Legislation Details (With Text)

File #:	Res 1806-2013	**Version:**	A	**Name:**	Terrorism Risk Insurance Program Reauthorization Act of 2007.
Type:	Resolution			**Status:**	Adopted
				In control:	Committee on State and Federal Legislation
On agenda:	6/12/2013				
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Title: Resolution calling on the United States Congress to pass, and the President to sign, legislation that would extend the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Sponsors: Domenic M. Recchia, Jr., Helen D. Foster, Christine C. Quinn, Margaret S. Chin, Lewis A. Fidler, Letitia James, Annabel Palma

Indexes:

Attachments: 1. Res. No. 1806 - 6/12/13, 2. Committee Report 6/17/13, 3. Hearing Testimony 6/17/13, 4. Hearing Transcript 6/17/13, 5. Committee Report 7/23/13, 6. Hearing Transcript 7/23/13, 7. Hearing Transcript - Stated Meeting 7-24-13

Date	Ver.	Action By	Action	Result
6/12/2013	*	City Council	Referred to Comm by Council	
6/12/2013	*	City Council	Introduced by Council	
6/17/2013	*	Committee on State and Federal Legislation	Hearing Held by Committee	
6/17/2013	*	Committee on State and Federal Legislation	Laid Over by Committee	
7/23/2013	*	Committee on State and Federal Legislation	Hearing Held by Committee	
7/23/2013	*	Committee on State and Federal Legislation	Amendment Proposed by Comm	
7/23/2013	*	Committee on State and Federal Legislation	Amended by Committee	
7/23/2013	A	Committee on State and Federal Legislation	Approved by Committee	Pass
7/24/2013	A	City Council	Approved, by Council	Pass

Res. No. 1806-A

Resolution calling on the United States Congress to pass, and the President to sign, legislation that would extend the Terrorism Risk Insurance Program Reauthorization Act of 2007.

By Council Members Recchia, Foster, the Speaker (Council Member Quinn), Chin, Fidler, James and Palma

Whereas, On September 11, 2001, terrorists attacked the United States, killing almost 3,000 people in New York, Washington D.C. and Pennsylvania as well as destroying New York City's Twin Towers along with 10 other large buildings in lower Manhattan; and

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Whereas, There have been several attempted terror attacks across the United States since September 11, 2001, including in New York City; and

Whereas, New York City Police Department Commissioner Raymond W. Kelly testified at a New York City Council hearing on March 15, 2011, that New York City remains the number one target for radical Islamic terrorism and highlighted 12 terror plots against New York City since September 11, 2001; and

Whereas, On April 15, 2013, terrorists attacked spectators and participants at the Boston Marathon by detonating two homemade bombs, which killed three and injured more than 260 innocent individuals; and

Whereas, According to the Insurance Information Institute, for property and casualty insurers and reinsurers, the claims paid as a result of the September 11th terrorist attacks constituted, at the time, the largest cumulative claims payout in global insurance history, producing insured losses of about $32.5 billion; and

Whereas, After the September 11th terrorist attacks, many insurance companies excluded terrorism events from their insurance policies, which, among other things, hampered the development of large commercial real estate projects; and

Whereas, In an effort to help make terrorism insurance available and affordable to businesses, particularly those in major urban areas such as New York City, the U.S. Congress passed the Terrorism Risk Insurance Act of 2002 ("TRIA"); and

Whereas, On November 26, 2002, then-President George W. Bush signed TRIA into law, creating a temporary program known as the Federal Terrorism Insurance Program ("FTIP"), that required property and casualty insurers conducting business in the United States to offer coverage for incidents of international terrorism and reinsure a large percentage of that insured risk; and

Whereas, At the TRIA bill signing, President Bush stated that by helping to ensure that terrorism insurance is available, TRIA would permit many construction projects to move forward and help the economy grow, and that investors and markets would have greater confidence that our economy was strong enough to withstand a future attack; and

Whereas, The FTIP, which is overseen by the U.S. Department of the Treasury, provides for a transparent system of shared public and private compensation for insured losses resulting from acts of terrorism; and

Whereas, TRIA was set to expire on December 31, 2005, but was extended for two years through the enactment of the Terrorism Risk Insurance Revision and Extension Act of 2005, which was signed into law on December 22, 2005; and

Whereas, The Terrorism Risk Insurance Program Reauthorization Act of 2007 ("TRIPRA"), signed into law on December 26, 2007, extended FTIP through December 31, 2014; and

Whereas, TRIPRA made several amendments to TRIA, including revising the definition of a certified act of terrorism to include acts of domestic terrorism and requiring clear and conspicuous notice to policyholders of the existence of the $100 billion annual program cap; and

Whereas, TRIPRA has helped make terrorism insurance available and affordable to businesses, particularly those in located in New York City; and

Whereas, Without TRIA and the FTIP, many major development projects across the country could have ceased, jeopardizing job growth and economic development opportunities; and

Whereas, On September 11, 2012, the U.S. House of Representatives Subcommittee on Insurance, Housing and Community Opportunity held a hearing entitled *TRIA At Ten Years: The Future of the Terrorism Risk Insurance Program*; and

Whereas, At this hearing, several industry leaders testified regarding the value of FTIP and the extension of the program; and

Whereas, Robert P. Hartwig, Ph.D, CPCU, President & Economist of the Insurance Information Institute testified that, "[t]he evidence, both in the United States and from similar programs abroad, is that market stability in terms of both pricing and availability of terrorism coverage, as well as the ability to maintain adequate and expanding levels of capacity over time, are contingent on the continued existence of the Terrorism

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Risk Insurance Program"; and

Whereas, Congress should hold hearings and review whether or not TRIPRA needs to be amended prior to extending the program and determine the appropriate length of the extension; now, therefore, be it

Resolved, That the Council of the City of New York calls on the United States Congress to pass, and the President to sign, legislation that would extend the Terrorism Risk Insurance Program Reauthorization Act of 2007.

WJH/DMB
LS 4406
6/19/13