

Risking House and Home:
Disasters, Cities, Public Policy

John M. Quigley and Larry A. Rosenthal
Editors

2008
Berkeley Public Policy Press
Institute of Governmental Studies Publications
Berkeley, California

Cover: Loma Prieta Earthquake, October 17, 1989. San Francisco, California.
Collapsed and burned buildings at Beach and Divisadero streets in the city's
Marina District.
Photograph: C. E. Meyer, US Geological Survey

Library of Congress Cataloging-in-Publication Data

Risking house and home : disasters, cities, public policy / John M. Quigley
and Larry A. Rosenthal, editors.

p. cm.

Includes bibliographical references.

ISBN 978-0-87772-427-8

1. Disaster relief—United States. 2. Insurance, Disaster—United States. 3.
Urban policy—United States. I. Quigley, John M., 1942- II. Rosenthal, Larry
A., 1959-

HV555.U657 2008

363.34'80973—dc22

2007043427

Contents

Tables and Figures	vii
Preface and Acknowledgments	xi
1. Introduction: Disasters, Cities, Public Policy <i>John M. Quigley and Larry A. Rosenthal</i>	1
INSURANCE	
2. Public Versus Private Underwriting of Catastrophic Risk: Lessons from the California Earthquake Authority <i>George Zanjani</i>	17
3. Financing Catastrophe Insurance: A New Proposal <i>Dwight Jaffee and Thomas Russell</i>	37
4. Reflections on US Disaster Insurance Policy for the 21st Century <i>Howard Kunreuther</i>	47
CATASTROPHE	
5. Obstacles to Clear Thinking About Natural Disasters: Five Lessons for Policy <i>Alan Berger, Carolyn Kousky, and Richard Zeckhauser</i>	73
6. Macroeconomic Impacts of Catastrophic Events: The Influence of Resilience <i>Adam Rose</i>	95
7. Hurricane Katrina: Catastrophic Impacts and Alarming Lessons <i>Kathleen Tierney</i>	119
GOVERNMENT POLICY	
8. Economic Resilience, Fiscal Resilience, and Federalism: Evidence from 9/11 <i>Howard Chernick and Andrew F. Haughwout</i>	139

9. The Economic Impacts of Alternative Terrorist Attacks on the Twin Ports of Los Angeles-Long Beach <i>Harry W. Richardson, Peter Gordon, James Moore, Jiyoung Park, and Qisheng Pan</i>	173
10. Socioeconomic Differences in Household Automobile Ownership Rates: Implications for Evacuation Policy <i>Alan Berube, Elizabeth Deakin, and Steven Raphael</i>	197
References	223
Contributors	241