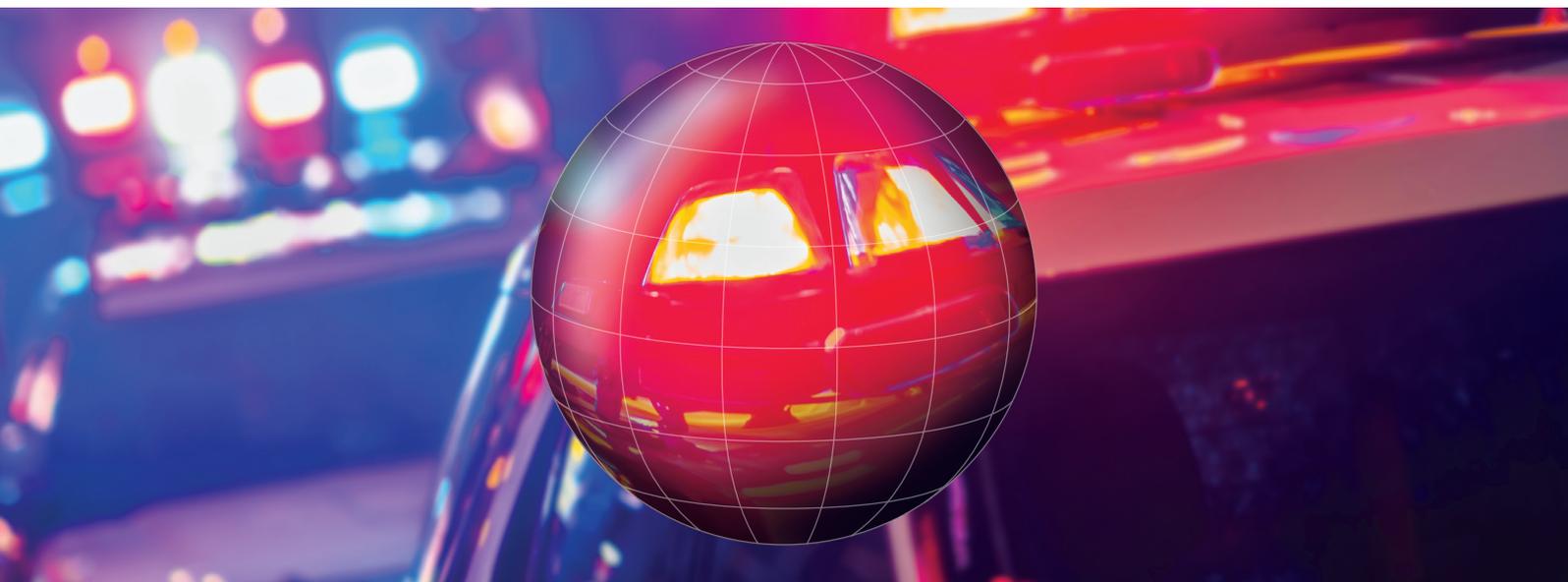




ASPEN OPINION | PREVENTION AND PREPARATION: A HYBRID APPROACH TO ATTACK



Henry MacHale, Global Head of Crisis Management reflects on the growing incidence of active shooter and “lone wolf” terrorist attacks. The perpetrator of such crimes may be motivated by a varying degree of

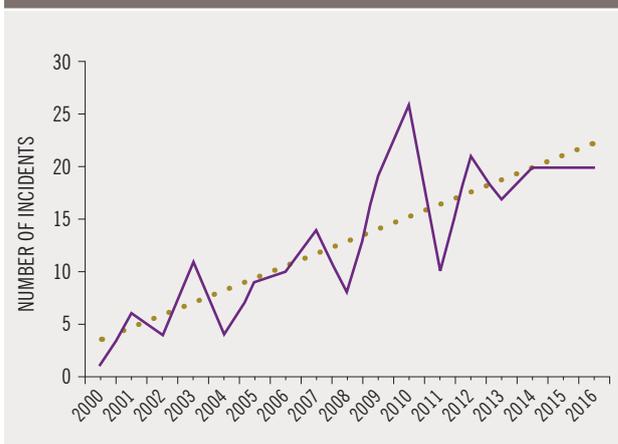
personal and political grievance but it is clear that the goal is to inflict large-scale loss of life.

Most businesses and organizations cannot rule out attack given that there are limited patterns to the selection of victims, but specialist risk management can help prepare for and assist in the effective management of such an eventuality and help to reduce the devastation and disruption.

The Las Vegas shooting in October 2017 was the worst incident of mass-murder in the U.S. since 9/11. The killings were conducted by a sole gunman who fired over 1100 rounds of ammunition from a 32 storey hotel window. His motivation was unclear but the attack resulted in 58 fatalities and 546 injuries. Such incidents, where victim selection is random, appear to be on a rising trend.

The perpetrator of such events has been described by The U.S. Department of Homeland Security as an “active shooter” (an individual actively engaged in killing or attempting to kill people in a confined and populated space where, in many cases, there

CHART 1: RISING TREND OF ACTIVE SHOOTER INCIDENTS



Source: FBI, Aspen Insurance

is no pattern or method to their selection of victims). In many incidents, the shooter does not have any apparent connection with the location of the attack.

