

# House Concurrent Resolution No. 37

## 91<sup>ST</sup> GENERAL ASSEMBLY

5079L.011

1                   **Whereas**, the September 11, 2001, terrorist attacks have had a substantial impact  
2 on the American economy; and  
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4                   **Whereas**, insurers estimate that their losses from the attacks could reach 70 billion  
5 dollars; and  
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7                   **Whereas**, insurance coverage on the World Trade Center and the businesses in and  
8 around the World Trade Center were multi-layered, and will affect insurers of all kinds,  
9 including property-casualty, liability, workers' compensation, business interruption, life, health,  
10 and reinsurance; and  
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12                   **Whereas**, insurers across the country have expressed their commitment to meet  
13 policyholder obligations resulting from these events; and  
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15                   **Whereas**, insurers are concerned that they cannot adequately or accurately price  
16 insurance coverage for future catastrophes resulting from terrorism; and  
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18                   **Whereas**, the private insurance industry faced an immediate crisis because most  
19 reinsurance policies were renewed on January 1, 2002, which resulted in some reinsurers  
20 notifying their customers that they would no longer cover terrorism risk and caused some  
21 primary carriers to notify state insurance regulators that they intend to seek exclusions of  
22 terrorism coverage in their contracts with policyholders; and  
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24       **Whereas**, without adequate insurance coverage, banks may be unwilling to extend  
25   loans for commercial transactions, such as mortgages, construction projects, and other capital-  
26   intensive programs; and  
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28       **Whereas**, the inability of the insurance industry to cover losses from future terrorist  
29   activities may require action by the federal government; and  
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31       **Whereas**, a federal backstop would assure an available and affordable insurance  
32   market for America's consumers and businesses in these challenging times; and  
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34       **Whereas**, a federal backstop program would help to eliminate market constriction  
35   and prohibitively high prices, would facilitate insurance transactions necessary for commerce,  
36   and would assure the broad-based ability of families and businesses to recover from future  
37   incidences of terrorism; and  
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39       **Whereas**, without a backstop, a limited availability of insurance against terrorism  
40   would have a severe adverse effect on our country's economy as financiers would be reluctant  
41   to lend, businesses would be reluctant to invest, and consumers would be unable to afford  
42   insurance:  
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44       **Now, therefore, be it resolved** that the members of the House of  
45   Representatives of the Ninety-first General Assembly, Second Regular Session, the Senate  
46   concurring therein, hereby support the concept of a limited and temporary federal backstop for  
47   insurance against terrorism and urges the President of the United States and the United States  
48   Congress to take action as soon as possible to address this critical issue; and  
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50       **Be it further resolved** that the Chief Clerk of the Missouri House of  
51   Representatives be instructed to prepare properly inscribed copies of this resolution for the  
52   President of the United States and each member of the Missouri Congressional Delegation.