



TERRORISM & POLITICAL VIOLENCE

WHAT YOU NEED TO KNOW

The scale and frequency of terrorist attacks are evolving. Clients need solutions that protect their income, assets and reputation against this threat. The Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) provides coverage, but does it adequately address your client's specific needs? Should you recommend a stand-alone policy?

QUICK FACTS ABOUT THE AGCS STANDALONE TERRORISM OFFERING:

Monoline/ Stand-alone policies or follow-form options are available

Coverage for risks domestically and **worldwide**

Solid **capacity** backed by strong financial ratings:

- Terrorism, Political Violence incl. War: USD 100 million
- Third Party Terrorism Liability: USD 100 million
- Nuclear, Chemical, Biological & Radiological (NCBR): USD 50million

Specialist forms for Property and Liability risks

- First party Property coverage for physical damage and business interruption at insured properties
- Third party Liability for bodily injury and property damage suffered at insured premises.

Broad appetite across many industries, including

- Manufacturing
- Real Estate
- Office Buildings
- Hotels
- Retail & Wholesale
- Renewable Energy
- Power Plants
- Oil & Gas Facilities
- Construction

YOUR TOP QUESTIONS, ANSWERED

1 What is included in your definition of terrorism?

Our definition covers acts committed by a single attacker or a group, acting alone or on behalf of an organization, for political, religious or ideological reasons. We do not require US Government certification for an act of terrorism to be recognized.

2 Why do clients need Terrorism coverage?

Terrorism coverage provides protection against what is an increasingly unpredictable threat. Recent terrorist activity shows that, big or small, high profile or low key, an act of terrorism can happen anywhere and at any time. As the risk has evolved towards smaller scale attacks at soft targets, all risk managers should consider this risk mitigation coverage.

3 Why should clients add contingent business interruption coverage for Terrorism?

Terrorist attacks cause both direct and indirect damage to businesses. Following an event, authorities can shut down affected areas resulting in direct losses in revenues. The risk can extend to a client's customer or supplier with indirect losses in the form of delays in delivery to customers or receipt of goods from suppliers. Clients should consider that even if they are not the target, they can still suffer significant losses.

Below find a quick comparison between the terrorism coverage and capabilities offered by AGCS and standard TRIPRA coverage. To discuss your client's needs, or to learn more about how we can customize solutions worldwide, please contact our AGCS Terrorism experts.

STANDARD & POOR'S

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**AGCS STANDALONE
TERRORISM INSURANCE**

No certification is required; an event simply needs to meet our easy to understand definition of terrorism.



Meeting our definition is the only requirement for indemnity for a covered loss.



Worldwide coverage with compliant local paper in over 210 countries and territories.



We can offer up to 24-month policies for operational risks, and 60 months for construction risks. This provides certainty of cover for the entirety of these periods.



Each submission is considered on its own merit as a risk of Terrorism - independent of the property premium and threat of natural catastrophe.



Our specialist claims team has an established track record of handling claims from small domestic losses to complex international events.



TRIPRA

An event must meet certain qualifications and be certified by the US government before TRIPRA will respond.

No event – including the Boston Marathon bombing - has been certified since the inception of TRIPRA so it's unclear how long both the certification process and the claims process could take.

Insurance losses resulting from an incident must exceed USD 5 million to be certified.

Only US assets are included, no coverage for international locations.

TRIPRA is scheduled to end on December 31st, 2020. Unless it is renewed or extended the federal support for insurers will end at that date, with no run-off provision. Its future is very uncertain.

Property carriers usually just charge a percentage of the all risks premium.

Claims handling capabilities under TRIPRA are unproven - no claims have been paid since its inception.