Chart 1 demonstrates the increasing occurrence of active shooter incidents, while data from the Gun Violence Archive shows a rising trend of numbers of individuals injured or killed in ‘mass incidents’ (where four or more people are shot).

Active shooters are difficult to detect and can slip under the security services radar. Their motives may be predicated by a mix of personal and political grievances, mental health issues and societal alienation and, as such, are not easily



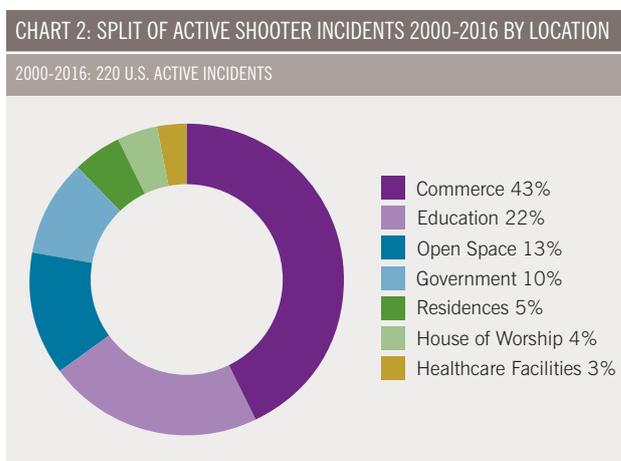
detected. This method of attack has been courted by terrorist organisations, such as Al Qaeda and ISIS, as a more effective conduit to cause disruption and fear. The incitement of jihadist sympathisers in the West has included practical guidance for lone wolf attacks, including descriptions and advice on how to maximise impact and victims. Indeed, the conventional terrorist of the 1990s who attacked physical property with larger scale explosives has been largely replaced with the terrorist targeting human capital. Table 1 lists a number of recent attacks. There are limited patterns to the location and targeting of victims but the central theme connecting all events is the intent to kill. Small arms are the weapon of choice although vehicles and knives have also been used to considerable effect. The increasing use of small arms has been mirrored by a decline in the use of large scale explosives.

DATE	LOCATION	ATTACK METHOD	FATALITIES	INJURED
January 2015	Paris, France	Small Arms	12	22
JU 2016	Orlando, USA	Small Arms	50	58
August 2016	Nice, France	Truck, small arms	86	434
December 2016	Berlin, Germany	Truck, small arms, knife	12	56
March 2017	Westminster, UK	Van, knife	6	49
June 2017	Southwark, UK	Van, knife	8	48
June 2017	Finsbury Park, UK	Van	1	8
August 2017	Barcelona, Spain	Van	13	100
October 2017	Las Vegas, USA	Small Arms	58	547
October 2017	Manhattan, USA	Van	8	11

Source: Aspen Insurance

In the U.S., legislation concerning incendiary devices has played a part in shaping this trend as licencing and permission requirements of manufacturers, dealers and users have been strengthened. More stringent controls have also been introduced on the sale and transfer of explosive materials. Meanwhile, small arms laws have arguably been relaxed with the non-renewal of the federal ban on the manufacture and possession of semi-automatic assault weapons and large capacity magazines. Manufacturers and dealers have broad immunity from civil lawsuits and the FBI is required to destroy all approved small arms purchaser records within 24 hours. Meanwhile, gun manufacture in the U.S. has increased from 2.9 million per annum in 2001 to 9.4 million in 2015.¹

The intent to inflict as much harm as possible has meant that most locations are not beyond the risk of attack, and casualties can include employees, customers, security and law enforcement alike. Chart 2 shows that commercial premises are the most common location for attack followed by educational establishments. In short, few businesses or organisations can rule out the possibility of an attack



Source: FBI, Aspen Insurance

Prevention and preparation

The U.S. Department of Homeland Security has published a guide on how to respond to an active shooter incident. This emphasizes the importance of formulating an Emergency Action Plan (EAP) with input from a range of stakeholders, including human resources, facility operators, security and law enforcement. Individuals should be prepared both mentally and physically given that the duration of shooter incidents can often be short and conclude before law enforcement has arrived on the premises. Staff training is key so that they can recognize a threat; follow the recommended run, hide, fight course of action; call the emergency services and be prepared to react to a law enforcement plan of action.

Insurance is about risk management through prevention and financial damage limitation. A hybrid approach to coverage – that combines protection for the human element, as well as property damage and business interruption coverage – is likely to yield a more responsive result. The attacker is looking to maximise devastation and disruption through loss of life. Those surviving the ordeal may be badly injured (physically and or psychologically) and require lengthy rehabilitation programs. Relatives of those killed in an incident will be concerned with any possible evidence of negligence and demand an audited document to prove that all reasonable security precautions had been taken. The insured will likely face business interruption challenges as the scene of the crime is investigated by security services, the outcome of which may endanger brand reputation. The response plan can play an instrumental role in how an organization is perceived and subsequent damage to brand. It will also have a bearing on the length of time an organization is closed for business, reflecting the adequacy of security measures and/or staff recovery time.

As a result, preparation and prevention through the instigation of risk assessment, and implementation of comprehensive cover – not just for property damage but also business interruption, rehabilitation and crisis management services – provides a greater degree of assurance to meet the far-reaching costs of an attack.

¹ <https://www.mordorintelligence.com/industry-reports/global-telemedicine-market-industry> (Accessed:3 October 2017)