

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON STATE AND FEDERAL LEGISLATION

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June 17, 2013  
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HELD AT: Council Chambers  
City Hall

B E F O R E:  
HELEN D. FOSTER  
Chairperson

COUNCIL MEMBERS:  
Council Member Elizabeth S. Crowley  
Council Member Erik Martin Dilan  
Council Member Lewis A. Fidler  
Council Member Domenic M. Recchia, Jr.  
Council Member Joel Rivera

## A P P E A R A N C E S (CONTINUED)

Carolyn Maloney  
Representative  
United States Congress

Andrew Breslau  
Vice President  
Alliance for Downtown New York

Angela Pinsky  
Senior Vice President Management Services and  
Government Affairs  
Real Estate Board of New York

Jessica Walker  
Representative  
Partnership for New York City

Sylvester Giustino  
Director of Legislation  
Building Owners and Managers Association of Greater  
New York

Mary Anne Rothman  
Executive Director  
Council of New York Cooperatives and Condominiums

John Hunt  
Senior Vice President, Senior Counsel of the  
Construction and Design Development Division  
Forest City Ratner Companies

Alexandra Littlejohn  
Executive Vice President  
Willis North America

Tarique Nageer  
Senior Vice President, Property Specialized Risk Group  
Marsh

CHAIRPERSON FOSTER: Good morning.

I am Council Member Helen Diane Foster, Chair of State and Federal Legislation. I am joined by Council Member Lew Fidler from The Bronx, I'm giving you a new borough--from Brooklyn; Council Member Joel Rivera from The Bronx; and Council Member Erik Dilan from Brooklyn. The Committee will be voting on a home rule in support of A 224-B, sponsored by Assembly Members Kavanagh and Stevenson, and Senate Bill S 340--Oh, 3461-B, sponsored by Senators Krueger and Squadron. In the recent months, the Council has had a strong record of cracking down on commercial cyclists who flagrantly flout basic traffic rules, endangering their own safety--wow, say that three times quickly--and the safety of pedestrians, drivers and other cyclists, as well as improving safety for the commercial cyclists by requiring retro-reflective vests, among other safety improvements. Making the business that employs these cyclists responsible for the violations they occur would be another important step in combatting this problem, and will hopefully provide a strong incentive for business owners to

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2 become active partners in ensuring the safety of  
3 their own employees and all New Yorkers. This  
4 bill would make business owners liable for certain  
5 rules of the road, certain rules of the road's  
6 violation committee by--committed by their  
7 employees or by others they employ. In addition,  
8 the bill would complement the work done by the  
9 Council on ebikes, by expanding the violation of  
10 riding a bicycle on the sidewalk to ebikes. That  
11 being said, do I have any discussion on the home  
12 rule before we vote? Council Member, you're good?  
13 All right. Will you call the roll, clerk, please?

14 CLERK: William Martin, Committee  
15 Clerk, roll call vote, Committee on State and  
16 Federal Legislation, Council Member Foster.

17 CHAIRPERSON FOSTER: Aye.

18 CLERK: Rivera.

19 COUNCIL MEMBER RIVERA: I vote aye.

20 CLERK: Dilan.

21 COUNCIL MEMBER DILAN: I'm just  
22 wondering, Madam Chair, if this includes the  
23 Citibikes, but I would imagine you might not know  
24 the answer to that. [laughs] But I vote aye.  
25 [laughs]

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CLERK: Fidler.

COUNCIL MEMBER FIDLER: Aye.

CLERK: By a vote of four in the affirmative, zero in the negative, and no abstentions, item is adopted. Members, please sign the Committee report and thank you.

CHAIRPERSON FOSTER: Thank you. We are now going to move into--we don't need to do anything tape wise, we're good? Yes? Okay. And we're going to leave this vote on--open for a little while, we have members that are still on their way. So, to the topic at hand, again, good morning, I'm Council Member Helen Diane Foster. Today we will be considering a Resolution calling on the United States Congress to introduce and pass, and the President to sign, legislation that would extend the Terrorism Risk Insurance Program Reauthorization Act of 2007. We will be hearing from Congress Member Carolyn Maloney, who is here with us, a lead sponsor on the pending legislation in Washington. Additionally, we will hear testimony from representatives of the insurance and real estate industries. First, I would like to thank Council Member Recchia, the Council's

1 Finance Chair, and member of this Committee, for  
2 sponsoring this Resolution, and bringing this  
3 important issue to our Committee. I've introduced  
4 the members, we've been joined by Council Member  
5 Crowley from Queens. After I finish the opening  
6 statement, then we'll allow you to vote, Council  
7 Member, and then we will go into the  
8 Congresswoman's testimony. Unfortunately, New  
9 Yorkers are all too familiar with the destruction  
10 and devastation acts of terror can have on a City  
11 and a nation. Beyond the personal loss and  
12 suffering, there is also a staggering economic  
13 impact. After the September 11th attacks, the  
14 insurance industry reported insured losses of an  
15 estimated \$32.5 billion, about \$40 billion in  
16 today's dollars. As a result, the insurance  
17 industry began to include terrorism insurance  
18 coverage from commercial policies and economic  
19 consequences quickly followed. In response,  
20 Congress passed the Terrorism Risk Insurance Act  
21 of 2002, that required property and casualty  
22 insurers to offer coverages for incidents of  
23 international terrorism and reinsure a large  
24 percentage of that insured risk to insure the  
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2 availability of terrorism insurance and permit  
3 many construction projects to move forward, help  
4 the economy grow and restore confidence that our  
5 economy was strong enough to withstand any future  
6 attacks. This act was extended in 2005 to the end  
7 of 2007. Here we are, a little over six years  
8 later, and the discussion is basically the same.  
9 Today, many businesses purchase terrorism  
10 insurance. Due to the Terrorism Risk Insurance  
11 Act and the government working together with the  
12 private sector, terrorism insurance is available  
13 and affordable. The Terrorism Risk Insurance Act  
14 and its successor have benefited businesses,  
15 workers, consumers, and the national economy, and  
16 the economy in New York City. As every New Yorker  
17 knows, our City is a primer target for terrorism.  
18 As we tragically found out in Boston only a few  
19 months ago, we don't know where or when the next  
20 attack will take place. And while we thank and  
21 acknowledge those in law enforcement who have  
22 prevented so many attempts, we need to address  
23 this important issue regarding the extension.  
24 Congress has a lot of important and pressing  
25 issues to deal with, and though we are a year-and-

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2 a-half away from the expiration, now is the time  
3 for Congress to act. If the Act were to sunset at  
4 the end of 2014, with Congress taking no action,  
5 it would hamper the ability of businesses of  
6 obtain affordable terrorism insurance, affecting  
7 businesses, workers and consumers across the  
8 country and in the City of New York. Congress  
9 should continue and expedite the process of  
10 reviewing whether the extension should be amended  
11 and extended, and for how long before we start to  
12 feel the impact of pricing and availability of  
13 insurance that was felt in 2005 and 2007  
14 extensions. Now, before we call on Congresswoman  
15 Maloney, I will ask--Oh, the clerk, to continue  
16 the roll call.

