



September 19, 2013

Chairman Jeb Hensarling
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Ranking Member Maxine Waters
Committee on Financial Services
B301C Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

The National Association of Real Estate Investment Trusts (NAREIT)[®] is the worldwide representative voice for REITs and publicly traded real estate companies with an interest in U.S. real estate and capital markets. NAREIT's members are REITs and other businesses throughout the world that own, operate, and finance income-producing real estate, as well as those firms and individuals who advise, study and service those businesses.

On behalf of NAREIT's members, thank you for holding today's hearing entitled, "The Terrorism Risk Insurance Act of 2002." NAREIT appreciates that you are educating the members of the Committee on the Terrorism Risk Insurance Act (TRIA). We urge you to work together in a bipartisan way to extend TRIA well before its expiration at the end of 2014 in order to minimize the potentially significant negative economic consequences of uncertainty in the insurance marketplace.

As you know, in the wake of the attacks on 9/11, insurers began to exclude terrorism coverage from commercial policies because terrorism losses cannot be predictably and reliably underwritten. However, commercial lenders required terrorism coverage as a condition of financing, just as they do today. The result in the months after 9/11 was an economic paralysis felt particularly in real estate construction, ownership and development.

The enactment of TRIA – and subsequent Congressional extensions and refinements to the law – has ensured that businesses continue to have access to the terrorism risk coverage they need to obtain financing for their operations. Importantly, by establishing a mechanism by which policy holders and insurers are in the initial loss positions and are required to repay federal share payments in all but the most catastrophic events, TRIA has also ensured that taxpayers are insulated against the cost of a government intervention in this market that would almost certainly result from an act of terrorism.



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September 19, 2013
Page 2

Thank you for holding this hearing today. NAREIT looks forward to working constructively with you as the Committee continues to consider an extension of this vital law.

Sincerely,

A handwritten signature in black ink, appearing to read "S.A. Wechsler", with a stylized flourish at the end.

Steven A. Wechsler
President and CEO

