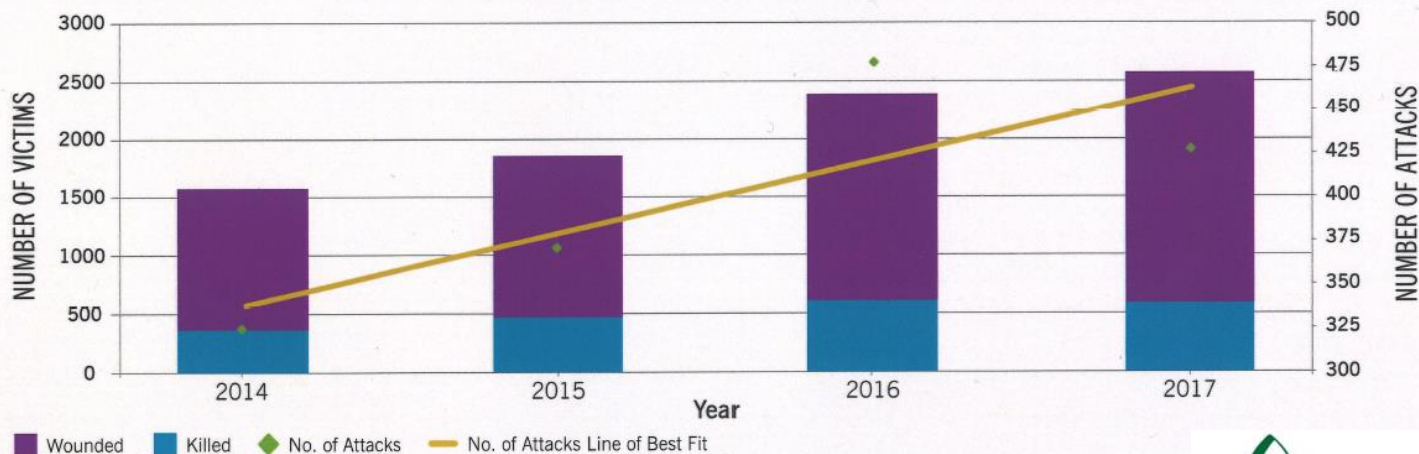


# Active Shooter Policies

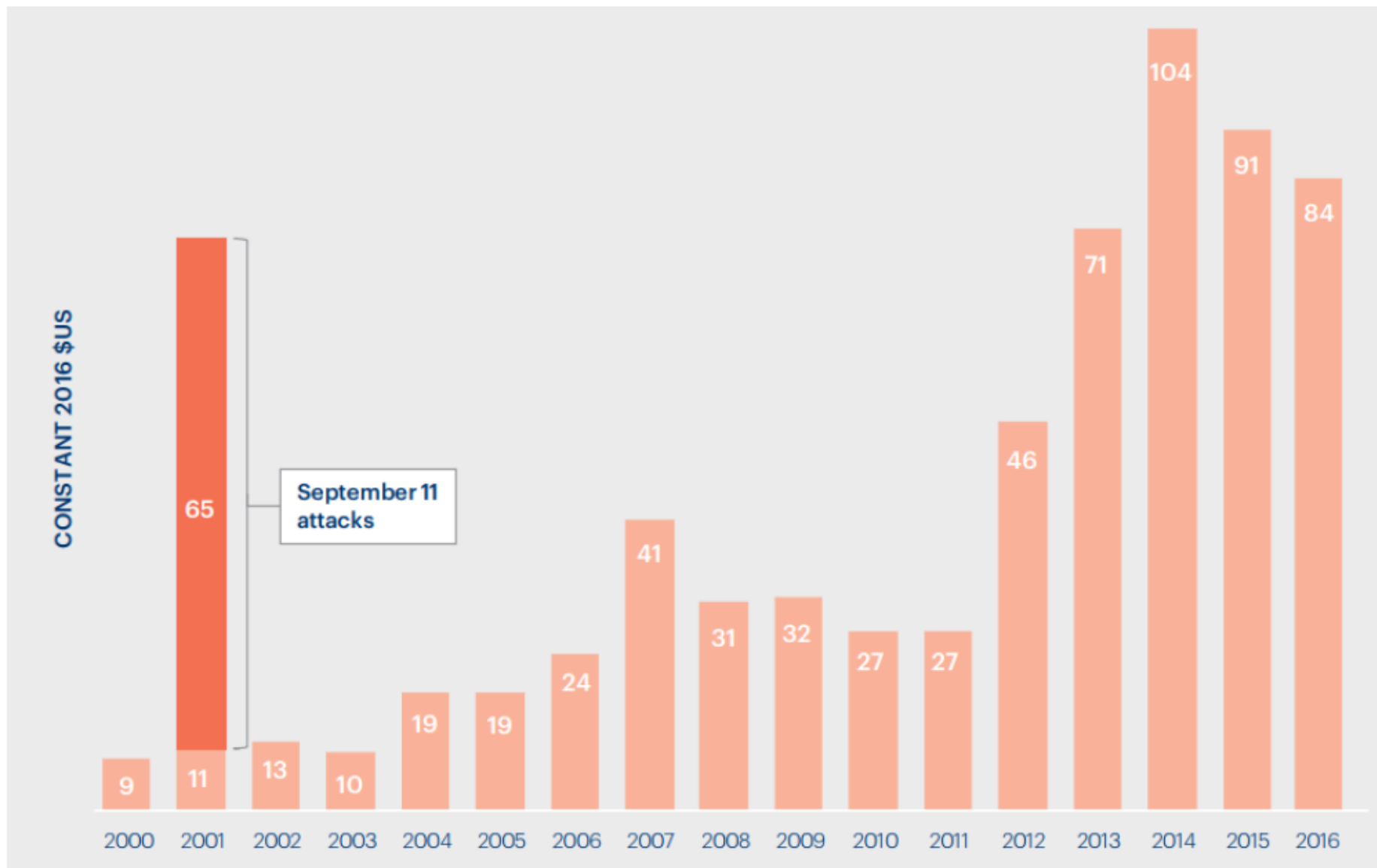
- 427 mass shootings in the U.S in 2017 / mass shooting every 9 in 10 days in the US
- Traditional Terrorism / Political Violence coverage will not respond to these events which were predominately developed post 9/11 when main risk was large scale property damage.
- Risk of terrorism has evolved – people are now the main targets and business more likely to suffer economic loss than physical damage losses.

