TRIA Reauthorization and the Lame-Duck Session
The Fate of TRIA Captives Hangs in the Balance by Kevin McKenney, SIIA Government Relations Coordinator

After the midterm elections take place in November, all the buzz surrounding closely contended races will quiet, and Congress will pack legislation into the short “lame-duck” session. The reauthorization of the TRIA program is one undertaking that stakeholders are heavily pushing for before its expiration. SIIA’s Government Relations team has been working in a variety of areas to ensure this program’s survival and that captive insurers are able to continue to write coverage.

Inside sources close to SIIA indicate that the House of Representatives is sharply divided on how to continue the TRIA program. Chairman Jeb Hensarling (R-TX) passed his version of the bill through the Financial Services Committee, but is not supportive of the Senate bill, so a conference committee may not take place until late December, just days before expiration. The bill, H.R. 4871, would increase the program trigger for all non-nuclear, biological, radiological, and chemical events, currently at $100 million to $500 million by 2019, which SIIA believes would effectively put coverage out of reach for all non-NBCR events.

House Democrats have stated support for the program, the Senate bill has already been passed through the Senate with only four Senators voting against the bill. The Senate version changed the insurer co-pay from 15 percent to 20 percent and the recoupment amount from $27.5 billion to $37.5 billion, over a five year period. The $100 million trigger, referenced in the House bill, remains the same. SIIA believes the changes in the Senate bill are palatable and would accept them in a final conference committee bill in exchange for a quick passage.

SIIA believes that TRIA will be reauthorized by the end of the lame duck session, but is concerned about the program trigger and length of the extension. As we have seen from Congress, deals are made to pass something in the short term, with the intention of revisiting a program at a later date. A possible but unlikely
scenario is a six month extension. With the Senate expected to shift to GOP control, the House may see an opportunity to pass reforms to the program with support from the upper chamber. While the length of extension remains to be seen, top Republicans are clear in their intention to change the current program structure.

In August, SIIA President and CEO Mike Ferguson sent a letter to each House member urging them to support the immediate reauthorization of TRIA, and SIIA has joined the Coalition to Insure Against Terrorism (CIAT). SIIA and other stakeholders have helped to generate over 100 cosponsors for the program’s extension and is continuing to work for immediate extension.

Watch for additional real-time reporting from SIIA as Congress gets closer to adjournment for the year.

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