



1201 New York Avenue, NW • #600 • Washington, DC 20005
Tel. 202-289-3100 • Fax 202-289-3199 • www.ahla.com

September 18, 2013

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

The American Hotel & Lodging Association applauds the leadership of the House Financial Services Committee in holding hearings to consider the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA). The lodging industry calls on Congress to act quickly to continue this important private/public partnership.

AH&LA is a 100-year-old association of state and city partner lodging associations throughout the United States with some 10,000 property members nationwide. We represent more than 4.9 million guest rooms and over 1.8 million employees in the United States. AH&LA's membership ranges from the smallest independent properties to the largest convention hotels.

Without TRIPRA, the lodging industry will face substantial difficulty in obtaining terrorism risk coverage which is often required for securing loans for development projects. The Terrorism Risk Insurance Act (TRIA) was enacted in the months following the September 11, 2001 attacks and provides a federal plan for economic continuity and recovery in the event of another severe terrorist attack against the United States. TRIPRA ensures a market exists for businesses to secure terrorist risk coverage often required under the terms of bank loans. Importantly, TRIPRA protects American taxpayers as the program mandates that "first dollar losses" be paid by insurers and policy holders and is only triggered in the event of a major event and after individual insurer loss thresholds are met. In addition, the program has operated virtually cost-free to the taxpayer since being enacted.

The lodging industry has seen no evidence that the terrorism risk market is prepared to provide coverage without the private/public partnership TRIPRA provides. TRIPRA has allowed for terrorism coverage prices to stabilize and adequate coverage to be secured with minimal risk to taxpayers. Our members will soon begin to see renewal notices with exclusion clauses if TRIPRA is not renewed by Congress.

AH&LA applauds your efforts to extend this vital program and calls on Congress to act quickly.

Thank you for your consideration of our views.

Sincerely,

A handwritten signature in dark ink that reads "Katherine G. Luger".

President and CEO

Cc: Members of House Financial Services Committee