REPORTED MASS SHOOTINGS IN THE UNITED STATES\*



\*Mass Shooting Definition: The killing of three or more people in a public place  
(FBI) Source: <https://www.massshootingtracker.org>

# ECONOMIC IMPACT OF TERRORISM



Source; '2017 Global Terrorism Index', Institute for Economics & Peace

# Background to Active Assailant

- How can markets develop terrorism products to cater to this changing risk profile?
- Total economic loss from terrorism in 2016 was USD 84B against market losses of circa USD \$290M – large amount of uninsured risk
- Change the definition of terrorism?
  - Currently there must be political/religious/ideological purpose
- Mandalay Bay: What was Stephen Paddock thinking when he pulled the trigger? Was this terrorism?
- How can the market bridge the gap between a terrorism incident, a lone shooter and a violent crime?
- **Remove the ‘motivation’ trigger’!**

# What/who are we covering?

**Active Assailant Incident** – A premeditated, malicious physical attack by an Active Assailant at a covered location who is present and armed with a weapon (including handheld instruments, small arms, explosives and vehicles), and the subsequent action of authorities.

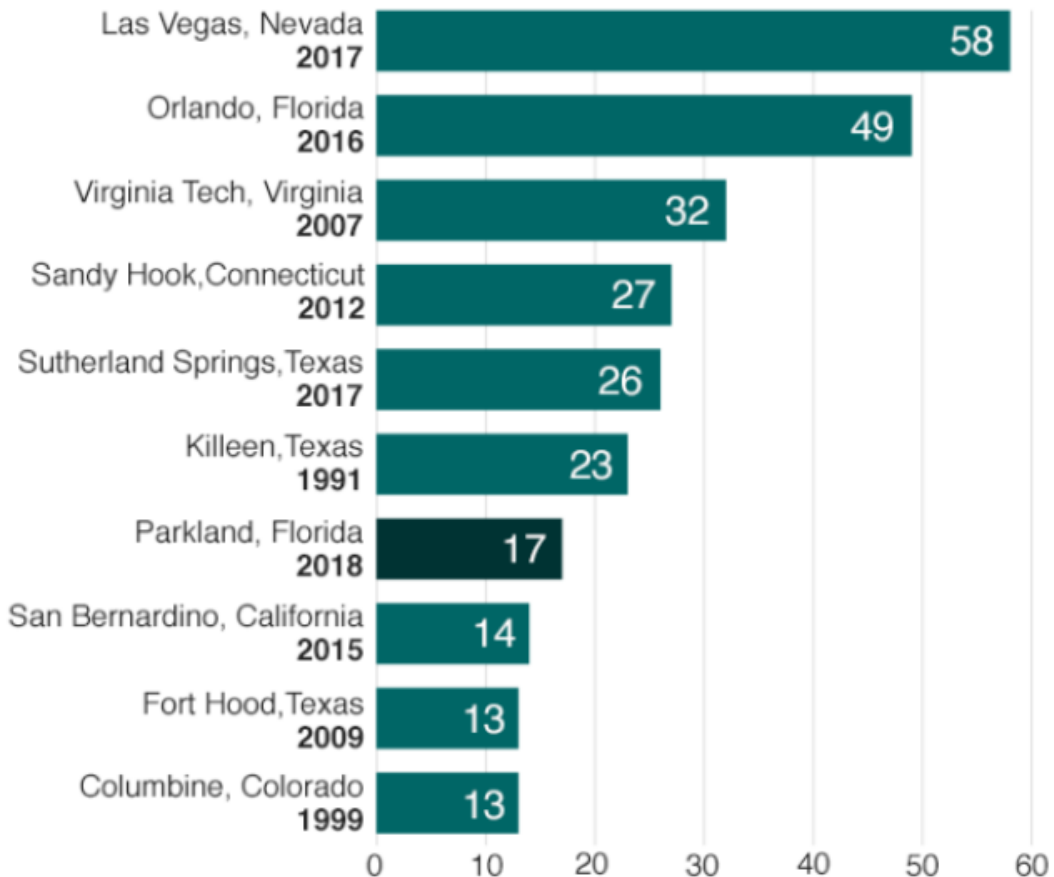
**Active Assailant** – a person or group of persons actively engaged in killing or attempting to kill or cause serious bodily injury to a person or group of persons.

