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# HOUSE CONCURRENT RESOLUTION

URGING THE CONGRESS OF THE UNITED STATES TO REAUTHORIZE  
FEDERALLY PROVIDED TERRORISM REINSURANCE AND TO AUTHORIZE  
FEDERALLY PROVIDED NATURAL DISASTER REINSURANCE FOR  
INSURERS TO MAINTAIN STABILITY IN THE INSURANCE AND  
REINSURANCE MARKETS IN THE AFTERMATH OF A TERRORIST ATTACK  
ON THE UNITED STATES OR A NATURAL DISASTER IN THE UNITED  
STATES.

1           WHEREAS, insurance helps protect the United States economy  
2 from the adverse effects of the risks inherent in economic  
3 growth and development, while also providing the resources  
4 necessary to rebuild physical and economic infrastructure, offer  
5 indemnification for business disruption, and provide coverage  
6 for medical and liability costs from injuries and loss of life  
7 in the event of catastrophic losses to persons or property; and  
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9           WHEREAS, the terrorist attack of September 11, 2001,  
10 produced insured losses larger than any natural or man-made  
11 event in history, with claims paid by insurers to their  
12 policyholders eventually totaling approximately \$32,500,000,000,  
13 making the attack the second most costly insurance event in  
14 United States history; and  
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16           WHEREAS, the sheer enormity of the loss, combined with the  
17 possibility of future attacks, produced financial shockwaves  
18 that shook insurance markets and caused insurers and reinsurers  
19 to exclude coverage arising from acts of terrorism from  
20 virtually all commercial property and liability policies; and  
21

22           WHEREAS, the lack of terrorism risk insurance contributed  
23 to a paralysis in the economy, especially in construction,  
24 tourism, business travel, and real estate finance; and  
25



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

8  
9 WHEREAS, under TRIPRA, the federal government provides  
10 reinsurance after industry-wide losses attributable to annual  
11 certified terrorism events exceeding \$100,000,000 in claims; and

12  
13 WHEREAS, coverage under TRIPRA is provided to individual  
14 insurers after the insurer has incurred losses related to  
15 terrorism equal to twenty per cent of the insurer's previous  
16 year earned premium for property-casualty lines; and

17  
18 WHEREAS, after an individual insurer has reached the  
19 threshold, the insurer pays fifteen per cent of residual losses  
20 and the federal government pays the remaining eighty-five per  
21 cent; and

22  
23 WHEREAS, the terrorism risk insurance program has an annual  
24 cap of \$100,000,000,000 of aggregate insured losses, beyond  
25 which the federal program does not provide coverage; and

26  
27 WHEREAS, TRIPRA requires the federal government to recoup  
28 one hundred per cent of the benefits provided under the program  
29 by policy holder surcharges to the extent the aggregate insured  
30 losses are less than \$27,500,000,000 and enables the government  
31 to recoup expenditures beyond the mandatory recoupment amount;  
32 and

33  
34 WHEREAS, without question, TRIA and its successors are the  
35 principal reason for the continued stability in the insurance  
36 and reinsurance market for terrorism insurance to the benefit of  
37 our overall economy; and

38  
39 WHEREAS, the presence of a robust private-public  
40 partnership has provided stability and predictability and has



1 allowed insurers to actively participate in the market in a  
2 meaningful way; and

3  
4 WHEREAS, without a program such as TRIPRA, many of our  
5 citizens who need terrorism coverage to operate their business  
6 would be unable to get insurance or unable to afford the limited  
7 coverage that would be available; and

8  
9 WHEREAS, without federally provided reinsurance, property  
10 and casualty insurers will face less availability of terrorism  
11 reinsurance and will therefore be severely restricted in their  
12 ability to provide sufficient coverage for acts of terrorism to  
13 support our economy; and

14  
15 WHEREAS, unfortunately, despite the hard work and  
16 dedication of this nation's counterterrorism agencies and the  
17 bravery of the men and women in uniform who fought and continue  
18 to fight battles abroad to keep us safe at home, the threat from  
19 terrorist attacks in the United States is both real and  
20 substantial and will remain as such for the foreseeable future;  
21 and

22  
23 WHEREAS, because a natural disaster that strikes a military  
24 base and its surrounding commercial and residential  
25 infrastructure would have the same impact as would a terrorist  
26 attack upon that military base and its surrounding  
27 infrastructure, reinsurance coverage against damages caused by a  
28 natural disaster would be a desirable extension of the benefits  
29 of reinsurance coverage under the terrorism risk insurance  
30 program; now, therefore,

31  
32 BE IT RESOLVED by the House of Representatives of the  
33 Twenty-seventh Legislature of the State of Hawaii, Regular  
34 Session of 2014, the Senate concurring, that the Legislature  
35 urges the United States Congress and the President of the United  
36 States to reauthorize the terrorism risk insurance program; and

37  
38 BE IT FURTHER RESOLVED that the United States Congress and  
39 the President of the United States is further urged to expand  
40 the reauthorized terrorism risk insurance program to include  
41 natural disaster coverage; and

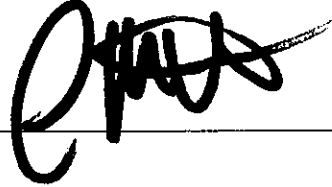


# H.C.R. NO. 60

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2 BE. IT FURTHER RESOLVED that certified copies of this  
3 Concurrent Resolution be transmitted to the President of the  
4 United States, the Speaker of the United States House of  
5 Representatives, the Majority Leader of the United States  
6 Senate, and the members of Hawaii's congressional delegation.

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OFFERED BY: \_\_\_\_\_

A handwritten signature in black ink, appearing to be 'C. H. ...', written over a horizontal line.

FEB 25 2014

