



## **CMSA® Urges Congress to Amend Catastrophic Insurance Bill** *International Trade Association Praises Campbell Amendment*

New York City, NY (September 25, 2007) – Commercial Mortgage Securities Association (CMSA), the leading expert and voice of the commercial real estate capital market finance industry, today commended Rep. John Campbell (R-CA) for offering an amendment to improve natural disaster legislation to better protect local businesses and to address availability and affordability issues in the ‘commercial’ insurance market.

H.R. 3355: the “Homeowners Defense Act of 2007,” introduced by Rep. Ron Klein (D-FL) and Rep. Tim Mahoney (D-FL), focuses on providing insurance coverage relating to catastrophic events for homeowners. As a founding member of the Natural Catastrophe Policyholder Coalition (NCPC), CMSA has been working with its industry counterparts to provide feedback on the legislation to policymakers and to attempt to explicitly include language to address ‘commercial’ coverage to ensure that the concerns of the commercial real estate marketplace are also addressed in the bill.

CMSA commends Rep. John Campbell (R-CA) for offering an amendment that would extend the provisions of the legislation to include 'commercial' insurance coverage. The amendment was offered and withdrawn after the bill sponsors and House Financial Services Committee Chairman Barney Frank (D-MA) agreed to work on including the language moving forward.

“The availability of commercial insurance for catastrophic events is critical to the economic strength of the commercial real estate capital market finance sector and overall economy,” said Dottie Cunningham, chief executive officer of CMSA. “By addressing ‘commercial’ coverage, Congress will protect local businesses that provide jobs and fuel local communities.”

H.R. 3355 aims to address the availability and affordability of homeowners insurance by creating a federal/state consortium that would provide a backstop for state and regional catastrophe programs, securitize and sell catastrophe bonds, and collect and store catastrophe risk and coverage information. Participation in the consortium is voluntary and participating states are required to contribute financially to the entity. The bill also authorizes the Secretary of the Treasury to make liquidity loans and catastrophic loans to state and regional reinsurance programs to ensure the solvency of such programs.

**(MORE)**

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“Including the commercial marketplace in this bill will allow us to maintain stability in the capital markets,” said Leonard W. Cotton, vice chairman of Centerline Capital Group and president of CMSA. “Commercial insurance for catastrophic events is a critical component in protecting our economy and taxpayers should such an event occur, and we thank Rep. Campbell for his thoughtful amendment and approach to this issue.”

### **ABOUT CMSA**

Commercial Mortgage Securities Association™ (CMSA®) is an international trade association dedicated to promoting the ongoing strength, liquidity and viability of commercial real estate capital market finance worldwide. With more than 400 member companies worldwide, CMSA offers unparalleled leadership in the commercial real estate markets. Our diverse membership base spans the globe and represents the full range of the industry's market participants, from senior executives at the largest money-center banks and investment banks, rating agencies, insurance companies, and investors to service providers. Member-driven, CMSA is dedicated to insightful, forward thinking that encourages vision, innovation and continuous professional growth for market participants. It is committed to being responsive to its members and providing them a culture of collaboration, collegiality, open and inclusive dialogue, consensus building and respect for diverse views.

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#### **Contacts: CMSA/Washington, D.C.**

Brendan Reilly  
Office (202) 457-8325  
Mobile (202) 744-4765

#### **CMSA/New York, NY**

Debra Marshall  
Office (212) 589-0961  
Mobile (646) 238-6496