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CAI applauds renewal of terrorism risk insurance act

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Community Associations Institute (CAI) is applauding President Obama and Congress for renewing the Terrorism Risk Insurance Act (TRIA)â€”a law that has stabilized the market for terrorism risk insurance and enabled community associations and other entities to obtain this critical insurance coverage at affordable prices.

As a member of the Coalition to Insure Against Terror, CAI pressed federal lawmakers to enact a long-term extension of the TRIA program as a first order of business in 2015. President Obama signed the legislation on January 12.

The market for terrorism risk insurance was thrown into chaos when the 113th Congress adjourned without extending TRIA, allowing the program to expire on Dec. 31. In a sign that Congress now recognizes the importance of a stable market for terrorism risk insurance, legislation renewing the TRIA program cleared both the House and Senate by near-unanimous votes.

"It's been a rare occasion in recent years when the President, U.S. Senate and House of Representatives have moved quickly to adopt legislation," said CAI chief executive officer Thomas Skiba, CAE. "We're especially pleased they did so in this instance. The TRIA program has proven critical to many community associations, fostering a competitive and stable market for terrorism risk insurance."

Originally enacted in the wake of the Sept. 11, 2001, terrorist attacks in New York and Washington, D.C., the TRIA program is widely credited for stabilizing the market for terrorism risk insurance. By serving as a backstop against catastrophic terrorism losses, TRIA has led more insurance companies to offer terrorism risk insurance, creating a competitive market with affordable premiums. "By passing a six-year extension of TRIA, Congress is providing business certainty for community associations exposed to terrorism risk," said Dawn Bauman, CAE, CAI's senior vice president of government and public affairs.

With more than 33,000 members dedicated to building better communities, CAI works in partnership with 60 chapters to provide information, education and resources to community associations and the professionals who support them. CAI's mission is to inspire professionalism, effective leadership and responsible citizenship--ideals reflected in communities that are preferred places to call home.

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