

Title:

American Politics And Insurance

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318

Summary:

Many Americans have many more complaints with the American government and politics, and how ill-prepared the government was for helping American citizens before, during, and after Hurricane Katrina struck is only one example. However, it is apparent that the American government and the politics that surround it are not just sitting around waiting for the next disaster to strike - they have been making preparations, and not just for natural disasters such as hurricanes.

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Keywords:

Article Body:

Many Americans have many more complaints with the American government and politics, and how ill-prepared the government was for helping American citizens before, during, and after Hurricane Katrina struck is only one example. However, it is apparent that the American government and the politics that surround it are not just sitting around waiting for the next disaster to strike - they have been making preparations, and not just for natural disasters such as hurricanes.

Natural disasters are not the only emergencies in which organizations have been founded to help citizens when insurance policies are nonexistent, or not enough; organizations such as the Federal Emergency Management Agency, better known as FEMA, have stepped in and helped during troubled times. However, past terrorist attacks, and present risks of terrorist attacks, have prompted the federal government to get involved and pass the Terrorism Risk Insurance Act, also known as TRIA.

TRIA may not be an organization like FEMA, but the act is designed arrange a provisional program that makes sure both citizens and insurance companies are prepared - as prepared as can be - in the event of a terrorism attack. TRIA does this by guaranteeing that the federal government will share the costs of losses due to terrorism attacks with insurance companies. This helps ensure that insurance companies will not, for lack of better terms, run out of money. It

also helps ensure that American citizens provided with the help they needs, as well as be compensated for their losses.

Insurance companies were not adequately prepared for the financial losses that resulted from the September 11, 2001 terrorist attacks, and had to rely heavily on reinsurers, companies that make available insurance to insurance companies, to help pay the cost of damages. Now that TRIA is in effect, insurance companies are at less risk for being inadequately funded. Plus, the time it takes to underwrite an insurance policy is reduced since the losses have been reduced.