

**For Immediate Release**  
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**P R E S S   R E L E A S E**

**GAO STUDY CONFIRMS CIAT'S VIEW THAT  
PRIVATE MARKET IS UNABLE TO INSURE NBCR RISKS**  
*All Forms of Terrorism Would Fail Insurability Test*

**Washington, D.C.** – A report from the U.S. Government Accountability Office released today underscored the necessity for creating a long-term federal terrorism risk insurance backstop and that all evidence suggests a private market solution, specifically for nuclear, biological, chemical and radiological (NBCR) attacks, is not and will not be available. The GAO report stated that, “Given the challenges faced by insurers in providing coverage for, and pricing, NBCR risks, any purely market-driven expansion of coverage is highly unlikely in the foreseeable future.”

In response to the GAO report, Martin DePoy, chairman of the steering committee for the Coalition to Insure Against Terrorism (CIAT), said: “The GAO report on terrorism risk insurance for NBCR attacks is the most complete and realistic study to date of this segment of the terrorism risk insurance marketplace. They considered the views and interests of the primary audiences who are most knowledgeable of and directly affected by this genuinely critical homeland security issue.

“The report makes it clear that NBCR coverage will not become available without a federal backstop because the risk of an NBCR attack cannot be assessed based on four measures that are essential to insurers’ ability to determine insurability and pricing. The criteria are: enough past occurrences to predict future losses; risks that are definite and measurable in terms of dollar value; events that occur by chance; and, events that do not result in catastrophic losses for the insurer.

“While the GAO report focused only on NBCR risk, the plain and simple fact is these same four issues apply to **all terrorism risk insurance assessment** – no matter whether the attack comes as a cloud of Anthrax spores or a hurtling airliner carrying 10,000 gallons of aviation fuel.

“We believe the broader message that can be taken from the GAO study on NBCR risk is that there will be no meaningful coverage for any terrorism risk without federal involvement – and a comprehensive, long-term solution to this issue is essential. CIAT is encouraged by the fact that congressional hearings on this subject are being held tomorrow. CIAT and our coalition’s 80 members of the policyholder community are anxious to participate productively in this process.”

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The Coalition to Insure Against Terrorism represents a wide range of businesses and other organizations throughout the transportation, real estate, manufacturing, construction, entertainment and retail sectors. CIAT speaks 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](http://www.insureagainstterrorism.org).