Washington, DC — Congressman Joe Sestak (D-PA) voted for passage of the Terrorism Risk Insurance Revision and Extension Act (TRIREA). — “The 9/11 terrorist attacks had a devastating impact on our economic infrastructure, and many businesses were left vulnerable and uninsured after the attack. The passage of the Terrorism Risk Insurance Revision and Extension Act (TRIREA) is critical to our nation’s economic security, and will ensure that vulnerable entities are given the tools to rebuild and re-establish their standing,” said Congressman Sestak.

TRIREA makes significant strides in helping those companies who are unable to purchase insurance protecting against property losses that might occur from future terrorist attacks by instituting a joint public sector – private industry insurance compensating formula.

Before the 9/11 terrorist attacks, insurance against the risk of terrorism was routinely included in commercial property and casualty insurance policies. However, after the attacks, which resulted in $40 billion in insured claims, the reinsurance companies that provide backup coverage to primary insurance companies for catastrophic losses announced that they would no longer cover losses from terrorism, since it was impossible to estimate the likelihood and costs of such attacks.

Consequently, in 2002 the Terrorism Risk Insurance Act (TRIA) was enacted in an attempt to prevent an industry-wide catastrophe in the event of another domestic terrorist attack. The law was reauthorized with some changes in 2005, and will expire on December 31, 2007.

TRIREA reauthorizes the federal terrorism insurance program (known as TRIA) through 2022. While TRIA currently provides a backstop to the insurance industry by covering a percentage of insured losses resulting from acts certified by the government as foreign terrorism, the new TRIREA legislation also authorizes the government to provide insurance coverage for domestic terrorism and also adds group life insurance to the types of insurance for which terrorism insurance coverage must be made available by insurers. It also lowered the "trigger" level — the size of an attack at which the federal government would provide aid to insurers — at $50 million, while the current law set the trigger in FY2007 at $100 million.
Finally, TRIREA creates a 21-member "blue-ribbon" commission to propose long-term solutions to covering terrorism risk. The commission would provide two reports to Congress, one five years after enactment, and a final report eight years after enactment.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group

of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. House of Representatives.