

# **TERRORISM / POLITICAL VIOLENCE SOLUTIONS**

**FAIR International Insurance Conference on "Political Violence"  
12-13 April 2010 – Karachi**

**Daniel O'Connell ([oconnelld@willis.com](mailto:oconnelld@willis.com))**

The Willis logo is displayed in white serif font on a dark blue rectangular background. This logo is positioned on the right side of a horizontal bar that is split into a gold section on the left and a dark blue section on the right.

# **TERRORISM / POLITICAL VIOLENCE SOLUTIONS**

**1) Willis Team**

**2) “Holistic” approach to Terrorism / Political Violence Solutions**

- Risk Reduction**
- Risk Transfer**
- Risk Mitigation**

**3) Corporate Risk Profile**

**4) Conclusion**

# **TERRORISM / POLITICAL VIOLENCE SOLUTIONS**

## **1) WILLIS TERRORISM / POLITICAL VIOLENCE INSURANCE TEAM**

- Willis Team 12 Associates – significant resource / experience**

**Focus on Territory / Industry Practice Groups (mining, utilities, telecoms, leisure)**

- Willis Team place over USD 100m into insurance market – significant leverage with market to obtain best solutions for Clients.**

- Constantly monitor capacity (worldwide) and improvements to coverage**

- Willis facilities – automatic capacity, binding, enhanced coverage**

# **TERRORISM / POLITICAL VIOLENCE SOLUTIONS**

## **2) “HOLISTIC” APPROACH – RISK REDUCTION, RISK TRANSFER, RISK MITIGATION**

### **The Basic Approach - Risk Transfer only**

- TSI / LOCATIONS
  - LOSS HISTORY
  - COVERAGE: Market Standard
- 
- **IS THIS THE BEST SOLUTION FOR ALL CLIENTS?**

# **TERRORISM / POLITICAL VIOLENCE SOLUTIONS**

**“ONE SIZE DOES NOT FIT ALL”**

## **INDUSTRY SECTORS**

- ENERGY**
- UTILITIES**
- LEISURE**
- TELECOMS**
- REAL ESTATE**

**Significant differences in risk profile / coverage requirements**

- To obtain comprehensive Insurance solutions for Clients there should be a holistic approach**

# TERRORISM / POLITICAL VIOLENCE SOLUTIONS

## “HOLISTIC” Solution



# TERRORISM / POLITICAL VIOLENCE SOLUTIONS



“Willis working in partnership  
with Insurers and Clients”

THREAT ANALYSIS

SECURITY ADVICE

TRAINING EXERCISES

PERCEPTION / FACILITATE COMMUNICATION

# TERRORISM / POLITICAL VIOLENCE SOLUTIONS

Residence / Office



Factories and Installations



Equipment and Infrastructure





# TERRORISM / POLITICAL VIOLENCE SOLUTIONS

## Risk Reduction : Asset Protection

•A comprehensive terrorism survey (that could be part of a EML survey) conducted by consultants with extensive knowledge and experience in strategic target analysis.

### A typical survey would –

- Evaluate the physical and procedural security of a facility
- Study threat potential - Alert status - Crisis response procedures
- Evaluate component vulnerability
- (using C.A.R.V.E.R. strategic target analysis system)
- Identify credible attack scenarios and delivery methods
- Recommend attack prevention measures and component hardening techniques
- Highlight capabilities of indigenous and transnational terrorist groups
- EML Calculation

### EXAMPLE: (ENERGY SECTOR) TERRORISM SURVEY



# TERRORISM / POLITICAL VIOLENCE SOLUTIONS



## POLICY COVERAGE

- Does it reflect TRUE exposure
- Amend / Enhance wordings:
- Stress Test Policy – What if?
- Confidence in the event of a CLAIM

- **Example: Islamabad Marriott Bomb 2008**

## DIALOGUE

# TERRORISM / POLITICAL VIOLENCE SOLUTIONS



**RISK  
MITIGATION**

ADVICE and SUPPORT from CRISIS MANAGERS

- What happens when the “unimaginable” happens
- Do the response plans mitigate risks
- Advice and Guidance / Training

## 3) Identify / Understand the Corporate Risk Profile

### ACTIVITY



### EXPOSURE



### PEOPLE

BUSINESS TRAVELLERS  
EMPLOYEES  
PUBLIC

### ASSETS

FACTORIES  
RESIDENCES  
INFRASTRUCTURE  
EQUIPMENT

### REPUTATION

PUBLIC PERCEPTION  
DUE DILIGENCE  
LEGAL ISSUES  
PEER GROUP  
STANDARD

# TERRORISM / POLITICAL VIOLENCE SOLUTIONS

Duty of care in an ever increasingly litigious society

Claims that have raised issues...

1993 World Trade Center attack - Port Authority 68% liable

2002 Karachi attack - “Inexcusable Error” of French company

Potential liabilities arising out of terrorist events are as concerning as bricks and mortar issues

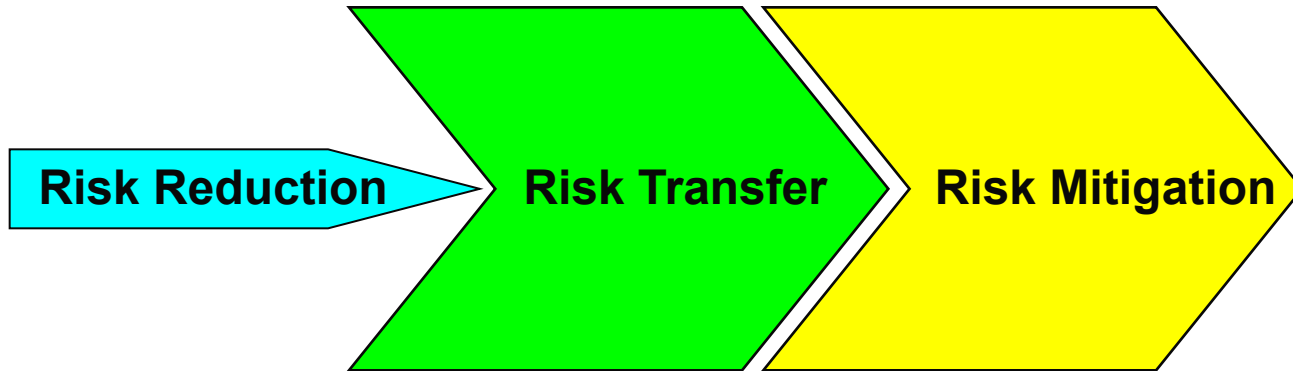
Employers and Third Party Liability cover available

Claims Made and Reported Policies providing indemnity for:

*“damages and claims expenses for which the insured shall become legally liable to pay due to a claim or claims for **bodily injury** and/or **property damage** caused by an act of terrorism”*

# TERRORISM / POLITICAL VIOLENCE SOLUTIONS

## 4) CONCLUSION



Positive Perception ✓

Confidence ✓

Partnership ✓

Corporate Risk Profile ✓

PRICE ✓

COVERAGE ✓