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House passes terror insurance bill

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The House of Representatives voted recently to extend the Terrorism Risk Insurance Act for an additional seven years. The act was set to expire on Dec. 31.

The vote represents a victory for ICSC and other groups representing the real estate industry, which had lobbied hard for an extension of the coverage. TRIA, originally passed in 2002, is designed to help insurance companies provide coverage against terrorist attack. Following the Sept. 11 attacks, insurers either withdrew coverage entirely or raised their premiums so much that landlords could no longer afford it. Without that coverage, landlords faced the prospect that banks could call their loans. By a vote of 360-53, the House passed a version of TRIA similar to the Senate's. The president is expected to sign the bill.

Government aid to insurance companies will kick in if damages arising from an attack amount to \$100 million or more. The House had previously wanted to expand TRIA to include group life insurance as well as coverage against other forms of terrorism, such as nuclear, radiological and biological attacks. The earlier House version would also have lowered the threshold at which government aid would be triggered, to \$50 million.

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