

Opening Statement

Congressman Paul E. Gillmor (R-OH)

Committee on Financial Services

July 13, 2005

Hearing entitled: "Treasury's Report to Congress on the Terrorism Risk Insurance Act (TRIA)"

Thank you, Mr. Chairman, for calling this important hearing and for your continued leadership on this issue.

Our committee passed the Terrorism Risk Insurance Act (TRIA) in 2002, to address serious concerns regarding the continued availability of insurance against acts of terrorism. Without this important federal backstop, such coverage may easily have ceased to exist for commercial policies given the uncertainty surrounding the cost of possible losses.

TRIA addressed these issues by ensuring the widespread availability of affordable terrorism insurance for the duration of the Act and provided a transitional period during which insurance market participants could diversify their exposure and develop resources and mechanisms that would enable the private sector to offer affordable terrorism insurance after TRIA expires on December 31, 2005.

I look forward to further explanation by Secretary Snow on Treasury's evaluation of the TRIA program and the Department's findings contained in the recent report. If the private insurance and reinsurance markets have yet to adapt to the economic risks associated with catastrophic terrorist events, I would hope the Secretary can help Congress come up with a more permanent, market-based solution.

I would like to thank our distinguished Chairman again for calling this hearing, and I look forward to an informative session.