

**Statement of Congressman Christopher Shays**  
**November 16, 2005**

Mr. Chairman, I am grateful for your hard work on the Terrorism Risk Insurance Revision Act and for bringing it before the Committee today.

Extending TRIA is important for so many facets of our economy; and revising the Act by requiring insurers to take on greater responsibility in the event of a catastrophic attack is a prudent measure for the taxpayers.

As a strong believer in free markets, I am fully aware and sympathetic to concerns that TRIA exposes the government and taxpayers to a risk that should be fully assumed by the marketplace. TRIA was never intended to be a permanent program, and we are wise to include in this legislation provisions directing the Treasury Department to work on the creation of risk sharing mechanisms, requiring a full payback to the Treasury in the event that TRIA is triggered, and creating a Commission to study how best to reduce the federal government's role and increase the private sector's capacity to underwrite terrorism risk.

While this legislation takes several important steps to place greater responsibilities on insurance companies, in my judgment it is appropriate and wise for us to expand the program to include group life insurance. Quite simply, Mr. Chairman, those who provide group life insurance face the same challenges as property and casualty and other insurers that were covered under the original TRIA Act. Failure to include group life has placed these insurers in a precarious position of choosing to remain in the marketplace without reinsurance or exiting from the market.

Although TRIA was never triggered, it is important we both extend and improve it. Again, I appreciate the Chairman's hard work and urge my colleagues to support passage.