



# TERRORISM AND POLITICAL VIOLENCE

Businesses and individuals are becoming more likely to be exposed to multiple, complex attacks such as those seen in Boston in 2013, and most recently in San Bernardino, California. These, coupled with recent events in mainland Europe, are being classified as “Marauding Terrorist Active Shooter” (MTAS) attacks, and have been responsible for a significant number of casualties in recent months.

## THE CHANGING THREAT

The attacks require little technology, just dedicated terrorist(s) with automated weapons, and are often supported by body-worn suicide bombs. Whilst the US is a possible target for such attacks, mainland Europe, particularly those countries with large numbers of nationals fighting against ISIS in Iraq and Syria, such as Belgium and Norway, are at even higher risk.

This changing threat presents different challenges to businesses when considering risk management solutions and insurance against acts of terrorism.

## THE IMPACT ON YOUR BUSINESS

These attacks impact a whole city rather than a confined area. Whilst the area being targeted will suffer physical damage from the incident, businesses located in the area surrounding the attacks or where follow up security operations are carried out, such as in Paris, Brussels or Boston, are likely to face interruption. This could be as a result of denial of access, further threat or loss of attraction. As such, traditional terrorism insurance products that require a physical damage trigger may not offer coverage for many loss scenarios.

In response to the changing needs of our clients, Arthur J. Gallagher’s Crisis Management team has designed innovative and appropriate solutions for the current terrorism risk.

## OUR SOLUTIONS

Firstly, our crisis consulting team can model the likely scenarios that could affect a clients business during a terrorist attack, both for physical damage and business interruption and also for non-damage business interruption. We have built this capability in our Farseer modeling tool and can therefore help clients select the most appropriate limits of cover and types coverage to meet a range of terrorist threat scenarios.

The modeling results are then discussed with our broking teams who are then better positioned to represent a client’s risk with underwriters.

Our coverage not only includes significant limits for traditional physical damage and business interruption and terrorism liability but also offers sub limited coverage for:

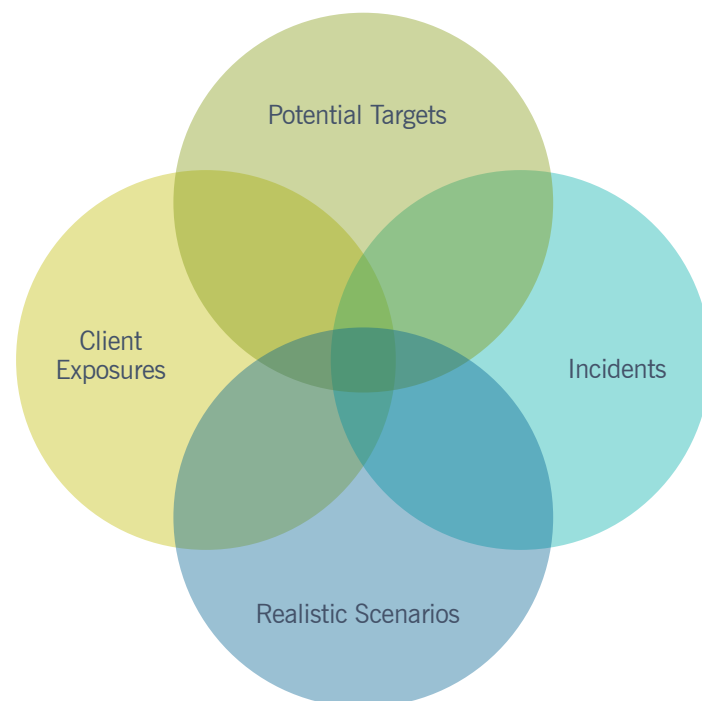
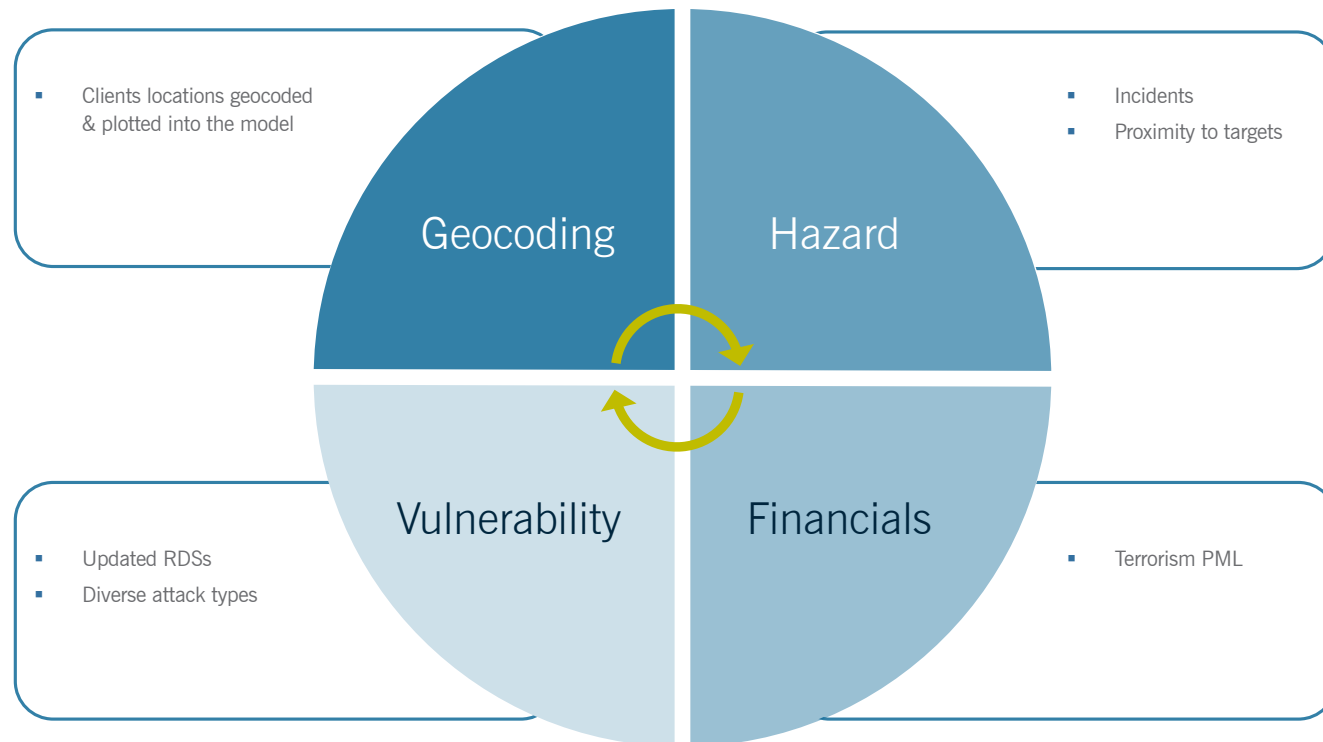
- Denial of access (including non damage)
- Threat (including non damage)
- Loss of attraction

We can also provide excess coverage for clients that wish to insure to higher limits for these non damage coverages and can also provides stand alone coverage for ‘Chemical / Biological / Radiological / Nuclear (CBRN) attacks.

We work with underwriters that understand the benefits of effective terrorism risk management and will both discount premiums for such programs and also contribute funds to improve our clients’ risk management programs via our in house team of counter terrorism specialists.

### FARSEER MODELLING

We have developed a unique terrorism model that enables us to view a client's portfolio within our system. We are then able to look for accumulation of value, proximity to potential terrorist targets and run realistic terrorist scenarios to determine the Probable Maximum Loss (PML). It enables clients to address unique concerns by prioritising target lists to reflect their portfolio and setting the weighting of attack type to reflect groups and counter terrorism infrastructure in place.