17 CLERK: Council Member Crowley.

18 COUNCIL MEMBER CROWLEY: I vote  
19 aye.

20 CLERK: Vote now stands at five in  
21 the affirmative.

22 CHAIRPERSON FOSTER: Thank you very  
23 much. And good morning, Congresswoman, have a  
24 seat, and thank you for coming back to your old  
25 stomping grounds.



CAROLYN MALONEY: - -

CHAIRPERSON FOSTER: Pull the mic to you and turn--if the light's on the mic is on.

CAROLYN MALONEY: Thank you, Chairwoman, I had the wonderful honor of serving with your father, Wendell, and it's so wonderful to see so many friends here: Liz Crowley, with whom I've worked on so many things; and Joel Rivera, your father and I served together and I believe I was here when you first walked in as a new person. And of course, Erik Dilan, your father is a State Senator, you know, my State Senator in Brooklyn now, so it's a great honor to be here. And Lew Fidler, always a pleasure. I must say, it's always a tremendous honor to have the opportunity to testify once again at the City Council, which I believe is the greatest local government in the country. And to be part of the government where all of the hard work in Albany and Washington is translated into the reality of helping people's lives. I truly believe that one of the most important issues before Congress now, certainly in terms of the economy of the great City of New York, is the terrorism risk insurance,

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2 the anti-terrorism risk insurance, and  
3 reauthorizing it, and making sure that it's there.  
4 Those of us who lived through 9/11 know the horror  
5 of it. And one of the horrors was that after  
6 9/11, you could not even build a hot dog stand  
7 without insurance. All building stopped. The  
8 Fitch Report that I have here, and would like  
9 unanimous consent to place in the record, states  
10 that they believe during that period, that our  
11 great City lost roughly 300,000 jobs and  
12 absolutely billions of dollars in income, \$15  
13 billion in real estate and other transactions that  
14 were cancelled or stalled because there was no  
15 insurance. So this resolution that have, that the  
16 Speaker Quinn has brought before you and others  
17 from the Finance Committee, is tremendously  
18 important, and we must get it reauthorized. The  
19 first time we passed it, we had a tremendously  
20 difficult time passing it. And even though we  
21 haven't been attacked, it's very important that we  
22 pass it now. And we know that City, that New York  
23 City remains, to this day, a top target for  
24 terrorists, and reauthorizing the Risk Insurance  
25 Act is absolutely essential to the City's

1 continued economic wellbeing. When we have our  
2 confidential briefings with the CIA and the  
3 intelligence sources of our great country, and  
4 they report that they are hearing talking or  
5 they're hearing threats, always the target is New  
6 York. And we know that Ray Kelly has publicly  
7 testified that there have been 13 different  
8 attempts to hurt New York since 9/11. So it's  
9 still very much a concern and a challenge for us.  
10 After 9/11, businesses across the country and  
11 especially New York City could not get terrorism  
12 insurance. This crippled the construction, real  
13 estate, finance and tourism industries. TRIA  
14 provided businesses and insurers with much needed  
15 certainty by establishing a stable, long-term  
16 federal support system for terrorism risk  
17 insurance. This helped the economy bounce back  
18 after 9/11, and ensured that terrorists could not  
19 wreak havoc on our economy and our way of life.  
20 The long term extension of TRIA in 2007 confirmed  
21 that federal support for terrorist risk insurance  
22 is a nonpartisan, common sense safeguard for our  
23 economy. Passage of the TRIA extension ensured  
24 that if, god forbid, another terrorist attack  
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2 occurred, we will be able to keep our markets  
3 open, our cities vibrant, and our economy strong.  
4 Opponents will claim that TRIA is unnecessary, but  
5 we need to remember that just because the federal  
6 backstop in TRIA was never used, does not mean  
7 that it's unnecessary. On the contrary, as the  
8 recent terrorist attack at the Boston Marathon  
9 demonstrated, TRIA remains as necessary as ever.  
10 The current TRIA program is scheduled to expire at  
11 the end of 2014, and we cannot let that happen.  
12 That's why I authored, with Congressman Grimm, a  
13 bipartisan bill, to expend the TRIA program. And  
14 I thank this Committee, Speaker Quinn, the City  
15 Council, for proposing this Resolution, calling on  
16 Congress to pass our bipartisan TRIA  
17 reauthorization bill. I will be doing all I can  
18 to work with the Democrats and Republicans in  
19 Congress to extend this program and look forward  
20 to working with the Council on this incredibly  
21 important effort. And I'd be very honored to  
22 answer any questions. And as I said, it is an  
23 honor to be before the City Council, in this body  
24 that I had the privilege of serving, and heading  
25 the Contracts Committee for ten years. I yield

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2 back, thank you.

3 CHAIRPERSON FOSTER: Thank you very  
4 much. I just have a few questions, and then I'll  
5 go to my colleagues if they have any. Where are  
6 you now in the process, in Congress?

7 CAROLYN MALONEY: The bill has been  
8 introduced and it is now before the Financial  
9 Services Committee on which I serve. We have a  
10 few cosponsors, and a hearing has not yet been  
11 held. One addition that I would add to your bill  
12 is calling upon the Council to have--or rather the  
13 Congress--to have hearings on this important  
14 legislation. I think it would also be important  
15 if this Council reached out to your counterparties  
16 across the country, and urged them to reach out to  
17 their Congress members to cosponsor the bill, and  
18 to call for hearings and to urge its passage.  
19 Literally, nothing could be more important for the  
20 economic security of our great City. If we don't  
21 have the terrorism risk insurance, our businesses,  
22 our real estate, our--cannot even function. No  
23 one would insure New York after 9/11. The only  
24 place that would insure any activity in New York,  
25 and it was incredibly expensive, was Lloyds of

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2 London. So, if we don't get this federal  
3 backstop, the Fitch Report predicts that we will  
4 face the same situation where people will not  
5 insure business activity in the great City of New  
6 York. And we cannot let that happen. And we have  
7 to remember, if anyone tries to make it a New York  
8 issue, it's not a New York issue, it's a national  
9 issue. We were attacked because we are the  
10 financial center, we are the biggest City in our  
11 great state, our great country. We were attacked  
12 as Americans, not as New Yorkers, but as  
13 Americans. And it's an American responsibility to  
14 make sure that all of our cities are able to get  
15 insurance to protect against terrorism attacks.

