

ENGROSSED HOUSE  
CONCURRENT  
RESOLUTION NO. 1060

By: Askins of the House

and

Robinson of the Senate

A Concurrent Resolution declaring support for a temporary federal backstop program for insurance against terrorism; and directing distribution.

WHEREAS, the September 11, 2001, terrorist attacks have had a substantial impact on the American economy; and

WHEREAS, insurers estimate that their losses from the attacks could reach 70 billion dollars; and

WHEREAS, insurance coverage on the World Trade Center and the businesses in and around the World Trade Center were multi-layered, and will affect insurers of all kinds, including property-casualty, liability, workers' compensation, business interruption, life, health, and reinsurance; and

WHEREAS, insurers across the country have expressed their commitment to meet policyholder obligations resulting from these events; and

WHEREAS, insurers are concerned that they cannot adequately or accurately price insurance coverage for future catastrophes resulting from terrorism; and

WHEREAS, the private insurance industry faced an immediate crisis because most reinsurance policies were renewed on January 1, 2002, which resulted in some reinsurers notifying their customers that they would no longer cover terrorism risk and caused some primary carriers to notify state insurance regulators that they intend to seek exclusions of terrorism coverage in their contracts with policyholders; and

WHEREAS, without adequate insurance coverage, banks may be unwilling to extend loans for commercial transactions, such as mortgages, construction projects, and other capital-intensive programs; and

WHEREAS, the inability of the insurance industry to cover losses from future terrorist activities may require action by the federal government; and

WHEREAS, a federal backstop program would assure an available and affordable insurance market for America's consumers and businesses in these challenging times; and

WHEREAS, a federal backstop program would help to eliminate market constriction and prohibitively high prices, would facilitate insurance transactions necessary for commerce, and would assure the broad-based ability of families and businesses to recover from future incidences of terrorism; and

WHEREAS, without a backstop program, a limited availability of insurance against terrorism would have a severe adverse effect on our country's economy as financiers would be reluctant to lend, businesses would be reluctant to invest, and consumers would be unable to afford insurance.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE 2ND SESSION OF THE 48TH OKLAHOMA LEGISLATURE, THE SENATE CONCURRING THEREIN:

THAT there is support for the concept of a limited and temporary federal backstop program for insurance against terrorism and urges the President of the United States and the United States Congress to take action as soon as possible to address this critical issue.

THAT copies of the resolution be distributed to the President of the United States and each member of the Oklahoma Congressional Delegation.

Adopted by the House of Representatives the 14th day of May,  
2002.

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Presiding Officer of the House of  
Representatives

Adopted by the Senate the \_\_\_\_ day of \_\_\_\_\_, 2002.

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Presiding Officer of the Senate