

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
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September 18, 2013

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, thanks you for holding a hearing on the Terrorism Risk Insurance Act of 2002 (TRIA).

In the months following the 9/11 terrorist attacks, the inability for insurance policyholders to secure terrorism risk insurance contributed to a paralysis in the economy, especially in the construction, travel and tourism, and real estate finance sectors. Since its initial enactment in 2002, TRIA has served as a vital public-private risk sharing mechanism, ensuring that private terrorism risk insurance coverage remains commercially available and that the U.S. economy would more swiftly recover in the event of a terrorist attack.

Catastrophic terrorism remains an uninsurable risk because its frequency and location cannot be accurately predicted, and its potential scale could be devastating. Without the backstop that TRIA provides, the private insurance market would be unable to provide adequate levels of terrorism risk insurance. TRIA promotes long-term availability of terrorism risk insurance for catastrophic terror events and has provided a standard of stability for financial markets and recovery after such an attack.

While TRIA is currently set to expire at the end of 2014, the Chamber strongly urges Congress to reauthorize this program sooner rather than later. As the Chamber's member companies map out plans for the next 16 months and beyond, the ability to secure terrorism risk insurance is crucial to ensuring that the American business community has the certainty that it needs to continue to move forward with projects and create jobs.

The Chamber thanks you again for holding this hearing and looks forward to working with the Committee to secure swift reauthorization of this important program.

Sincerely,



R. Bruce Josten

cc: Members of the House Committee on Financial Services