



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 17, 2005
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S. 467 - Terrorism Risk Insurance Extension Act of 2005

(Sen. Dodd (D) Connecticut and 33 cosponsors)

The Administration supports Senate passage of S.467 and appreciates the Senate's efforts to ensure increased private market participation in providing terrorism insurance. The Administration believes the continued presence of a government-provided reinsurance program crowds out private market solutions. The Administration also believes this legislation sends the proper signal to the marketplace that the Terrorism Risk Insurance Program was envisioned to be temporary. The legislation is consistent with the Administration's goals of further encouraging private market development and reducing taxpayer exposure by eliminating lines of coverage in the Program, increasing industry deductibles and co-payments, and increasing trigger levels at which an event would become eligible for government funds. The Administration strongly supports the bill's exclusion of additional lines of coverage and will strongly oppose any efforts to add lines of coverage, including group life insurance, or further expand the program.

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