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Trends in Transnational Terrorism and
Implications for U.S. National Security and
U.S. Terrorism Risk Insurance Act

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Abstract

The unprecedented losses brought about by the attacks of 11 September 2001 have cast the issue of terrorism risk insurance into sharp relief. In particular, it has raised questions as to whether attacks on this scale are an insurable risk and the extent to which the private insurance industry is able and/or willing to price such risks

independent of a Federal safety net. Although the Bush administration has committed

to renew materiel costs

that might be incurred on U.S. soil, it is

not apparent that the U.S. government is

contingent on a long-term.

Any loss of coverage would be expected to go

beyond the current situation for

certified terrorism insurance as mandatory

coverage for chemical, biological, radiological, and nuclear (CBRN) assaults; and

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investigating ways to increase the take-up rates of terrorism insurance by lowering its cost to the customer. An oversight board mandated to evaluate the Act's performance and relevance to evolving terrorist trends would also be useful.

Notes

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