

# POLICE LINE DO NOT CROSS

September 2018

## THE EVOLUTION OF TERRORISM AND THE IDEOLOGICAL THREAT

### What is the exposure to your business?

Since 2014 the threat of Terrorism in the UK has been "Severe", meaning that an attack is "Highly Likely". This has been lifted on 2 separate occasions to "Critical" (expected imminently), following the attacks on Manchester Arena and London Borough Market in 2017.

Whilst historically the Terrorism threat has been isolated to major cities, we are now seeing an increased spread of threat across the UK, due to the knock-on effect caused by supply chain disruption and the lack of geographical restrictions on the use of the Internet.

We are witnessing more "lone wolf" attacks as well as people that have been self-radicalised online, with no direct affiliation to a known Terrorist group. This means that people are acting for ideological purposes, often against a religion, ethnic grouping or a commercial entity, rather than directly against the UK Government.

The threat we face now is as much about catastrophic damage caused by explosion as it is about bodily injury caused by vehicle or knife attack, and the ensuing disruption to your business or commercial property.

Your business may not be the target of a Terrorist attack, but could be impacted by either the radius of the blast, or the business interruption and denial of access caused either by the time taken to repair and replace, or indeed the consequences for the supply chain and the footfall returning to the same level prior to the attack.

### Key considerations

The UK Terrorism insurance market has undergone some fundamental changes over the last few years, with the threat that customers are facing constantly evolving. This has

been influenced by the ongoing instability in the Middle East, as well as home grown extremism both from Islamic fundamentalism as well as the far right.

As such, the Insurance market has had to adapt to these changes, to match the shift from the military tactics and weaponry used by the IRA in the 90's to the less sophisticated attacks using vehicles and knives that we have seen across Western Europe over the last 3 years.

### What cover is available?

The government backed Insurance vehicle; Pool Re has, as a result of the changing impact of Terrorism attacks adapted their wordings to include fire following cyber attack, as well as looking at including non-damage denial of access at some stage next year.

One of our key partners, Geo Specialty, has created a standalone option, with a market leading wording to bridge the gap in cover and to offer you and your business or home peace of mind if you are a direct victim of a Terrorist event, or if you are just caught up in the consequential business interruption or loss of attraction thereafter. This includes non-damage business interruption cover to ensure you have immediate loss of revenue insurance in place for non-damage incidents, as we all saw last year post the Borough Market and Westminster Bridge attacks, up to one mile away from the event.

This cover also encompasses any incidents that take place for Ideological purposes, be that a "lone wolf" or someone who has been radicalised online. We cover attacks against Commercial entities, people and religion, it doesn't have to be political or designed to influence the UK Government.

COVERAGES	GEO SPECIALTY	POOL RE
Terrorism	✓	✓
Ideological attacks	✓	✗
Sabotage	✓	✗
Malicious Damage	✓	✗
Lone Wolf	✓	✗
Full Value cover	✓	✓
Selective Portfolio	✓	✗
Market driven pricing	✓	✗
UK Cover	✓	✓
International Cover	✓	✗
Day one Uplift	✓	✗
Bespoke Wordings	✓	✗
Non-damage Denial of Access	✓	✗

COVERAGES	GEO SPECIALTY	POOL RE
Looting post loss	✓	✗
Suppliers BI extension	✓	✗
Negotiable commission	✓	✗
Alternative Accommodation	✓	✓
Fire following Cyber attack	✓	✓
Equipment Breakdown following Cyber attack	On Request	✗
Brand Rehabilitation	✓	✗
Loss of Attraction	✓	✗
Non-damage Chemical attack Denial of Access	On Request	✗
Threat or Hoax	On Request	✗
Event Cancellation	On Request	✗
Nuclear Chemical Biological Radiological	On Request	✓

For more information or for a full review of your needs, please speak to your usual Towergate Insurance Brokers contact or email us at [advisorymarketing@towergate.co.uk](mailto:advisorymarketing@towergate.co.uk)

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