



Terrorism and Political Violence

With terrorist activity increasing and evolving, never has the need been so great to protect your assets and liabilities. Even if you are not the target of an attack an event near your facilities could result in loss of life, property damage, denial of access and business interruption.

Many banks require terrorism insurance before they fund projects, while good corporate governance also demands sufficient cover yet many insurance policies now exclude losses arising from terrorist acts, whilst government-backed insurance facilities have limitations that can lead to inconsistencies in cover across different countries for international companies.

JLT Specialty Limited (JLT) is a market leader in terrorism insurance, and one of the largest global political risk insurance brokers.

Our specialist Political Violence and Terrorism team has substantial knowledge of all regions worldwide and works alongside stakeholders including banks, sponsors and Legal Counsels.

Our insurance experts and risk analysts create tailored programmes to meet your individual needs, and enhance government-backed solutions, using a systematic methodology to help quantify, prioritise and minimise your exposure to terrorism risk.



Typical insurance solutions include coverage for:

- **property damage**, whether through an act of terrorism, sabotage, malicious damage, strikes rioting or civil commotion or broad form political violence, including war and civil war
- **business interruption** including cover such as loss of profits, gross earnings and debt servicing repayments to lenders. This may include interruption resulting from services interruption, denial of access and/or an event at a key supplier/customers' location.
- **delay in start up** with tailor-made coverage to support lending for infrastructure and energy projects
- **liability cover** to fill the gap created by restrictions by some insurers on standard policies, including both Employee and Public Liability
- **nuclear, chemical, radiological and biological cover** – JLT has identified markets willing to cover these perils traditionally excluded from traditional terrorism policies.

Several government pools have been created to respond to the threat of terrorism however they often have different definitions of terrorism and coverage varies greatly from country to country which can lead to gaps in coverage especially for multinational companies. The standalone market regularly competes with both 'all risk' markets and government pool arrangements, often providing broader coverage at lower prices. Additionally coverage can be arranged to 'wrap around' any government pools that the Insured may participate in, ensuring seamless coverage.

For clients with assets, investments, revenues or exposures in the developing world, coverage can be extended to cover political violence perils including War on land, civil war, rebellion, revolution or insurrection, strikes, riots, civil commotions (SRCC) and malicious damage. This exposure is most prevalent in the emerging world where there is a significant grey area between what constitutes war events, terrorism events and other violent events such as riots.

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