, continue to pose threats to freedom and American lives here at home and abroad. In addition, state and nonstate actors have the capability to directly strike the homeland. Addressing these complex and evolving threats is a priority for the commercial facilities sector and the commercial property industry in particular.

For more than two decades, the national terrorism insurance program established by the Terrorism Risk Insurance Act (TRIA) has made it possible for businesses to purchase the terrorism risk coverage that the private market alone cannot provide. RER supports a long-term reauthorization of TRIA and urges prompt congressional action to renew this critical program in advance of its expiration on Dec. 31, 2027.

Key Takeaways

- Terrorism risk is a national security challenge that requires a federal solution.
- TRIA has successfully maintained market stability for over 20 years at minimal taxpayer cost.
- Without TRIA, terrorism risk coverage would become scarce or unaffordable, threatening economic resilience and recovery.
- Should a terrorist attack occur without adequate coverage in place, underinsured businesses will face the risk of ruin, with potentially catastrophic local economic effects, and the federal government will face significant pressure to hastily assemble financial assistance to underinsured victims.
- Early reauthorization will ensure continued business confidence and prevent market disruption as the program approaches its 2027 expiration.
- To that end, 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. 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. 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.

Background

Terrorism Risk Requires a Federal Insurance Backstop

- The nation's federal terrorism risk insurance program, established by TRIA and its subsequent extensions, is scheduled to sunset at the end of 2027. Because a viable private sector marketplace for this coverage does not yet fully exist, the program's expiration would leave policyholders and taxpayers exposed and unprotected—just as they were after 9/11.
- 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 an RER survey, over \$15 billion in real estate-related transactions were stalled or even canceled because of a lack of terrorism risk insurance in the 14 months between 9/11 and TRIA's enactment.
- 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



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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 *TRIA Program Reauthorization Act of 2026* (H.R. 7128) was introduced by Rep. Mike Flood (R-NE) on Jan. 16, 2026. On Jan. 22, 2026, the House Financial Services Committee voted 51–2 to advance the bill. The committee officially reported the bill to the full House on March 19, 2026 (H. Rept. 119-561).
- Sens. Dave McCormick (R-PA), Tina Smith (D-MN), Thom Tillis (R-NC), Ruben Gallego (D-AZ), and Bill Hagerty (R-TN) are leading the reauthorization of TRIA in the Senate and have introduced companion legislation.
- Through CIAT, RER is actively advocating for a long-term reauthorization of the [Terrorism Risk Insurance Act \(TRIA\)](#), 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. CIAT submitted comments for the record to the Subcommittee on Housing and Insurance, emphasizing that terrorism continues to pose a "clear and present danger" to the U.S. economy and infrastructure.
- CIAT's [statement](#) to the Subcommittee stressed the importance of enacting a long-term reauthorization well in advance of the sunset date.
- The Government Accountability Office (GAO), President's Working Group on Financial Markets, and other terrorism risk observers have consistently concluded that "acts of terrorism" are uninsurable risks.¹
- The nation's current terrorism risk insurance program provides continuity to the marketplace so that policyholders—American businesses, of all types, both large and small—are able to obtain the insurance coverage they need to manage terrorism risk, grow, create jobs, and protect the workers they employ.
- The program operates at almost no cost to taxpayers while minimizing federal exposure through mandatory recoupment mechanisms.

Recommendations

Reauthorize TRIA: TRIA 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.

- **Allowing the program to sunset would threaten economic and homeland security.** 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. 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.
- **The absence of terrorism insurance had significant economic and employment impacts.** Due to deferred construction investment, the White House Council of Economic Advisors estimated that there was a direct loss of 300,000 jobs during the 14 months between 9/11 and TRIA's enactment. In short, the lack of availability of terrorism insurance for commercial policyholders had a very real and far-reaching impact on the economy.
- **Federal analysis confirms TRIA's ongoing effectiveness.** RER concurs with the 2024 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 remains effective and that private reinsurance capacity is insufficient to replace the federal backstop.
- **Letting TRIA lapse would destabilize the market and limit coverage.** Without TRIA in place, 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 TRIA has been up for renewal (most recently in 2019).

¹ *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.