

# U.S. Senate Passes Bipartisan Terrorism Risk Insurance Act



7/17/2014 — **WASHINGTON, DC** -- In an effort to protect America's national security and economic security, the full U.S. Senate today passed on a strong bipartisan basis, S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014, which U.S. Senator Jack Reed (D-RI) co-authored along with U.S. Senators Charles E. Schumer (D-NY), Dean Heller (R-NV), and Mark Kirk (R-IL).

On a 93-4 vote, the U.S. Senate approved legislation that will reauthorize and extend the Terrorism Insurance Program established under the Terrorism Risk Insurance Act (TRIA) of 2002, which is set to expire at the end of 2014.

Created in 2002, in the wake of the terrorist attacks of 9/11, TRIA provides a federal backstop for insurance coverage against losses from devastating terrorist attacks. This insurance is crucial to spurring new development and protecting existing real estate in all areas of the country. TRIA has been reauthorized in 2005 and in 2007.

"Reauthorizing TRIA is vital," said Reed, a senior member of the Banking Committee, and one of the lead authors of the bipartisan bill. "We know the significant terrorist threats our nation still faces. We must keep markets effectively and efficiently operating in light of these threats. We must continue to have policies in place to make sure our economy stays on track in the event of another attack on our nation. In short, reauthorizing TRIA is not only a matter of economic security; it is also a matter of national security."

The legislation provides a seven year extension of TRIA until December 31, 2021 and improves existing taxpayer protections by gradually raising the insurer co-payment from 15% to 20% over five years and by gradually raising the mandatory recoupment threshold from \$27.5 billion to \$37.5 billion over five years.

According to a report last month by the Rand Corporation, the availability and cost of workers' compensation insurance, which is mandatory in most states, could be significantly affected if the program is not renewed. And without TRIA, hotels, stadiums, ports, and other businesses up and down the East Coast and elsewhere could face higher premiums that could hamper economic growth and urban development.

Now that the bill has passed the Senate, Reed and his Senate colleagues on both sides of the aisle are urging the U.S. House of Representatives to swiftly pass the legislation. This is vital because policies are starting to be written that extend into 2015.

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