

THE  
NEW ENGLAND  
COUNCIL

November 30, 2007

Dear Member of Congress:

On behalf of the New England Council, I would like to take this opportunity to express our appreciation for the attention being paid to the Terrorism Risk Insurance Revision and Extension Act of 2007, a bill critical to the health of New England's and our nation's economy. When Congress reconvenes in December, I urge you to continue your work and approve an extension of the terrorism risk insurance program before it expires at the end of the month. And while no one hopes TRIA will ever be called upon to disburse even \$1 to recoup losses incurred by a terrorist event, it has become a vital part of our economy, especially in high-population or otherwise important economic or political centers.

Over the last few decades, insurance has grown to encompass almost every aspect of our lives. It provides invaluable peace of mind to millions of Americans and their families. It is a safety net for our homes and cars, our physical well-being and ensures our families are financially secure in the case of an emergency. After the horrific attacks of September 11, 2001, the federal government created another insurance safety net to protect something also critical to every American: our national economy. The Terrorism Risk Insurance Act was designed to augment existing coverage in the private insurance market in the event of massive economic losses following a terrorist attack.


As you know well, New England has long been home to many of our nation's most trusted insurers, making a TRIA extension especially important to our region. According to a report released by Marsh and the Coalition to Insure Against Terrorism last year, the percentage of businesses purchasing terrorism insurance (or the "take-up rate"), in the 15 industry categories surveyed by Marsh rose significantly in the northeast, from 53 to 67 percent, the highest take-up rate of any region in the nation. The report also found the industries with the highest take-up rates across the country are three industries critical to the health of the New England economy: financial institutions, real estate firms and healthcare facilities, with each exceeding 75 percent. In short, companies that are the lifeblood of the New England economy are taking advantage of the benefits TRIA has offered.

In September 2002, the Real Estate Roundtable, a collection of executives from the real estate industry, released an analysis showing \$15.5 billion of delayed or cancelled real estate projects due to the lack of availability of terrorism insurance in the 12 months after September 11, 2001. This was underscored by a study by the Analysis Group two years later, which concluded that the inability of companies to obtain terrorism coverage, "stalled real estate transactions and construction projects, disrupted product flows, and

reduced employment.” Its findings detailed further damage to the economy without the availability of affordable terrorism insurance, including a drop in the value of and investment in commercial property, as well as job loss or relocation. Affordable terrorism insurance is not a luxury – it is a necessity.

Once again, I urge you to work with your colleagues to produce a strong and long-lasting TRIA extension that will benefit our economy for many years. As always, please don't hesitate to contact me with any questions.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "James T. Brett". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James T. Brett  
President & CEO