

Standalone Terrorism Cover vs TRIA

Providing peace of mind in turbulent times

Globe Political Violence is a long-established, market leading Lloyd's coverholder offering products for sabotage and terrorism cover through to political violence risks worldwide.

We offer our clients the opportunity to purchase bespoke standalone cover, backed 100% by Lloyd's of London capacity, to offer choice in an ever more uncertain world.

In Brief:

- Experts in terrorism risk analysis, coverage advice and wording
- Capacity line size up to US\$350,000,000 per occurrence and per location
- Offering access for quote to bind via online platform, for the US retail and wholesale market
- First loss and tailored cover to suit financial requirements of the client
- Selective portfolio: pick and choose which assets you wish to cover
- Non-damage business interruption extensions
- Terrorism liability extension
- Inclusive of "Lone Wolf" attacks

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Coverage Overview

	TRIA	Standalone Terrorism
DEFINITION	The term "act of terrorism" is defined in the act as: any act certified by the Secretary of the Treasury, in concurrence with the Secretary of Homeland Security and Attorney General, to be an act that is dangerous to human life, property, or infrastructure and to have resulted in damage within the US (or outside the US in the case of a US-flagged vessel, aircraft or premises of a US mission). It must be committed as part of an effort to coerce US civilians or to influence either policy or conduct of the US Government through coercion. The definition includes both foreign and domestic terrorists. The Secretary may not delegate this certification authority and his or her decision to either certify or not certify an act of terrorism is not subject to judicial review	An act of terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes. An act of sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes
CERTIFICATION	Occurrence of event has to be determined by Secretary of the Treasury, Secretary of Homeland Security, and the US Attorney General to be act of terrorism.	None - the event just has to fall within definition above
PROGRAM TRIGGER	<ol style="list-style-type: none"> 1. Losses from the individual event must exceed US\$ 5 million 2. The minimum amount of aggregate insured losses resulting from a certified act of terrorism taking place in a particular calendar year must exceed US\$ 200 million 3. The insurer's losses must also exceed its own deductible, which is 20% of its annual direct earned premiums from the previous year 	<ol style="list-style-type: none"> 1. Excess of agreed deductible levels
COVERAGE	Mirrors underlying property or commercial combined policies	<ul style="list-style-type: none"> - Tailor made, flexible solutions, which can also provide extensions of cover specific to the insured's business occupancy - Third Party Liability - bodily injury and property damage liability - Contingent business interruption - Denial of access - Loss of attraction - Utilities extension - Threat - Looting following an insured peril
LIMITS	Standard to follow underlying policy to which it attaches	Flexibility to select specific locations within a schedule of values or look at whole schedules and apply first-loss limits, plus sub-limits for add-on coverages
GEOGRAPHY	US domicile only (other than in the case of a US-flagged vessel, aircraft or premises of a US mission)	US domicile plus international locations
PREMIUM CALCULATION	Percentage of the premium from the policy it attaches to - often disproportionate in hard market conditions of underlying policy and/or highly exposed NatCat zones	Premium calculated based on true exposure and risk detail without influence on rate from other classes of business
CLAIMS SETTLEMENT	No set timeframe for government to classify act as being one of terrorism, which can severely impact the insured's business ability to continue trade	Clear and efficient way to process claims
RENEWAL	TRIA generally renews after a number of years, therefore a slower process for amendments to be made	Policies can be renewed and amended annually or even during the policy period
OTHER	No attack has ever triggered the TRIA definition during the lifetime of the program, including the Boston Marathon bombing (2013)	Standalone market is very reactive to claims and regular settlements are made