16 CHAIRPERSON FOSTER: That was  
17 actually, you addressed the next two questions I  
18 had. One was what can we do from this level? And  
19 number two, the attitude of, it was an attack on  
20 New York. How much has that attitude changed or  
21 not changed in Congress, especially when it comes  
22 to this bill, so that it is seen as something  
23 nationally, not as something that New York City is  
24 again asking for?

25 CAROLYN MALONEY: Well, Chairlady,

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2 that's a very good question. After 9/11, I have  
3 never seen this country more united or determined.  
4 And we very quickly created a commission, a  
5 bipartisan commission, that came out with roughly  
6 50 recommendations to make our country safer. We  
7 completely reorganized our entire intelligence  
8 gathering and the formation, bringing 18 different  
9 anti-terrorism units under one head, and the  
10 Department of Homeland Security. It was the  
11 biggest reorganization since 1948. It was the  
12 most important bill that I ever had the privilege  
13 to help author. But the further we get away from  
14 9/11, and with the pressing budget concerns that  
15 we have nationally, with sequestration, and the  
16 fight for funds, there is more of a parochial  
17 interest. So everyone is saying, "What about my  
18 state?" "What about Wyoming? We need anti-  
19 terrorism risk insurance." I mean, or "We need  
20 anti-terrorism aid." Well, there are more buffalo  
21 in Wyoming than people. I mean, New York is the  
22 target, we know it, regretfully, and we are  
23 targeted because we are American citizens and  
24 we're one of the economic centers of our great  
25 country. So, we just have to keep making that

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2 message. But as resources become more scarce,  
3 then the fight over them becomes--and even though  
4 this, we never had to exercise the federal  
5 backstop, many people do not even want us to have  
6 that. So, it's a big fight. It was a huge fight  
7 under the Bush Administration to get this passed,  
8 and it was really the academic community that came  
9 forward with all kinds of studies about how  
10 important it was to the overall economy, not only  
11 for New York but the whole country. So it's an  
12 important, very important measure. I know that  
13 our Mayor and our Speaker, and most of our council  
14 members have been deeply involved in trying to  
15 help make this happen.

16 CHAIRPERSON FOSTER: Thank you.  
17 Council Members, any questions? No. Thank you.  
18 And I appreciate you taking the time to come down.

19 CAROLYN MALONEY: Give my regards  
20 to your father - - [laughs]

21 CHAIRPERSON FOSTER: [interposing]  
22 I definitely will. And we will--

23 CAROLYN MALONEY: Tell him I  
24 inquired about him.

25 CHAIRPERSON FOSTER: I will, thank



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you.

CAROLYN MALONEY: Okay.

CHAIRPERSON FOSTER: And keep us informed so that we know what we can continue to do to push this through. So thank you very much.

CAROLYN MALONEY: Well, I think reaching out to City Councils across the state-- across the state and across the country, really, particularly in threat areas, such as Washington and Chicago and L.A. and San Francisco and some of the areas that are threatened. Anyway, it is always a great honor to be before this important institution, and I'm thrilled to see so many old friends again. And consider it one of the happiest times in my life to have been able to serve her and be part of forming the government in the greatest city in the world. So, thank you very much.

CHAIRPERSON FOSTER: Thank you.

[pause, background noise] The next is, I'm going to call, is a panel, and the first, Andrew Breslau, did I get that right? [background comment] The Alliance for Downtown New York. Angela ... Pinsky. [background comment] Oh, yes.

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2 Jessica Walker. [background comments] Sylvester  
3 Gustina [phonetic], I think that's a G. It's a G?  
4 [background comment, "It's a G."] Okay. Can we  
5 bring one more chair up? [pause, background  
6 noise] Can we have one more chair? And then I  
7 can have one last panelist: Marianne Rothman.  
8 Thank you. [pause, background noise] Okay, why  
9 don't we start with Mr. Breslau, and we can just  
10 go in the order I called, if that's okay. If you  
11 remember. Good morning, thank you.

12 ANDREW BRESLAU: Good morning,  
13 Chairperson Foster and Members of the Committee on  
14 State and Federal Legislation. I am Andrew  
15 Breslau, the Vice President of the Alliance for  
16 Downtown New York, which manages the downtown  
17 Lower Manhattan Business Improvement District. We  
18 come before you today to urge you in the strongest  
19 terms to support this resolution. Simply put,  
20 without Congressional reauthorization of TRIA and  
21 the President's support, the last 12 years of hard  
22 work revitalizing Lower Manhattan and the  
23 effectiveness of billions upon billions of private  
24 and public dollars invested in the district, might  
25 be dramatically blunted. Not only would such a

1 failure be potentially devastating to lower  
2 Manhattan, but our entire region's economy would  
3 suffer for it. Since 12:01 p.m. on Thursday,  
4 September 16, 1920, when a horse drawn carriage  
5 laden with dynamite exploded on Wall Street,  
6 killing 38 and seriously injuring another 143 New  
7 Yorkers, Lower Manhattan has been the number one  
8 target for those who wish to practically and  
9 symbolically wage war against our country and way  
10 of life. Whether it was that 1920 bombing, the  
11 1993 Trade Center attack, or the awful events of  
12 September 11, 2001, our history has shown that the  
13 district's residents, visitors, businesses, and  
14 property owners, have borne a heavy burden of  
15 risk. That burden, while carried in distinct ways  
16 by Lower Manhattan, is certainly not unique to us.  
17 Whether it's the recent events in Boston, or the  
18 threats to Times Square here that require our  
19 constant vigilance, this is a citywide and  
20 nationwide issue. The Terrorism Risk Insurance  
21 Act of 2002, and its successor bills that were  
22 passed in the wake of 9/11, insured the  
23 availability of terrorism risk insurance for those  
24 who build our neighborhoods and others that have  
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2 borne similar risks. If TRIA were to lapse at the  
3 end of 2014, billions, possibly trillions in  
4 commercial loans that are required to have  
5 terrorism insurance would be in technical default,  
6 creating a massive disruption to our City, the  
7 region and nation. In managing the threat of  
8 terrorism, we often hear that "carrying on" is the  
9 watchword we must live by. In order to carry on a  
10 significant responsibility all of us, is to help  
11 insure stability and predictability for the  
12 business community. TRIA provides that stability.  
13 It's requirements that business insurers offer  
14 terrorism coverage for the types of insurance  
15 included in the Act, and the federal government  
16 provide a backstop for medium to large financial  
17 losses due to terrorism are both sensible and  
18 prudent. The legislation takes great pains to  
19 minimize the long term financial risk to the  
20 public and allows business to be conducted in an  
21 atmosphere of potential and possibility, not undue  
22 anxiety. Without a government backstop for  
23 terrorism insurance such as TRIA, private  
24 terrorism risk coverage would simply not be  
25 commercially available, as was the case following

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2 9/11. Allowing such economic vulnerability to be  
3 the case once again should simply not be  
4 entertained. We urge your support for this  
5 resolution and thank you for your work and concern  
6 on this matter.

