

# Standalone terrorism

Broader coverage for an evolving threat

## Our team

For further information, please contact:

**David Eliot**

T +44 20 7031 2683

E david.eliot@miller-insurance.com



**Lauren Gray**

T +44 20 7031 2934

E lauren.gray@miller-insurance.com



## About Miller

We are a leading independent specialist (re)insurance broking firm with more than 650 people across our UK and international operations.

Our reputation as the strongest advocates in the business comes from our exceptional people delivering exceptional results for over 115 years.

With a client-first approach, we value our long-standing relationships and continue to build strong and rewarding partnerships.



Miller is a Chartered Insurance Broker, the industry's gold standard for insurance brokers. We have committed to delivering professional excellence and adhering to a Code of Ethics.



Large scale, planned events are increasingly being replaced by smaller, seemingly ad hoc terror attacks with the intent of causing mass casualties, disruption and widespread fear.

Just as the risk environment is evolving, so is the insurance market, enabling and inviting businesses to re-examine their policies.

Questions that businesses should be asking themselves:

- Is my terrorism policy effectively covering my risks?
- What else is the market offering that might suit my needs better?
- Have I got the best coverage for the best price?

Miller can help you and your clients navigate the available options to secure the best suited coverage at a competitive price.



### Sectors most exposed

Terrorism can affect all types of businesses and organisations, but those with a high foot-fall of people, especially the public, are particularly susceptible to claims.

#### Examples include:

- hospitals and healthcare facilities
- hotels and hospitality
- iconic sites and tourist attractions
- retailers and shopping malls
- transport hubs

#### Other companies that should consider coverage are:

- banks and lenders wanting security on loans
- office and property owners responsible for security
- trustees who have a duty to protect beneficiaries from likely liability
- entities with international operations or interdependencies



## Why TRIA may not be sufficient?

Extended to 2020, the Terrorism Risk Insurance Act (TRIA) continues to provide a Federal backstop for insurance claims related to large-scale terrorism events in the US.

Under TRIA, insurers are required to offer terrorism coverage when providing property and casualty insurance; however, breadth of coverage is limited and may not serve the best interests of an organisation's exposures.

TRIA also does not provide protection for international operations.



## The standalone market

Standalone terrorism insurance offers robust coverage which can complement or act as an alternative to TRIA.

### It provides the following benefits:

- claims paying that is not reliant upon a government decision - increasing certainty of policy response
- no minimum loss value for a policy to respond – avoiding unwanted imposed policy triggers
- coverage for international exposures – ensuring all operations are protected
- coverage for individual assets with tailored limits and deductibles – only paying premiums for the insured's risk concerns
- competitive pricing – premiums are priced by specialists where their only considerations are the insured's terrorism exposures



## Coverages available

The expanded breadth of cover now offered by the standalone terrorism market gives businesses much more flexibility when choosing and prioritising risk transfer options according to the exposures that affect them most.



## Property and business interruption

A standard standalone terrorism policy provides coverage against physical loss or damage to a business' property following a terrorism event.

It can also be extended to include resultant business interruption and additional expenses. The policy can be tailored to reflect the insured's property policy.



## Non-physical damage business interruption

In instances where no physical damage has occurred, businesses can still be severely and adversely affected by a terrorism event.

To indemnify organisations against exposures such as business interruption, loss of earnings and increased costs of working, insureds can select the following:

### Loss of attraction / denial of access

Triggered in the event of an act of terrorism (or other named peril) occurring within a pre-agreed distance of the insured premises or pre-specified attraction property, coverage includes:

- Business interruption / loss of income
- Extra expenses such as incident management and recovery costs
- Increased costs of working

### Threat of a malicious act

Triggered when an organisation receives a threat of a malicious act to cause physical damage to property or bodily injury to personnel, coverage includes:

- Business interruption following evacuation, prevention of access or lockdown imposed by a relevant authority
- Extra expenses such as incident management and security assessment costs

The policy does not require any physical damage to respond, but can do so should this occur.



## Liability

Many public liability policies exclude or contain sub-limits for liability following an act of terrorism. A standalone policy can bridge this coverage gap or placed in excess to that already provided by general liability insurers.

### Coverage can include:

- employers' liability
- third party bodily injury and/or property damage
- defence costs



## TRIA captive wrap

For captives who rely on TRIA, Miller can arrange tailored coverage that wraps around the protection it offers and plug the gaps that exist.

Protecting the captive's retentions and exposure under TRIA (including the qualifying trigger point, insurer retention and TRIA deductible) this solution provides a backstop for any non-certified events.



## Complementary covers

We can also arrange the following coverages:

- Active assailant
- Political violence, including war on land
- Political risks
- Cyber



## Why London?

- Competitive pricing which often beats both US domestic standalone carriers and TRIA
- Proven efficient and effective terrorism claims paying capabilities
- International reach and extensive experience in this sector



## Why Miller?

### Experienced and technical specialists

We pride ourselves on our industry knowledge and our in-house technical specialists ensure that we secure optimum terms for our clients.

### Market relationships

We work closely with markets to understand their strengths and appetite which allows us to make informed recommendations to insureds.

### Global reach

We secure the most competitive terms possible for clients by accessing international markets.

### Dedicated contact

We offer every client a dedicated point of contact to ensure we are always aligned to their goals and they have access to our full breadth of specialist areas.