



# Highlights of Recent RAND Research on TRIA

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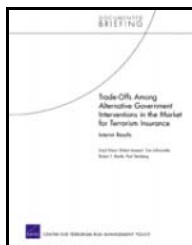
Following the 9/11 terrorist attacks, the federal government adopted the Terrorism Risk Insurance Act (TRIA), which requires insurers to make terrorism coverage available to commercial policyholders. In exchange, the federal government will reimburse insurers for a portion of insured losses above a particular threshold. TRIA was reauthorized in 2007 and extended until 2014. Published research that serves to analyze and quantify terrorism risk, conducted by the RAND Center for the Study of Terrorism Risk Management Policy (CTRMP), informed public and private decisionmakers on the costs and benefits of public policy alternatives and outcomes during the reauthorization process in 2005 and 2007.



## **The Federal Role in Terrorism Insurance Evaluating Alternatives in an Uncertain World**

Lloyd Dixon et al., 2007

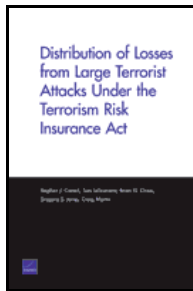
Taxpayers save money and businesses are better protected with the Terrorism Risk Insurance Act (TRIA) in place than if the act is allowed to expire. TRIA allows the insurance industry to play a larger role in compensating losses caused by smaller terrorist attacks by transferring some of the risk for the largest attack to the government.



## **Trade-Offs Among Alternative Government Interventions in the Market for Terrorism Insurance Interim Results**

Lloyd Dixon et al., 2007

Interim findings from a RAND Center for Terrorism Risk Management Policy project suggest that the Terrorism Risk Insurance Act performs well on outcomes examined for conventional attacks but not for chemical, biological, radiological, or nuclear ones.



## **Distribution of Losses from Large Terrorist Attacks Under the Terrorism Risk Insurance Act**

Stephen J. Carroll et al., 2005

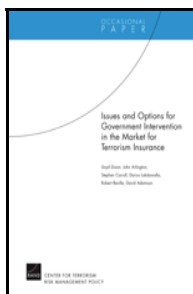
The Terrorism Risk Insurance Act (TRIA) creates an effective mechanism for sharing the financial risk that businesses face from terrorism. Still, less than half of all businesses have terrorism insurance; the U.S. government should consider encouraging these businesses to buy coverage.



## **Trends in Terrorism Threats to the United States and the Future of the Terrorism Risk Insurance Act**

Peter Chalk et al., 2005

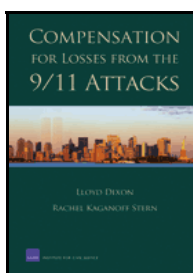
The terrorism insurance system in the United States is failing to provide businesses with adequate financial protection, leaving the nation vulnerable to economic disruption if there is a major terrorist attack.



## **Issues and Options for Government Intervention in the Market for Terrorism Insurance**

Lloyd Dixon et al., 2004

This paper frames the central issues in the debate over whether to extend, modify, or end TRIA, and explores the role of disaster insurance within a system for managing risks created by the possibility of terrorist attacks and compensating losses caused by those attacks.



## **Compensation for Losses from the 9/11 Attacks**

Lloyd Dixon et al., 2004

The terrorist attacks of September 11, 2001 caused tremendous loss of life, property, and income, and the resulting response from public and private organizations was unprecedented. This monograph examines the benefits received by those who were killed or seriously injured on 9/11 and the benefits provided to individuals and businesses in New York City that suffered losses from the attack on the World Trade Center. The authors examine the performance of the compensation system — insurance, tort, government programs, and charity — in responding to the losses stemming from 9/11.

*Updated 10/22/08*