7 CHAIRPERSON FOSTER: Thank you.

8 ANGELA PINSKY: Good morning,  
9 Chairperson Foster. My - -

10 CHAIRPERSON FOSTER: [interposing]  
11 Pull the mic closer to you. Is the light on?

12 ANGELA PINSKY: The red light's on.

13 CHAIRPERSON FOSTER: Okay, good.

14 ANGELA PINSKY: Good morning,  
15 Chairperson Foster and Members of the Committee on  
16 State and Federal Legislation. The Real Estate  
17 Board of New York representing over 14,000 owners,  
18 developers, managers and brokers of real property  
19 in New York City, thanks you for the opportunity  
20 to testify about the necessity of extending the  
21 federal terrorism risk insurance program. New  
22 York City, with its numerous icons and structures  
23 that have come to represent parts of the American  
24 identity, including Times Square, the Empire State  
25 Building, our stadiums, Brooklyn Bridge, Central

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2 Park and of course the reconstructed buildings of  
3 the World Trade Complex, has a specific need for  
4 protections against terrorism. Although the  
5 events of Boston have shown that this is not an  
6 issue that is unique to us, it is commonly  
7 acknowledged in the insurance industry that New  
8 York, the New York City Metropolitan area is in  
9 the higher tier of risk in the country, along with  
10 Washington, D.C., San Francisco and Chicago. The  
11 risk is reflected in the number of businesses and  
12 organizations that purchase terrorism risk  
13 insurance and the northeast has the highest rate  
14 of take-up of terrorism risk insurance of the  
15 country, over 70 percent in each of the last three  
16 years. Which is why the expiration of TRIA at the  
17 end of 2014 is critical--the extension of TRIA at  
18 the end of 2014 is critical for--it is critical  
19 for the City Council of New York to have this  
20 hearing and to pass a Resolution urging Congress  
21 to renew this important legislation. Prior to  
22 9/11, insurers generally do not segregate  
23 terrorism insurance or charge separately for it;  
24 however, when the insured losses from the 9/11  
25 attacks came in around \$40 billion, the largest

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2 insured losses from a non-natural disaster on  
3 record, insurers realized the magnitude of  
4 possible losses in the future, and terrorism risk  
5 insurance became prohibitively expensive and  
6 insurers began to leave the market. In response,  
7 the federal government passed the Terrorism Risk  
8 Insurance Act in late 2002, which was then amended  
9 and extended in 2005 and '07. Currently, TRIS is  
10 triggered with a single terrorist attack causes \$5  
11 million in damage; the aggregate insured loss from  
12 certified acts of terrorism are \$100 million in a  
13 year; and an individual company must meet a  
14 deductible of 20 percent of its annual premiums.  
15 Once these thresholds are passed, the government  
16 covers 85 percent of insured losses due to  
17 terrorism. If the aggregate insured losses due to  
18 terrorism do not exceed \$27.5 billion, the  
19 Secretary of the Treasury is required to recoup  
20 133 percent of the government coverage by the end  
21 of 2017 through surcharges on property and  
22 casualty insurance policies. Because of this  
23 structure, to-date TRIA has not cost taxpayers any  
24 dollars. In fact, according to a 2007 study by  
25 the Rand Corporation, TRIA may have even reduced

1 taxpayer costs after a major attack because  
2 government spending through the program would be  
3 less than government compensation for those with  
4 uninsured losses. Additionally, the availability  
5 in the federal backstop that is allowed for New  
6 York City real estate industry, valued at \$814  
7 billion in assets, to receive adequate coverage  
8 for New Yorkers, for the City building stock and  
9 for investors who would otherwise not lend for new  
10 construction renovation and mortgages. Without  
11 this protection, New York City real estate  
12 transactions in the business and residence - - and  
13 houses would again stall, providing yet another  
14 blow to our recovering economy. A study published  
15 by the Real Estate Roundtable points out that in  
16 the 14 months between September 11, 2001 and the  
17 enactment of TRIA, over \$15 billion in real estate  
18 related transactions were either stalled or  
19 cancelled because of the lack of terrorism  
20 insurance. In February of this year, Congress  
21 Members Michael Grimm and Carolyn Maloney  
22 introduced HR 508 to extend TRIA's program  
23 expiration date by five years until the end of  
24 2019; additionally, in May, Representatives Mike  
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2 Capuano and Peter King introduced the extension to  
3 TRIA for ten years. Both bills have support from  
4 New York City's delegation. However, as you know,  
5 it is becoming increasingly difficult to pass  
6 legislation in the House and Senate because of the  
7 bipartisan gridlock in Congress. In meetings with  
8 members of Congress, we have heard TRIA referred  
9 to as, "another New York City bailout," another,  
10 "a Wall Street problem." Which is why it is  
11 critical for New York City to make the case in  
12 Washington that TRIA protects the economic  
13 activity of all urban areas, including the  
14 country's largest regional economy, that are  
15 increasingly targets for terrorist activity.  
16 Thank you again for inviting me to speak on this  
17 issue and I hope you will pass this Resolution  
18 quickly.

19 JESSICA WALKER: Hi. Good  
20 afternoon. I'm Jessica Walker, with the  
21 Partnership for New York City. The Partnership  
22 represents the City's business leadership and its  
23 largest private sector employers. We support  
24 Council Resolution 1806, which calls for the  
25 extension of the Terrorism Risk Insurance Act,

1 TRIA, before it expires next year. This is  
2 critical for New York City, which remains the  
3 number one U.S. target of international terrorism.  
4 In November 2001, the Partnership released an  
5 economic impact study, which estimated that the  
6 9/11 attack caused a loss of at least \$83 billion  
7 in gross economic output. Even after payment of  
8 insurance claims of about \$47 billion, and the  
9 federal government's pledge of about \$20 billion  
10 for rescue, clean-up and infrastructure repair  
11 costs, the net damage to the City's economy was at  
12 least \$16 billion. City businesses faced  
13 increased operating costs due to added security  
14 and insurance burdens. The City itself also lost  
15 nearly \$3 billion in tax revenue directly  
16 attributable to the attack and independent of the  
17 recession that followed. One of the immediate  
18 concerns facing the City's economy after 9/11 was  
19 availability of terrorism risk insurance for  
20 business. The private sector was simply unable to  
21 shoulder the burden of such an unpredictable and  
22 potentially extremely costly risk. To provide  
23 certainty to business and industry, TRIA was  
24 signed into law in 2002 and reauthorized in 2005  
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1  
2 and 2007. TRIA has worked, allowing businesses to  
3 purchase terrorism insurance over the last decade.  
4 Without it, businesses large and small would not  
5 be able to protect their assets against the risk  
6 of terrorism. There is now an urgent and  
7 continuing need to extend TRIA, which is set to  
8 expire at the end of next year. Since 2002, the  
9 insurance industry has assumed increased liability  
10 under the program, but there remains a need for  
11 the federal government to continue to provide a  
12 backstop against catastrophic attacks, which the  
13 private sector simply cannot sustain on its own.  
14 We thank the City Council for raising this issue  
15 early in the process and look forward to  
16 collaborating with all stakeholders to represent  
17 New York's interests in Washington this year and  
18 next, to ensure that TRIA is reauthorized. Thank  
19 you.

