

Counter Terrorism Risk Management

The threat of terrorism throughout the world is rising. Extremist groups are global and may target 'Western' businesses anywhere in the world. They aim for sensational destruction and loss of life, and rarely give warnings.

Organisations do not necessarily have to be the intended target. An attack not on, but simply near your facilities, could result in human casualties, property damage, business interruption, legal liability issues, denial of access, relocation costs and long-term damage to reputation.

Understanding the risk is paramount to reducing your exposure

Corporate liability

As terrorist attacks are increasingly considered to be foreseeable events, you should quantify your liability exposure to ensure you have adequate, auditable procedures in place, in order to mitigate the risk and fulfill your duty of care. Legal opinion has highlighted four key measures that corporations should take:

- Understand the risk
- Make employees / customers / the public aware of the risk
- Have physical counter measures in place
- Have adequate response plans and procedures and keep them up to date

The Aon solution

Our unique approach to terrorism risk management enables you to ensure risk mitigation and crisis response procedures are appropriate and adequate in order to improve resilience to low probability but high impact events.

We can conduct thorough terrorism risk assessments, identifying the threat (in each location), looking at your vulnerability to that threat, then modelling the most likely risk scenarios.

Once we have identified the most likely perils, we model their impact on business operations, highlighting any weaknesses in protocols and procedures:

1. An assessment of your exposure will help you decide if terrorism poses a material threat, ie should you be concerned about terrorism
2. The results of probable maximum loss studies assist in ensuring that you are neither over nor under insured, identifying any gaps or overlaps
3. The results of a business interruption review will assist in identifying the likely disruption to your operations following terrorist events
4. A terrorism review identifies strengths and weaknesses in your physical protection and plans helping improve your resilience.

This enables you to make informed decisions about the most appropriate risk management strategy.

Risk transfer

Our stand-alone or combined insurance policies offer single country or global cover for:

- Property damage and business interruption
- Construction risks including delay in start-up
- Terrorism and Sabotage
- Political Violence (including Terrorism; Sabotage; Riots; Strikes; Civil Commotion; Malicious Damage; Insurrection; Revolution and Rebellion; Mutiny and/or Coup d'Etat; War and/or Civil War)
- Difference in conditions (DIC) wrapping around government pools and existing arrangements
- Full US captive 'wrap' policies offering extended coverage and premium efficiencies
- Third party / public liability
- Employers' liability

We can arrange full value or first loss policies, and standard or tailored wordings.

Additional benefits

Policy holders are provided with free access to Terrorism Tracker, an interactive, online database of global terrorism incidents to monitor threat activities and trends. Terrorism Tracker is updated on a daily basis, and allows users to perform detailed and customised searches according to their areas of concern.

The database holds detailed information by date, location and of type of incident, as well as providing details of targets by industry sector and information on perpetrator groups. You can perform a simple or advance search and the results are shown both on zoomable maps and in list form.

We also publish a free monthly newsletter with features on global incidents, perpetrator groups, news roundups and valuable analysis on the implications of current issues for global businesses.

Aon's unique approach to terrorism risk management enables you to:

- Understand the risk to people and operations in each location
- Ensure risk mitigation and crisis response procedures are appropriate and adequate
- Understand where there are weaknesses, and what needs to be done to meet your duty of care obligations
- Improve the resilience of operations to low probability but high impact events
- Enhance the decision making process in the event of a terrorist incident
- Pick the most appropriate level of cover by country / site, ensuring insurance premium spend is fully justifiable

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