- Academic Institutes, incl. high schools
- Hospitality industry
- Sports events/stadiums/event cancellation
- Healthcare providers
- Supermarkets
- Casinos
- Nightclubs
- Banks
- Conference centres
- Hotels

# Loss Activity - US

## Worst mass shootings in the US since 1991

Victims killed



Source, BBC, FBI/Las Vegas Police

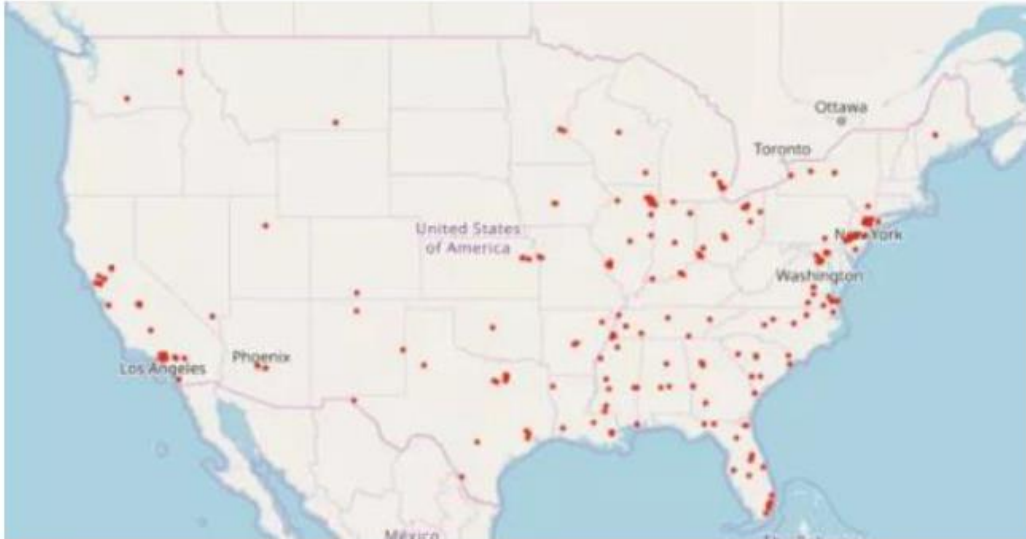
Number of firearm homicides in 2017; 15,549

Source, Gun Violence Archive

Number of firearm deaths in 2016; 38,658 (including suicide)

Source, CDC, 2017 data not available

# Loss Activity - US



Mass Shootings\* in the US in  
2017: 273

(Source: Gun Violence Archive)  
*\*4 or more shot/killed*



Shooting incidents in the  
US in 2017: 46,000

(Source: Gun Violence Archive)

# Perils covered?

## 1. Legal Liability (Carrier Dependant)

- Damages
- Claims Expenses
- Particularly prevalent in the US

## 2. Physical Damage (to insured property)

## 3. Business Interruption

- Resulting from PD and/or Bodily Injury
- Denial of Access (1 mile)
- Threat Incident

## 4. Extra Expense

- USD5m sublimit (deployable according to client's choosing)
- 11 heads of cover
- Emergency travel/accommodation
- Forensic clean-up
- Funeral/medical expenses
- Psychiatric care
- Emergency security
- Temporary staff costs

## 5. Response Consultant Fees

- 10% of aggregate limit (in addition to)
- Free prevention training

# How this fits in with other policies?

- Terrorism is excluded under property policies. Active Assailant excluded under terrorism policies.
- Active Assailant policies do not require a motive unlike a terrorism policy.
- Business Interruption claims can be made without a Property Damage trigger unlike the property/all risk policies.
- An Active Assailant policy will respond to threats.
  - Will also respond to denial of access claims caused by Active Assailant events at locations within a mile of the insured's property
- Liability: Can sit as a deductible buy-down/primary cover to the liability policy.  
Some liability policies now exclude active shooter events
- Response consultant fees: Only provided by active shooter policies – deal with pre-event training and post-event organization.
- Employers Liability – covers employees of the insured and any medical expense/liability insured by the insured. This is excluded under terrorism policies and employers liability policies exclude terrorism.



# YouTube Example

- Active Assailant enters YouTube HQ
  - Police had been warned by AA brother of potential threat (this would have been covered)
  - AA shoots and injures three YouTube employees
  - HQ is evacuated, police cordoned off 500m area around the office
- 
- Active Assailant Policy would cover:
    - Business Interruption as office closed down
    - Cost of office being closed down following legitimate threat
    - Medical expenses of injured employees
    - Psychiatric costs of direct witness costs
    - Child Care Costs
  
  - Response Consultant Fees  
(early/mid/late stage recovery)