20 SYLVESTER GIUSTINO: Good morning,  
21 Chair Foster, Members of the New York City Council  
22 Committee on State and Federal Legislation. My  
23 name is Sylvester Giustino, Director Legislative  
24 Affairs at the Building Owners and Managers  
25 Association of Greater New York, better known as

1  
2 BOMA New York. We represent more than 750 owners,  
3 property managers and building professionals, who  
4 either own or manage 400 million square feet of  
5 New York City commercial real estate space. We're  
6 responsible for the safety of over three million  
7 tenants, generate more than \$1.5 billion in tax  
8 revenue and oversee annual budgets of over \$4  
9 billion. BOMA New York is the largest association  
10 in the BOMA International Federation, the world's  
11 largest trade organization. Commercial real  
12 estate industry is a significant contributor to  
13 the nation's and in particular the City's economic  
14 engine. Our industry employs over 228,000 New  
15 Yorkers and contributes over \$14 billion to the  
16 gross state product. Terrorism continues to pose  
17 a threat to our nation, to American business and  
18 to real estate. It is a unique risk with  
19 potentially catastrophic implications for our  
20 economy and our way of life. Nowhere is the risk  
21 higher than here in New York City, where we are  
22 the number one target of foreign and domestic  
23 terrorists. Following the September 11, 2001  
24 terrorist attacks, many owners of commercial  
25 properties were advised that their policies would

1  
2 not be renewed, or their new policies would  
3 exclude terror or war risk. Without adequate  
4 insurance, it is difficult, if not impossible, to  
5 operate or acquire properties, refinance loans and  
6 to sell commercial backed securities. Since 9/11,  
7 BOMA and our partners in the Coalition to Insure  
8 Against Terrorism, CIAT, have worked tirelessly to  
9 promote and implement a federal backstop program.  
10 We scored huge victories when Congress passed the  
11 Terrorism Risk Insurance Act of 2002, and again in  
12 late 2005 when Congress voted to extend TRIA for  
13 an additional two years. On December 26, 2007,  
14 just days before the Act was once again set to  
15 expire, President Bush signed HR 2761 into law to  
16 extend the program for an additional seven years,  
17 through the end of calendar year 2014. In  
18 addition to extending the federal program, the  
19 Terrorism Risk Insurance Program Reauthorization  
20 Act of 2007, TRIPRA, expanded the definition of  
21 active terrorism to allow the certification of  
22 acts of domestic terrorism, clarified the  
23 operation of the \$100 billion annual program gap,  
24 and changed the manner in which the mandatory  
25 portion of post-event policy holder surcharges

1 would be collected. Also requires the U.S.  
2 government accountability office, GAO, to conduct  
3 a study of the availability and affordability of  
4 insurance coverage for nuclear, biological,  
5 chemical and radiological acts of terrorism. BOMA  
6 New York supports the passage of Resolution 1806-  
7 2013, a Resolution calling on the United States  
8 Congress to pass and the President to sign  
9 legislation that would extend the Terrorism Risk  
10 Insurance Program Reauthorization Act of 2007.  
11 The reauthorization of TRIPRA by the end of 2014  
12 is a top legislative priority for BOMA New York,  
13 BOMA International, and our partners in the CIAT.  
14 TRIPRA must remain in effect until the reinsurance  
15 industry is prepared to accurately underwrite and  
16 assume the whole risk. It would permit many  
17 construction projects to move forward, help the  
18 economy grow and investors and markets would have  
19 greater confidence that our economy was strong  
20 enough to withstand a future attack. We look  
21 forward to working with the City Council and the  
22 New York congressional delegation, along with our  
23 coalition partners, to make sure that Congress  
24 passes and the President signs this important  
25

1  
2 piece of legislation by December 31, 2014. Thank  
3 you for giving BOMA New York the opportunity to  
4 testify in support of this important resolution.

5 CHAIRPERSON FOSTER: Thank you.

6 MARY ANN ROTHMAN: Good morning.

7 My name's Mary Anne Rothman, and I thank you for  
8 this opportunity to add my support to this  
9 Resolution. I'm the Executive Director of the  
10 Council of New York Cooperatives and Condominiums,  
11 a membership organization for housing cooperatives  
12 and condominiums, located throughout the--  
13 throughout New York City and beyond. Co-ops and  
14 condos anchor communities, they're committed to  
15 their neighborhoods, their communities, their  
16 cities, and I'm happy to report that we're  
17 connected nationwide through the National  
18 Association of Housing Cooperatives, which I will  
19 contact this afternoon to suggest to all of our  
20 members across the country that they contact their  
21 elected officials to look for similar resolutions  
22 of support. And every, all the important details  
23 have been said, so I will thank you right now.

24 CHAIRPERSON FOSTER: Thank you. If  
25 we can just--I have one more person that should be

1  
2 in this panel that I didn't call. So if we can  
3 squeeze in a chair, that would help. John Hunt,  
4 from Forest City Ratner. Thank you. [pause,  
5 background noise] The Sergeant will hand them  
6 out. [pause, background noise]

7 JOHN HUNT: Good morning.

8 CHAIRPERSON FOSTER: Good morning.

9 JOHN HUNT: My name is John Hunt,  
10 and I'm a Senior Vice President and Senior Counsel  
11 of the Construction and Design Development  
12 Division of Forest City Ratner Companies. On  
13 behalf of Forest City, I would like to thank the  
14 Committee on State and Federal Legislation for  
15 holding this hearing on its proposed legislation  
16 and support of the extension of the Terrorism Risk  
17 Insurance Act of 2002 and its successor bills,  
18 including the Terrorism Risk Insurance Program  
19 Reauthorization Act of 2007, TRIA, which is  
20 scheduled to sunset at the end of next year. This  
21 Act is critically important, not only to Forest  
22 City but to the entire real estate industry in New  
23 York. And we greatly appreciate the Council's  
24 efforts in supporting its extension. Forest City  
25 Ratner Companies is a wholly owned subsidiary of



