

Gallagher London

Crisis Solutions / Terrorism

The Terrorism Risk Insurance Programme Reauthorization Act 2007 which extended the Terrorism Risk Insurance Act 2002 (TRIA) through to 2014 has had an impact on coverage available. Despite having removed the clause “acting on behalf of a foreign person or a foreign interest” it now caps insurers aggregated liability to \$100 billion and continues to provide no clear definition of what the US government defines as a terrorist act.

In addition, President Obama has instigated a proposal to progressively scale back TRIA through the removal of the current coverage for domestic terrorism.

It is anticipated that in 2011 and 2013 there may be moves to implement:

- Insurer deductibles to an unspecified amount (currently 20% under TRIPRA).
- Co-insurance levels to an unspecified level (Currently 15% under TRIPRA).
- Loss Triggers to an unspecified level (currently \$100M under TRIPRA).

The specialist programs placed by Gallagher Crisis Solutions offer a much wider definition: *“an act, including the use of force or violence of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation committed for political, religious, or ideological purposes including the intention to influence any government and / or put public fear for such purposes”*

We have access to a number of exclusive programs offering limits of up to \$100,000,000.

Coverage for ALL acts by both foreign and domestic groups (regardless of governmental certification) including, but not limited to :

- Al Qaeda and militant Islam
- Regional militias, race supremacist and other political, religious or ideological factions
- Militant environmental and anti- technology
- Anti-globalisation / Anti-capitalism
- Animal rights
- Opponents of genome and stem cell research
- Anti-abortion

In addition there are several other significant enhancements beyond TRIA including:

- Coverage does not require a financial trigger. (TRIA is limited to violent / dangerous acts exceeding \$5,000,000).
- No government certification is required to pay a claim. (For an event to be declared under TRIA it must have the agreement of ALL THREE of the following: Secretary of the Treasury, Secretary of State, Attorney General. Note: The US Government can amend or restrict this act)
- Lines of coverage included which are specifically excluded from TRIA include Auto Liability and Auto Physical Damage, Crime, Professional Liability
- Defence costs and claims support is applicable immediately and not deferred until after certification
- **Provides an option for Nuclear Biological Chemical Radiological (NBCR) coverage**



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Liability Terrorism

The Liability aspect of Terrorism placements is also seeing increased demand. With the increase in incidents such as Virginia Tech, there is concern that should the perpetrator have undertaken an act that was ideologically or politically motivated it could be deemed an act of terror and standard liability policies would not pick up resultant litigation.

Gallagher uses a Lloyd's facility that does not need physical damage to trigger coverage and also does not limit the act to a specific location. The coverage relates to Liability for bodily injury and physical damage Pre and Post Attack including:

Pre-Attack

- Failure to control or monitor entry
- Failure to check passes / search bags
- Failure to limit vehicle access / parking
- Genuine warning ignored, no procedure for police liaison
- Windows not blast protected, building collapse, fire and smoke retardants fail
- Building design hinders armed response

Post-Attack

- No evacuation plan, leading to stampede
- Misdirection of people into a second blast
- Occupants told to remain in place but building collapses
- Anonymous commercial vehicles stolen and used as bombs

For further information on our products please contact:

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