

November 8, 2005

The Honorable Bill Frist  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable J. Dennis Hastert  
Speaker  
House of Representatives  
Washington, DC 20515

The Honorable Harry Reid  
Minority Leader  
United States Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Minority Leader  
House of Representatives  
Washington, DC 20515

Dear Senator Frist, Senator Reid, Speaker Hastert and Representative Pelosi,

We are writing to express our strong belief that our nation's economy depends on the availability and affordability of terrorism insurance. In the wake of the attacks on September 11<sup>th</sup>, the Terrorism Risk Insurance Act (TRIA) program proved critical to our nation's economic recovery. Now, less than two months before its scheduled expiration, we urge you to act quickly and ensure that our businesses can continue to be protected against the threat of terrorist attacks.

If a federal terrorism insurance backstop is not continued in some form, businesses will face market conditions similar to those experienced after September 11<sup>th</sup>. Policyholders will likely pay exorbitantly high premiums for terrorist insurance, or simply be unable to secure it. The Treasury Department's recent report to Congress of the state of TRIA noted that the immediate effect of ending TRIA "is likely to be less terrorism insurance written by insurers, higher prices and lower policyholder take-up." In the absence of any financial protection, a future terrorist attack will have a significant impact on our nation's ability to recover as businesses find themselves without the necessary resources to rebuild their operations. In addition, without a backstop, the United States will find itself at a competitive disadvantage against countries with a terrorism insurance program, such as the United Kingdom or Germany, when attempting to attract international private investment.

As you move forward, we urge you to consider a temporary extension that ultimately leads to a viable long-term solution providing adequate protection and reduced taxpayer exposure. The primary beneficiaries of TRIA – policyholders – deserve the certainty a long-term solution would provide.

We look forward to working with you to ensure that terrorism insurance remains available and affordable.

Sincerely,



Governor George E. Pataki  
New York



Governor Arnold Schwarzenegger  
California



Governor Kenny Guinn  
Nevada



Governor Bob Taft  
Ohio



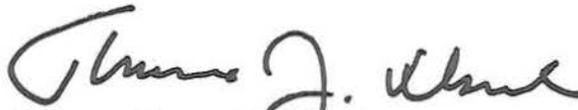
Governor Jim Doyle  
Wisconsin



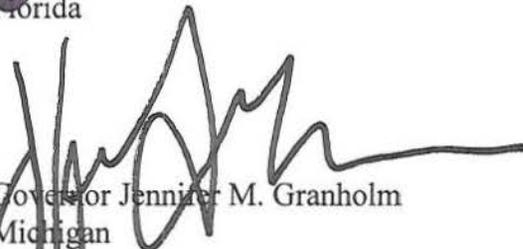
Governor Robert L. Ehrlich Jr.  
Maryland



Governor Jeb Bush  
Florida



Governor Thomas J. Vilsack  
Iowa



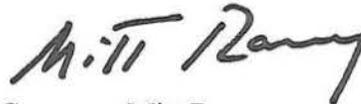
Governor Jennifer M. Granholm  
Michigan



Governor Christine O. Gregoire  
Washington



Governor Theodore R. Kulongoski  
Oregon



Governor Mitt Romney  
Massachusetts



Governor Kathleen Sebelius  
Kansas



Governor Tim Pawlenty  
Minnesota

Governor M. Jodi Rell  
Connecticut

Governor Brad Henry  
Oklahoma

Governor Mike Huckabee  
Arkansas

Governor Ruth Ann Minner  
Delaware

Governor M. Michael Rounds  
South Dakota

Governor Haley Barbour  
Mississippi

Governor Janet Napolitano  
Arizona

Governor Dave Freudenthal  
Wyoming

Governor Edward G. Rendell  
Pennsylvania

Governor Dave Heineman  
Nebraska

Governor Jim Douglas  
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Governor Jon Huntsman Jr.  
Utah

Governor Dirk Kempthorne  
Idaho

Governor John Hoeven  
North Dakota