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TERROR INSURANCE BACKSTOP'S EXTENSION PLEASES POLICYHOLDERS

Washington, D.C.—The Coalition to Insure Against Terrorism (CIAT) issued this statement by Steering Committee Coordinator Martin L. DePoy following enactment of the Terrorism Risk Insurance Extension Act of 2005:

“Extension of the nation’s terrorism insurance program for two years is welcomed and necessary. It would have been difficult, if not impossible, for policyholders to obtain affordable terror coverage in the absence of such a program. Construction and hiring would have slowed. The nation’s economic security would be in jeopardy.

The resulting extension increases the amount of property and casualty losses that trigger federal involvement, increases the financial stake of insurance companies and, in a modification promoted by CIAT, continues to require insurers to offer terror coverage under the same terms and conditions as other lines of coverage at levels below the event triggers.

We applaud the House and Senate for shaping and adopting the measure. And we thank the President for signing it into law so swiftly, thereby preventing any disruption in the availability of this essential coverage.

In the months to come, we look forward to consulting with the President’s working group on financial markets as they study how to best ensure the long-term availability and affordability of terrorism insurance. Of particular importance to CIAT is the pressing need for coverage against nuclear, biological, chemical and radiological attacks.”

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The Coalition to Insure Against Terrorism represents a wide range of businesses and organizations throughout the transportation, real estate, manufacturing, construction, entertainment and retail sectors. These groups speak for business insurance policyholders as part of an ongoing effort to ensure that terrorism coverage is both available and affordable. Visit our Web site at www.insureagainstterrorism.org.