1  
2 Forest City Enterprises Incorporated, an \$11  
3 billion real estate development company traded on  
4 the New York Stock Exchange. We own and manage  
5 over 15 million square feet of commercial, retail  
6 and residential property in New York City and the  
7 greater metropolitan area, including the Barclay  
8 Center; 8 Spruce Street, the Frank Gehry designed  
9 residential tower whose rippling façade can be  
10 seen from just outside the doors to this building;  
11 the New York Times building and Metrotech Center  
12 in Brooklyn, among others. Insuring high profile,  
13 high value properties and new construction  
14 projects in New York has always been an expensive  
15 proposition. But in the wake of the September  
16 11th attacks, insuring such properties against  
17 terrorism risks became impossible. Rather than an  
18 issue of cost, we had a crisis of availability, as  
19 insurers realized that the impact a catastrophic  
20 event like 9/11 could have on their balance  
21 sheets. Insurers were simply unwilling to provide  
22 terrorism coverage. And it became routine for  
23 them to specifically exclude terrorism risks at  
24 policy renewals. In response, Congress wisely  
25 passed TRIA in 2002, ensuring the availability of

1 terrorism insurance and providing a backstop to  
2 insurers for losses due to acts of terrorism. The  
3 program provides for federal reimbursement of  
4 insurers for 85 percent of their losses resulting  
5 from a terrorist attack, but only after insurers  
6 pay a deductible of 20 percent of the value of  
7 each company's direct earned premiums from the  
8 previous year. The federal government's  
9 obligations would be triggered by aggregate  
10 industry losses of over \$100 million, but be  
11 capped at an annual sum of \$100 billion. Federal  
12 government losses would then be recovered over  
13 time through policy holder surcharges. The  
14 program was initially set to expire December 31 of  
15 2005, but was reauthorized in 2005; and in 2007,  
16 Congress extended the program through 2014. The  
17 cost to taxpayers has been very low, but the  
18 program has been highly successful at averting the  
19 paralysis in the real estate industry that would  
20 have been caused by the absence of terrorism  
21 coverage. We strongly support the further  
22 extension of TRIA because if the program is  
23 allowed to expire at the end of 2014, we believe  
24 insurance carriers will not continue to offer  
25

1  
2 terrorism coverage, and those that do so would  
3 offer it at unreasonable prices or on unacceptable  
4 terms. The results on our portfolio and on the  
5 New York real estate industry generally, would be  
6 swift and catastrophic. We anticipate that  
7 property insurers would have no appetite to  
8 provide terrorism coverage on well-known marquis  
9 properties, because there is a greater likelihood  
10 that they would be terrorist targets due to their  
11 prominence. So many New York City landmarks would  
12 become uninsurable against terrorism risks  
13 precisely because of their status as landmarks.  
14 In this City that remains, according to the NYPD,  
15 the single biggest terrorist target in the United  
16 States. An equally significant factor would be  
17 the high value of these properties. Terrorism is  
18 a low probability but high severity risk. Many  
19 marquis New York City properties are valued near  
20 or above \$1 billion, yet they are unlikely to be  
21 destroyed by a terrorist act. It is this  
22 combination of low probability but high severity  
23 that makes it extremely difficult for insurance  
24 carriers to perform reliable actuarial analyses  
25 and fix premiums that any property owner would be

1 willing to pay. It is not an accident that no  
2 viable private market for terrorism insurance has  
3 developed. There is just not enough  
4 predictability to allow insurers to voluntarily  
5 offer terrorism insurance without the federal  
6 backstop. If TRIA were to expire, we fully expect  
7 carriers to flee the terrorism market in droves,  
8 leaving property owners like Forest City bare or  
9 uninsured with respect to its terrorism risks. We  
10 simply don't have the tolerance for that level of  
11 risk. But assuming we did, our lenders would  
12 almost certainly not. Every insurance  
13 specification I've seen in any loan agreement I've  
14 reviewed since TRIA was enacted requires terrorism  
15 coverage in its property insurance policies. And  
16 this makes sense when you consider what lenders  
17 have at stake. Given typical industry loan to  
18 value ratios, lenders usually have more than twice  
19 as much money at risk in a building than the  
20 owner/developer does. And without a way to insure  
21 their investments against terrorism, it's very  
22 easy to see how lenders would just stop investing  
23 in major cities like New York, Boston, Washington  
24 and others. The recovery of New York's real

1  
2 estate market has been slow, but for the first  
3 time in a long time, I think we're optimistic for  
4 real growth. Nothing would help the City's  
5 recovery faster than the expiration of TRIA and  
6 the inevitable lender pullback that would result.  
7 That would be a real tragedy. Not only because  
8 big office and condo projects would likely be  
9 unable to find financing, but the affordable  
10 housing this City so desperately needs would be  
11 very difficult to deliver. And because so many  
12 lenders have required terrorism insurance as a  
13 condition of financing, many developers would be  
14 in default of their loan agreements if coverage  
15 were to disappear from the market. In a city  
16 where so much of our economy depends on a robust,  
17 healthy real estate industry, we can ill afford to  
18 see this vital program expire, the results would  
19 be devastating. But real estate development would  
20 not be the only industry hurt by TRIA's  
21 expiration. Just as property insurance coverage  
22 would not be the only line of commercial insurance  
23 affected. All businesses would find it harder to  
24 invest in New York because of its value as a  
25 terrorist target, and it would be just as

1  
2 difficult to secure terrorism coverage for workers  
3 compensation, general liability, excess, and  
4 pollution liability policies, which are all  
5 insurance lines typically carried by businesses.

6 I thank you for your time and your interest in  
7 this important issue. We at Forest City are truly  
8 grateful for the support you have shown for us in  
9 our industry. I would be happy to answer any  
10 questions you may have. Thank you.

11 CHAIRPERSON FOSTER: Thank you.

12 Question? I just have a quick question and anyone  
13 or all of you can answer it. What would happen in  
14 terms of building real estate, just daily  
15 operations, in major cities--I don't want to say  
16 New York, because it goes back to what you're  
17 saying, as being another New York issue--if this  
18 was not renewed?

19 ANGELA PINSKY: So I think one of  
20 the most obvious things that would happen is that  
21 new construction and development and any  
22 construction work would stop. But then I think it  
23 also starts, over time, as loans start to renew, I  
24 think you start running into the problem of  
25 lending issue, which is going to affect every

1  
2 building in New York, it's not just the large  
3 marquis buildings, it starts to affect any  
4 multifamily building, not so much the single  
5 family homes but I think any large building that  
6 has any sort of loan on it. And then, I think  
7 what would happen is that these buildings would  
8 then either have to search the market for a very  
9 expensive policy, which would probably be fairly  
10 bare, and then the housing costs in New York would  
11 rise substantially. For commercial buildings, I  
12 think it would be a similar effect except it would  
13 impact the rents.

