

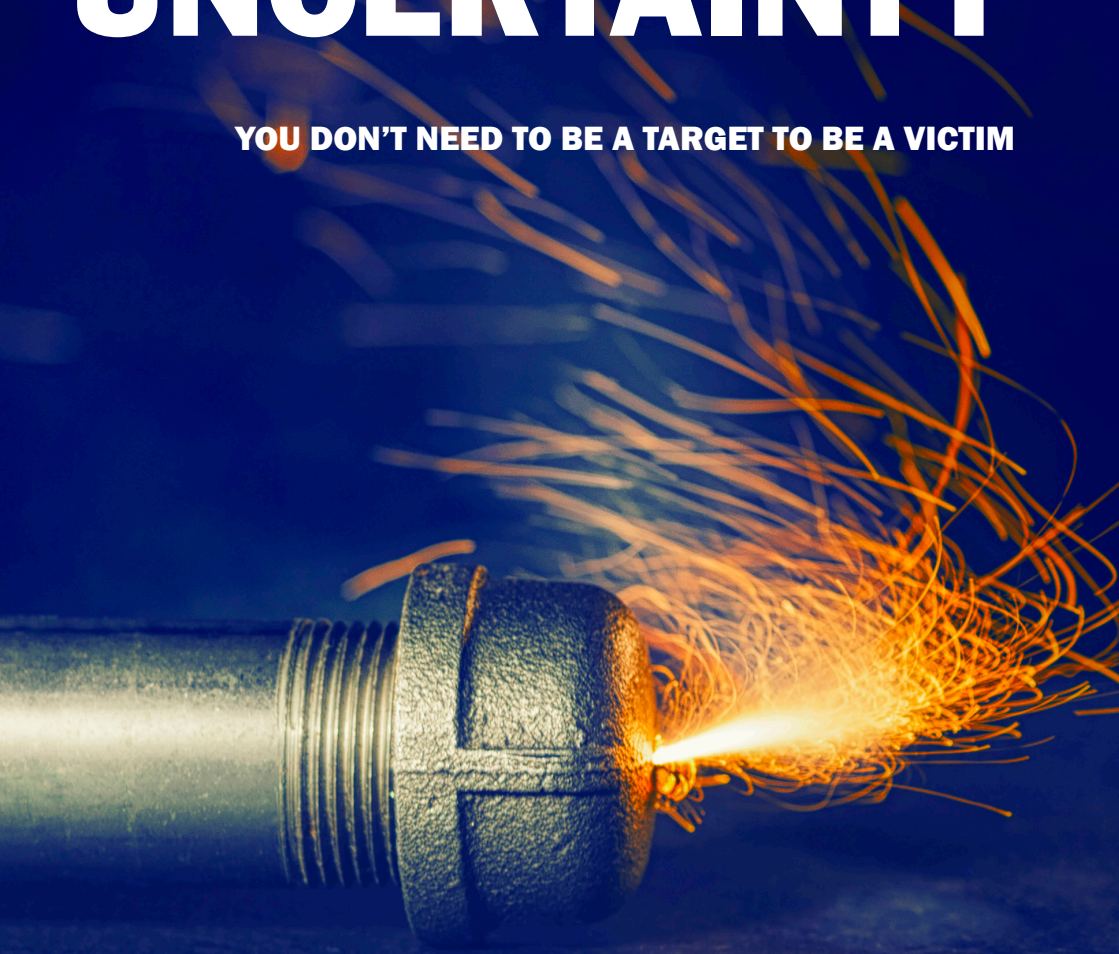


PRICE FORBES

**TERRORISM & SABOTAGE**

# ANTICIPATING UNCERTAINTY

**YOU DON'T NEED TO BE A TARGET TO BE A VICTIM**



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INDEPENDENT  
CONNECTED  
COMMITTED

## EXPERT CAPABILITIES

Price Forbes's Independence means we are not constrained by market agreements. This leaves us free to work with markets best placed to meet you and your clients' needs.

Price Forbes have direct access to all Lloyd's Syndicates, London, US, European, Asian and Bermudan insurance markets allowing us to achieve the best terms on behalf of our clients and assureds whilst also dealing with the nuances of local compliance and regulation that exist in various territories around the world.

When selecting insurance carriers, the following criteria are at the forefront of our decision-making process.

- **Security** - strong financial security. Minimum investment grade BBB- rating from S&P or Financial Strength Rating of A- (excellent) from AM Best's.
- **Expertise** - experience in underwriting risks with global exposure.
- **Claims** - proven record in claims management and settlement.
- **Relationships** - desire to develop long-standing commitment to clients.
- **Flexibility** - remaining flexible in a changing economic and political climate.

Price Forbes has considerable experience designing Terrorism & Political Violence insurance programmes, both global and for single territory risk. Ultimately pricing can be determined by commercial realities and the availability of aggregate capacity with supply and demand pressures.

We pride ourselves on offering bespoke contract wording solutions where necessary for the individual needs and demands of our assureds - providing greater clarity to coverage through clear, unambiguous language. Our brokers and technicians strive to ensure that these wordings continue to provide the broadest coverage in a fast-evolving insurance market.



## TERRORISM TEAM

We have a dedicated Terrorism team which collectively has a wealth of experience in structuring and placing US and International Terrorism risk programmes, servicing all divisions within the Group; the core sectors include General Property/Liability, Energy, Power, Marine Cargo and Construction.

### CLAIMS

We have a dedicated resource within the Claims team which offers specialist experience for Terrorism & Political Violence claims. Price Forbes has a proven record of claims settlement on Terrorism & Political Violence risks which, by their nature, are complex and often in troubled parts of the world. Our knowledge and experience has delivered successful and timely claims settlements.

