



PRESS RELEASE

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NAREIT SAYS TERROR INSURANCE BACKSTOP SHOULD RESULT IN MORE COMPREHENSIVE AND AFFORDABLE COVERAGE OF PEOPLE AND PROPERTY

Washington, D.C. — Legislation awaiting the President's signature should result in increased insurance coverage of people and property in the event of another terrorist attack, according to the National Association of Real Estate Investment Trusts® (NAREIT).

“Implementation of this temporary backstop should encourage more insurers to write comprehensive and less costly terrorism risk coverage. It should help safeguard policyholders and their employees. And it should enhance the nation's economic security in anticipation of another terrorist strike,” said NAREIT President and CEO Steven A. Wechsler.

Wechsler commended Members of Congress for recognizing the backstop's necessity. “For more than a year, the economy has been hampered by the absence of comprehensive, affordable terrorism risk insurance coverage. Lawmakers have succeeded in crafting legislation with the economy in mind that should help create jobs and boost investment,” he said.

“The backstop is another core aspect of America's economic and homeland security,” Wechsler remarked. “Insurers should be more willing to provide what has become important coverage for many consumers. As a result, businesses will be better prepared and more confident going forward.”

The Terrorism Risk Protection Act of 2002 (H.R. 3210) was approved by the U.S. Senate yesterday following House passage on November 14.

(more)



Renewed government warnings about likely attacks, the President's repeated and determined calls for the legislation's passage, the support of key Members of Congress and the year-long efforts of the NAREIT-led Coalition to Insure Against Terrorism (CIAT) combined to bring about final passage of the backstop measure, in Wechsler's view.

A founding member of CIAT, NAREIT helped coordinate the strategic legislative and communications initiative involving 66 leading trade associations and companies.

"In the nine months since the Coalition's creation, two points became increasingly clear," Wechsler explained. "One was that few insurance companies were willing to offer terrorism coverage of any kind, leaving most policyholders exposed to catastrophic loss. And two, that gaps in existing coverage were hampering our economic recovery by stalling job creation and investment."

Representing policyholders throughout the construction, entertainment, manufacturing, real estate, retailing and transportation sectors of the economy, the Coalition communicated its views to policymakers through one-on-one meetings, a dedicated web site – insureagainstterrorism.org – and in a series of print advertisements.

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