14 SYLVESTER GIUSTINO: Yeah, it would  
15 also impact already existing buildings, because of  
16 the risk involved of a terrorist attack,  
17 particularly in a high profile city. And any kind  
18 of alterations they want to do. I think it would  
19 also affect tenant, getting tenants, that's--and  
20 retention. So that's really an important issue  
21 for BOMA New York and BOMA International.

22 CHAIRPERSON FOSTER: That, I  
23 figured that, I just wanted to get on the record  
24 that what we would see in terms of what would  
25 happen in the economy and the cost, and where it

1  
2 would be passed on. So it is not just a real  
3 estate or developer issue and it's not just a New  
4 York issue, because in commercial buildings,  
5 they're not just businesses that are residents of  
6 New York State, it's across the board type of a  
7 thing. Thank you very much for coming in. And  
8 for all of you that, like you mentioned, that have  
9 sister or brother organizations in other cities,  
10 it's important that we get this message out.

11 Thank you. [background comments, "Thank you."]

12 Our next panel ... we have Alexandra Littlejohn  
13 and Tarique Nageer. Did I say that right?

14 [background comment] Yes? Oh, good. [pause,  
15 background noise] You can get started whenever  
16 you'd like.

17 [background comment]

18 ALEXANDRA LITTLEJOHN: Good  
19 morning.

20 CHAIRPERSON FOSTER: Good morning.  
21 Can you pull the mic a little closer to you.

22 ALEXANDRA LITTLEJOHN: Closer?  
23 Sure.

24 CHAIRPERSON FOSTER: Thank you.

25 ALEXANDRA LITTLEJOHN: Chairperson



1  
2 Foster and Members of the Committee, thank you for  
3 the time today to testify on such an important  
4 Resolution. I am Alexandra Littlejohn, an  
5 Executive Vice President with Willis North  
6 America, one of the largest insurance brokers in  
7 the country. I am testifying today on behalf of  
8 Willis as well as the Council of Insurance Agents  
9 and Brokers, whose members annually place 85  
10 percent of U.S. commercial property and casualty  
11 insurance premiums. Willis and the CIAB  
12 wholeheartedly support an extension of the federal  
13 Terrorism Risk Insurance Act, also known as TRIA,  
14 and your efforts to pass a resolution calling on  
15 the United States Congress to pass and the  
16 President to sign legislation that would extend  
17 the Terrorism Risk Insurance Program  
18 Reauthorization Act of 2007. TRIA was enacted to  
19 encourage insurers to return to the terrorism  
20 insurance marketplace by reducing the catastrophic  
21 potential for loss as a result of terrorist  
22 activities, by capping potential losses and by  
23 providing a backstop for catastrophic exposures.  
24 TRIA has provided a measure of stability to an  
25 unstable marketplace and has provided structure to

1  
2 the otherwise incalculable scope of terrorism  
3 exposure. The goal of TRIA was to provide a  
4 mechanism to allow for a public/private risk  
5 sharing of losses from an act of terrorism. For a  
6 relatively small loss, there is no federal  
7 sharing, but for larger losses, TRIA provides a  
8 risk sharing mechanism with a recoupment provision  
9 which ultimately permits the government to  
10 efficiently recover lost payments on a pre-agreed  
11 basis, while allowing insurers and insureds the  
12 certainty of indemnity in the short term. As  
13 underwriters of this class rely upon risk  
14 aggregation models which track inventories of  
15 insured properties within a specific zone, there  
16 can be a wide variety variation in the pricing  
17 models applies and the availability of coverage  
18 due solely to the concentration of risk in any one  
19 underwriter's portfolio. Metropolitan New York is  
20 typically referred to as the most highly  
21 aggregated risk area in the country, if not the  
22 world, in terms of property portfolios insured for  
23 terrorism, which in turn, on a supply and demand  
24 model, pushes costs significantly higher than  
25 other regions in the U.S. for what would otherwise

1  
2 appear to be similar occupancies. TRIA must be  
3 reauthorized and it must be reauthorized sooner  
4 rather than later to avoid disruption in coverage.  
5 Without the certainty of an extension of TRIA, we  
6 are beginning to see provisos written into new  
7 insurance contract that limit or eliminate  
8 terrorism coverage after December 31, 2014. This  
9 will undoubtedly delay if not scrap major  
10 development plans, thereby jeopardizing an already  
11 fragile economic recovery. While the availability  
12 of terrorism insurance capacity has increased  
13 incrementally since 2007, there is little  
14 expectation for further growth. As available,  
15 capacity not be adequate to meet requisite  
16 coverage levels, it is evident this lack of  
17 coverage will severely limit access to the  
18 financing that is so vital to many commercial  
19 projects. Many of the reasons that cause Congress  
20 to create TRIA still exists today. Obviously, a  
21 major terrorist attack could threaten the  
22 insurance market. While modeling methods have  
23 improved over the years since September 11, 2001,  
24 terrorism risk still cannot be assessed  
25 accurately. Terrorist methods are evolving and

1  
2 have also entered the cyber realm. Much is done,  
3 much is being done to identify these threats and  
4 to protect the nation from devastating attacks;  
5 however, only those in intelligence community and  
6 the protective services know the true extent of  
7 the dangers. TRIA has worked fairly well,  
8 coverage has generally been available at  
9 reasonable prices. As insurance brokers, we will  
10 continue to work with our clients and their risk  
11 managers to help secure their properties and to  
12 find them the best available coverage against  
13 terrorist attacks. It has not been easy, even  
14 with TRIA; however, it would have been almost  
15 impossible without TRIA. As a result, we would  
16 reiterate our endorsement of your efforts to  
17 submit a resolution urging the Congress to extend  
18 TRIA and to do so soon and not wait until the  
19 expiration date is upon us. Thank you for the  
20 opportunity to testify today on this matter of  
21 critical importance to the City and the nation's  
22 overall economy.