### CAPTIVE FRONTED PROGRAMMES & TRIPRA WRAPS

Price Forbes has significant experience in reinsuring Captive Insurers for their global Terrorism exposures via TRIPRA “Wraps”.

### STAND ALONE TERRORISM POLICIES VERSUS TRIA

The Terrorism Insurance Act of 2002 (TRIA) was enacted in November 2002 with the US Government providing reinsurance protection for Certified acts of Terrorism. This was extended by the Terrorism Risk Insurance Programme Reauthorization Act of 2007 (TRIPRA) to extend this provision until the end of 2014 and again, in 2015 and most recently through the TRIPRA 2019. Whilst coverage is a simple reflection of that provided by the All Risks policy it has been so far untested and the gaps in coverage make a Stand Alone Terrorism policy a worthwhile alternative.

<b>Duration:</b>	TRIPRA's early renewal and reauthorization act now set to expire on 31st December 2027.
<b>Program Trigger:</b>	\$200m by 2020, where it has been capped.
<b>Captive/ Federal Co-Share:</b>	20% since 2020. Conversely, the Federal share is 80% as of 2020, where it has since been capped.
<b>Certification:</b>	The Treasury Secretary becomes the decision maker on the Certification of a terrorist event (requiring consultation with the Secretary of Homeland Security and the Attorney General).

## STAND ALONE TERRORISM VERSUS TRIPRA

Stand Alone Terrorism Policy	TRIPRA
<p>The Definition of a Terrorism event is clearly stated in the policy wording and covers acts committed for Political, Religious and Ideological purposes.</p> <p>Coverage additionally includes acts of Sabotage.</p>	<p>In order for an act to be Certified under TRIPRA, three political appointees (Secretary of State, Secretary of the Treasury and Attorney General) must all agree that an event is a "Certifiable" act of Terrorism.</p>
<p>Coverage is in excess of the agreed policy deductibles and conditions.</p>	<p>The loss will not be Certified under TRIPRA unless the losses resulting from the incident exceed \$5,000,000 in aggregate across all potential classes. Furthermore, the TRIPRA backstop is not triggered unless the aggregate loss exceeds \$200m.</p>
<p>The Stand Alone Terrorism market has the ability to be flexible; policy deductibles can be tailored to the requirements of the insured.</p>	<p>Policy deductibles are determined by 20% of the last year All Risk direct earned premium (DEP).</p>
<p>Coverage can be extended to include assets exposed internationally.</p>	<p>TRIPRA only covers assets in the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands and the Northern Mariana Islands.</p>
<p>The insured can select which assets in their portfolio to insure.</p>	<p>TRIPRA mirrors coverage for assets insured under the All Risks policy.</p>
<p>Our relationship with over 40 Lloyd's syndicates and various company markets offering Terrorism coverage ensures competitive terms and bespoke policies.</p>	<p>The TRIPRA pricing is determined by the application of an arbitrary percentage of the All Risk premium. In natural catastrophe exposed areas this can significantly skew the premium applicable to TRIPRA, thereby not properly reflecting the Terrorism exposure.</p>
<p>We have an experienced and dedicated Claims team who will support the complete claims process and are committed to achieving the best outcome for insureds.</p>	<p>There is no time frame set within which the US Government has to declare an event as "Certified". Therefore, serious delays could occur that jeopardise the credit rating of insurers and their insureds.</p> <p>Furthermore, TRIPRA has never responded to an act of terrorism and has not been tested since inception.</p>

## ADDITIONAL RELATED COVERAGES

Price Forbes has worked with Terrorism insurers to develop and adapt coverages to meet the volatile and unpredictable nature of terrorist and malicious acts. As a result, Price Forbes can access coverage for the following exposures:

### NUCLEAR, CHEMICAL, BIOLOGICAL, RADIOLOGICAL COVERAGE (NCBR)



**Trigger:** Property damage or contamination at a scheduled property from an NCBR device released with malicious intent

- Property damage caused by blast/detonation of a NCBR weapon
- Decontamination and clean-up costs following a NCBR order
- Demolition and debris removal following a NCBR order
- Denial of Access following a NCBR order
- Business interruption and public liability

### THREAT COVERAGE



**Trigger:** Threat of a Malicious Act to either physically damage property of the Insured or cause bodily injury to personnel whilst at an insured location, following 2 hour waiting period

- Business interruption following evacuation or prevention of access
- Additional security costs
- Public relations consultancy fees
- Increased costs of working

### POLITICAL VIOLENCE (PV)



Cover for political violence perils including war, civil war, strikes, risks, civil commotion, insurrection, coup d'etat

### ACTIVE ASSAILANT COVERAGE



**Trigger:** Premeditated resulting in business interruption, property damage and/or bodily injury to people at an insured location

- Pre and post event 'Crisis Management' services
- Property damage & business interruption (including denial of access)
- Liability arising from active assailant event
- Expenses incurred in management and recovery
- Extra expenses: Public relations, forensic accounting, increased cost of working, medical expenses, funeral and extra security

### LOSS OF ATTRACTION COVERAGE/ BUSINESS INTERRUPTION



**Trigger:** When an act of Terrorism or Sabotage occurs within a radius of the Insured Premises, or at a pre-specified attraction property, causing a business interruption loss without any property damage to the Insured's premises

- Business interruption
- Expenses incurred in management and recovery
- Forensic accountants

### TERRORISM LIABILITY



Cover for 3<sup>rd</sup> party claims that the insured shall become legally liable to pay for bodily injury and/or property damage including defence costs following an act of Terrorism at an insured location

Call us on:

**+44 (0)20 7204 8400**

and we'll put you through to one of our experts.

Or email one of our experts below.



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## MEET THE EXPERTS



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