**Our modelling is supported by:**

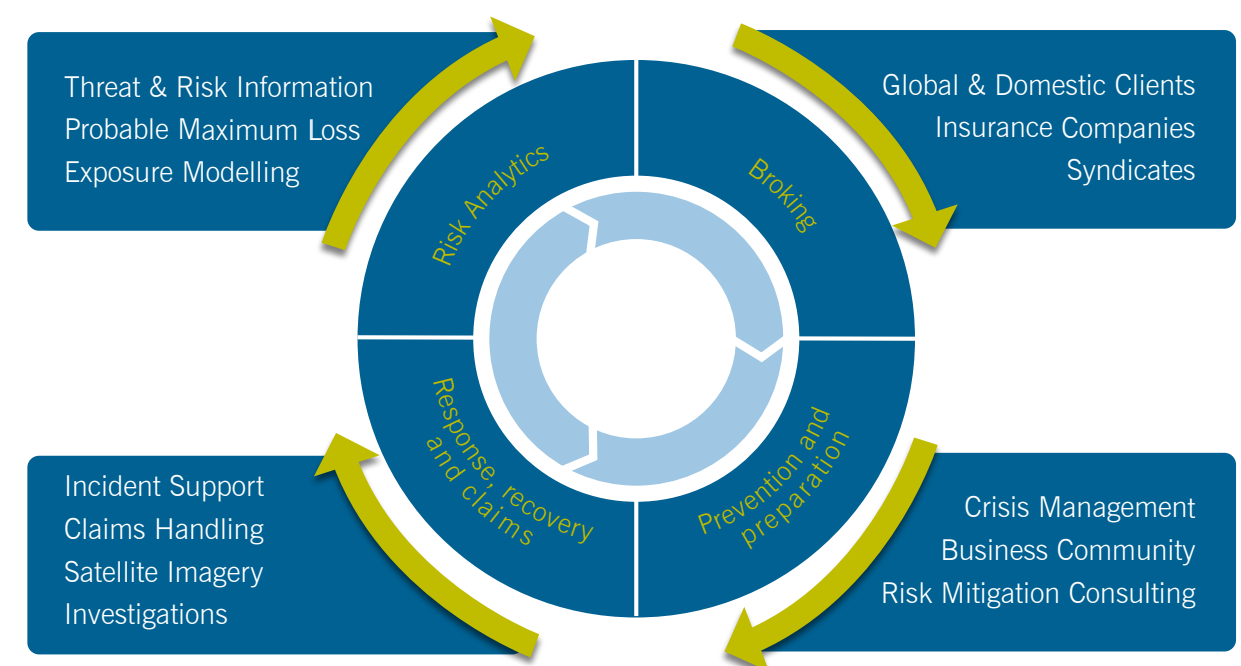
- Risk management & integrated broking services by Arthur J. Gallagher's in-house specialist terrorism team, all of whom are former military with CBRN and counter-terrorist backgrounds.
- Counter-terrorism specialists, data analysis and intelligence experts.
- United Nations terrorism experts.
- Consultants with PhDs in terrorism risk prediction.

### COVERAGE HIGHLIGHTS

Policy Wording:	Full Follow Form of the underlying PD / BI / GL Programme
Material Damage and Business Interruption up to:	USD 375,000,000 per Insured
Terrorism Liability, includes defence and damages, up to:	USD 100,000,000 per Insured
Direct Damage and Non Damage Business Interruption:	
Loss of Attraction up to:	USD 5,000,000 per Insured
Threat up to:	USD 5,000,000 per Insured
Denial of Access up to:	USD 5,000,000
Brand Rehabilitation:	10% of overall limit or USD 500,000 whichever the lesser
Contingent financial loss (Customers and suppliers/contingent extra expense):	USD 5,000,000 per insured
Damage to Insured's property at unspecified third party sites:	USD 500,000 per insured
Damage to property in transit:	USD 500,000 per insured
Utilities:	USD 5,000,000 per insured
Contract works:	USD 5,000,000 per insured
Extinguishment expense:	USD 500,000 per insured

Bespoke placements available for larger complicated placements. Please see policy documentation for further information. Conditions and exclusions apply.

### BESPOKE RISK MANAGEMENT SOLUTIONS



## OUR APPROACH

ANTICIPATE	PREVENT	RESPOND	RECOVER
Threat and risk monitoring	Policies & procedures (Security)	Insurance Placement	Business Continuity Management
Vulnerability analysis	Safe Travel Programme	Training & Awareness	Claims & Investigations
	Executive Resilience	Crisis Management Plan	
	Mitigation: Physical, Procedural, Technical & Personnel	Crisis Response	



### YOUR NEXT STEP

To discuss your requirements please contact:

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