

**As Reported by the House Insurance Committee**

**130th General Assembly**

**Regular Session  
2013-2014**

**Sub. H. C. R. No. 17**

**Representatives Stinziano, Hackett**

**Cosponsors: Representatives Grossman, Mallory, Retherford**

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**CONCURRENT RESOLUTION**

To urge the Congress of the United States to 1  
reauthorize federally provided terrorism 2  
reinsurance for insurers in order to maintain 3  
stability in the insurance and reinsurance markets 4  
to continue to deliver substantive, direct 5  
benefits to businesses, workers, consumers, and 6  
the economy overall in the aftermath of a 7  
terrorist attack on the United States. 8

**BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE  
OF OHIO (THE SENATE CONCURRING):**

WHEREAS, Insurance helps protect the United States economy 9  
from the adverse effects of the risks inherent in economic growth 10  
and development while also providing the resources necessary to 11  
rebuild physical and economic infrastructure, offer 12  
indemnification for business disruption, and provide coverage for 13  
medical and liability costs from injuries and loss of life in the 14  
event of catastrophic losses to persons or property; and 15

WHEREAS, The terrorist attack of September 11, 2001, produced 16  
insured losses larger than any natural or man-made event in 17  
history, with claims paid by insurers to their policyholders 18  
eventually totaling some \$32.5 billion, making this the second 19  
most costly insurance event in United States history; and 20

WHEREAS, The sheer enormity of the loss, combined with the possibility of future attacks, produced financial shockwaves that shook insurance markets causing insurers and reinsurers to exclude coverage arising from acts of terrorism from virtually all commercial property and liability policies; and

WHEREAS, The lack of terrorism risk insurance contributed to a paralysis in the economy, especially in construction, tourism, business travel, and real estate finance; and

WHEREAS, The United States Congress originally passed the Terrorism Risk Insurance Act of 2002, Pub. L. 107-297 (TRIA), in which the federal government agreed to provide terrorism reinsurance to insurers and reauthorized this arrangement via the Terrorism Risk Insurance Extension Act of 2005, Pub. L. 109-144, and the Terrorism Risk Insurance Program Reauthorization Act of 2007, Pub. L. 110-160 (TRIPRA); and

WHEREAS, Under TRIPRA the federal government provides such reinsurance after industry-wide losses attributable to annual certified terrorism events exceed one hundred million dollars; and

WHEREAS, Coverage under TRIPRA is provided to individual insurers after the insurer has incurred losses related to terrorism equal to twenty per cent of the insurer's previous year earned premium for property-casualty lines; and

WHEREAS, After an individual insurer has reached such a threshold, the insurer pays fifteen per cent of residual losses and the federal government pays the remaining eighty-five per cent; and

WHEREAS, The Terrorism Risk Insurance Program has an annual cap of one hundred billion dollars of aggregate insured losses, beyond which the federal program does not provide coverage; and

WHEREAS, TRIPRA requires the federal government to recoup one hundred per cent of the benefits provided under the program via

policy holder surcharges to the extent the aggregate insured 52  
losses are less than twenty-seven billion five hundred million 53  
dollars and enables the government to recoup expenditures beyond 54  
that mandatory recoupment amount; and 55

WHEREAS, Without question, TRIA and its successors are the 56  
principal reason for the continued stability in the insurance and 57  
reinsurance market for terrorism insurance to the benefit of our 58  
overall economy; and 59

WHEREAS, The presence of a robust private/public partnership 60  
has provided stability and predictability and has allowed insurers 61  
to actively participate in the market in a meaningful way; and 62

WHEREAS, Without a program such as TRIPRA, many of our 63  
citizens who want and need terrorism coverage to operate their 64  
businesses all across the nation would be either unable to get 65  
insurance or unable to afford the limited coverage that would be 66  
available; and 67

WHEREAS, Without federally provided reinsurance, property and 68  
casualty insurers will face less availability of terrorism 69  
reinsurance and will therefore be severely restricted in their 70  
ability to provide sufficient coverage for acts of terrorism to 71  
support our economy; and 72

WHEREAS, Unfortunately, despite the hard work and dedication 73  
of this nation's counterterrorism agencies and the bravery of the 74  
men and women in uniform who fought and continue to fight battles 75  
abroad to keep us safe here at home, the threat from terrorist 76  
attacks in the United States is both real and substantial and will 77  
remain as such for the foreseeable future; now therefore be it 78

RESOLVED, That we, the members of the 130th General Assembly 79  
of the State of Ohio, urge the United States Congress and the 80  
President of the United States to reauthorize the Terrorism Risk 81  
Insurance Program; and be it further 82

RESOLVED, That the Clerk of the House of Representatives 83  
transmit duly authenticated copies of this resolution to the 84  
President of the United States, the Speaker and Clerk of the 85  
United States House of Representatives, the President Pro Tempore 86  
and the Secretary of the United States Senate, the members of the 87  
Ohio Congressional delegation, and the news media of Ohio. 88