

February 25, 2014

The Honorable Tim Johnson
Chairman
U.S. Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Michael Crapo
Ranking Member
U.S. Senate Committee on Banking, Housing, and Urban Affairs
239 Dirksen Senate Office Building
Washington, D.C. 20510

RE: Terrorism Risk Insurance Act

Dear Chairman Johnson and Ranking Member Crapo:

Thank you for holding this hearing to examine issues regarding the Terrorism Risk Insurance Act (TRIA). We write on behalf of the National Association Insurance Commissioners (NAIC) to reiterate our strong support for TRIA reauthorization and to urge prompt Congressional action to renew this important partnership between the private insurance market and the federal government.

The NAIC is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and the five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

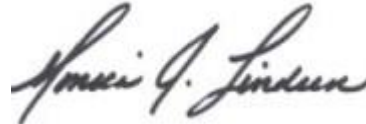
State insurance regulators believe that a federal partnership with the private insurance markets provides security by minimizing market disruptions and ensuring the widespread availability and affordability of property and casualty insurance for terrorism risks. Further, it does so with minimal financial risk to the U.S. government as the program provides a mechanism to reimburse the federal government for its expenditures. With the expiration of TRIA approaching at the end of this year, the NAIC recommends prompt Congressional action on a long term TRIA reauthorization to help ensure economic stability through the availability of terrorism coverage for commercial policyholders, lenders, builders, and the businesses that operate in areas prone to a terrorist attack.

We look forward to working with you as you continue to discuss TRIA reauthorization and would encourage all Members of Congress to discuss the program with their state's insurance commissioner. Should you wish to discuss any matters relating to the NAIC's views on this issue, please do not hesitate to contact Mark Sagat, Counsel and Manager, Financial Policy and Legislation, at (202) 471-3987, or Brooke Stringer, Financial Policy and Legislative Advisor, at (202) 471-3974.

Sincerely,



Commissioner Adam Hamm
NAIC President and
North Dakota Insurance Commissioner



Commissioner Monica Lindeen
NAIC President-Elect
Montana Office of the Commissioner
Of Securities and Insurance



Commissioner Michael F. Consedine
NAIC Vice President
Commissioner
Pennsylvania Department of Insurance



Commissioner Sharon P. Clark
NAIC Secretary-Treasurer
Commissioner
Kentucky Department of Insurance

cc: The Honorable Jon Tester, U.S. Senate
The Honorable Mike Johanns, U.S. Senate