23 CHAIRPERSON FOSTER: Thank you.

24 TARIQUE NAGEER: My name is Tarique  
25 Nageer, I am a terrorism and political violence

1 broker at Marsh. Thank you for allowing the  
2 opportunity to present to you today regarding  
3 Resolution 1806. The September 11, 2001 terrorist  
4 attacks created a severe market shortage for  
5 terrorism insurance. Prior to September 11, 2001,  
6 terrorism was included at no cost on insurance  
7 policies. Coverage was typically silent, that is  
8 not excluded. After September 11, 2001, terrorism  
9 was explicitly excluded. This was primarily  
10 driven by the lack of reinsurance. Terrorism  
11 insurance pricing increased significantly, there  
12 were higher deductibles, higher rates and low  
13 limits were being offered. There were a very  
14 limited number of insurance companies providing  
15 terrorism insurance limits, very small limits. In  
16 the absence of the federal risk transfer  
17 mechanism, many states allowed insurers to exclude  
18 terrorism on property and casualty policies. The  
19 Terrorism insurance--Risk Insurance Act of 2002  
20 was signed into place on November 26th, and  
21 provided a federal backstop to insurance companies  
22 for terrorism insurance claims. The Act was  
23 extended in 2005 and again in 2007, with the  
24 legislation scheduled to expire on December 31,  
25

1  
2 2014. The sheer number of iconic buildings,  
3 recognizable structures and office buildings in  
4 New York City make it a target for terrorist  
5 activity. The recently released 2013 terrorism  
6 risk insurance report by Marsh was a survey of  
7 2,600 companies, identified the northeast as  
8 having the highest terrorism insurance take-up  
9 rates. On average, approximately 77 percent of  
10 clients in the northeast purchased some form of  
11 terrorism insurance. This was likely due to the  
12 concentration of the population centers, the  
13 perceived potential of terrorist activity,  
14 property perceived as potential targets for  
15 terrorism attacks, and where there have been  
16 instances of actual or foiled plots. The demand  
17 for terrorism risk insurance remains strong and  
18 the existence of the federal program plays a major  
19 role in the availability and affordability of the  
20 coverage. If Congress fails to extend the  
21 insurance program, it will be difficult and  
22 expensive for commercial real estate building  
23 owners, tenants and developers to obtain terrorism  
24 insurance in major cities, especially New York  
25 City. Without terrorism insurance, banks will be

1  
2 less likely to extend capital with the ripple  
3 effect of slow economic growth due to delayed  
4 construction and stalled real estate financing.  
5 Any delay in the renewal of TRIA creates market  
6 uncertainty and leaves businesses with difficult  
7 forecasting decisions. In the absence of TRIA, or  
8 a substantial change in the Act, this will likely  
9 lead to increased terrorism insurance premiums and  
10 the likelihood that the availability of terrorism  
11 insurance coverage would be limited. Thank you.

12 CHAIRPERSON FOSTER: Thank you. I  
13 just have a few questions. To-date, if you know,  
14 how much money has the Act cost taxpayers?

15 TARIQUE NAGEER: It hasn't cost  
16 taxpayers really any dollars, other than setting  
17 up--it's, the Act is part of the Treasury  
18 Department, so other than the functionaries and  
19 paying the bureaucracy involved, it hasn't cost  
20 taxpayers any money.

21 CHAIRPERSON FOSTER: Thank you.  
22 These are things that need to get out for the  
23 record, especially as we keep hearing that it's a  
24 New York issue, and the feeling that others are  
25 paying to bail us out, I think that is important

1  
2 to say. And lastly, if this act were not  
3 reauthorized, is there anything equivalent out  
4 there, in terms of insurance or other ways that  
5 this can be done other than through this Act?

6 ALEXANDRA LITTLEJOHN: There's  
7 insurers capacity, which is at about \$3 billion,  
8 available in the New York area, is about a  
9 billion-and-a-half dollars, or a little bit less.  
10 So we would have to rely upon the insurers without  
11 a backstop, which would definitely limit the  
12 amount of capacity available. So without it, we  
13 would definitely see a shrinking in capacity  
14 throughout the country. Not a New York issue,  
15 it's an issue everywhere, especially major target  
16 areas like San Francisco.

17 CHAIRPERSON FOSTER: And, right,  
18 and that would definitely have an effect on the  
19 economy.

20 ALEXANDRA LITTLEJOHN: Oh, without  
21 a doubt, because the cost to insure your risk  
22 against terrorism is going to escalate  
23 significantly. Back probably in areas of post-  
24 2001, I would say.

25 TARIQUE NAGEER: And cities with



1  
2 centralized business districts, like New York  
3 City, San Francisco, Washington, D.C., Chicago,  
4 Boston, where you have a high number of commercial  
5 business districts, high number of businesses in a  
6 constricted area, those are terrorism targets,  
7 because one event in a small area could have  
8 ripple effect against many industries and many  
9 businesses. So, it's not just New York City, it's  
10 any city with a centralized business district.

11 ALEXANDRA LITTLEJOHN: And it's not  
12 just property insurance, it's workers  
13 compensation. Any high density area where there's  
14 a concentration of people, it's, it becomes an  
15 issue around workers, it becomes an issue around  
16 property itself.

17 CHAIRPERSON FOSTER: Great, thank  
18 you very much. I wanted to make sure that those  
19 points were got out for the record. Thank you.

20 TARIQUE NAGEER: Sure.

21 CHAIRPERSON FOSTER: And I'm just  
22 going to read into the record groups that sent  
23 testimony in: the Mortgage Bankers Association  
24 testimony for the record in support of the  
25 Resolution; the President and Economist Insurance

1  
2 Information Institute, Dr. Robert P. Hartwig; and  
3 we have the Risk Management Society who also sent  
4 in record for the, sent in testimony for the  
5 record in support of this resolution. We have--  
6 and also, AIG, in support of the Resolution.  
7 Thank you very much. There being no more  
8 testimony, this hearing is adjourned. Thank you.

9 [gavel]

10 [background comment]

11 CHAIRPERSON FOSTER: Oh, so I  
12 shouldn't have adjourned it? [background  
13 comments] In, I'm sorry, instead of the meeting  
14 being adjourned, we are in recess. Thank you.

15 [pause]

16 CLERK: Council Member Recchia.

17 COUNCIL MEMBER RECCHIA: Aye on  
18 all.

19 CLERK: Final vote in the Committee  
20 on State and Federal Legislation is now six in the  
21 affirmative, zero in the negative and no  
22 abstentions. Thank you.

23 COUNCIL MEMBER RECCHIA: That  
24 concludes today's hearing, this hearing is  
25 adjourned.

1

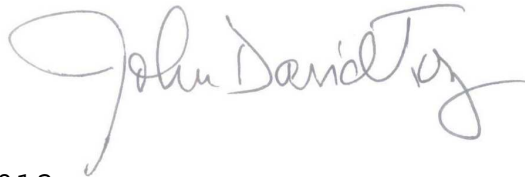
2

[gavel]

C E R T I F I C A T E

I, JOHN DAVID TONG certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

A handwritten signature in cursive script that reads "John David Tong". The signature is written in black ink and is positioned to the right of the printed word "Signature".

Date July 7, 2013