Terrorism Risk Insurance Act (TRIA)

TRIA helps ensure a strong commercial/multifamily real estate market.

BACKGROUND

First signed into law by President George W. Bush on November 26, 2002, the Terrorism Risk Insurance Act (TRIA) established a federal backstop for insurance claims related to terrorism in response to the events on September 11, 2001. This public/private partnership is a critical component of a strong commercial/multifamily market. TRIA helps to effectively manage catastrophic risks that cannot be addressed by the private insurance market, and it provides coverage at little cost to taxpayers.

ADVOCACY

The TRIA program was set to expire on December 31, 2020. Because TRIA coverage is critical to CRE lending, MBA actively engaged with lawmakers to help ensure that Congress would reauthorize the program in a timely manner and provide a long-term extension.

For example, in May 2019, MBA met with the National Economic Council staff to provide a briefing on the importance of the TRIA program and its reauthorization prior to expiration. MBA also met with the Treasury Department’s Federal Insurance Office in June 2019 to brief them on the importance of TRIA reauthorization. Treasury staff members were receptive to our points. On September 17, 2019, MBA joined in a letter with more than 300 business community leaders urging Congress to work quickly to pass a long-term reauthorization of TRIA. More recently, on October 8, 2019, MBA was represented by Matt Galligan, Vice Chairman at CIT, at a TRIA Stakeholders Roundtable convened in New York City by Congresswoman Carolyn Maloney.

On December 20, 2019, that advocacy bore fruit when President Trump signed into law a bill that reauthorized the TRIA program for seven years as part of a $1.4 trillion spending deal to avert a government shutdown – more than a year ahead of its expiration date.

July 2021