

# Crisis Management



Arthur J. Gallagher  
BUSINESS WITHOUT BARRIERS™

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# Arthur J. Gallagher's Crisis Management Team

In excess of 100 years of “hands on” operational and insurance market experience in the Counter Terrorism / Kidnap and Ransom / Recall / Political Risks arena.

Qualified Bomb Disposal, Kidnap Response, Home office trained individuals.

**1994**  
Placed first stand alone UK Terrorism Insurance facility



**1998**  
Placed first War on Land insurance multi year placement



**1998**  
Placed first stand alone Chemical/Biological terrorism insurance facility

**Late 1990s**  
Responsible for generating 50% of Lloyds written annual premium for UK terrorism



**Pre 2000**  
Built and began incorporating the use of electronic placement platforms into solutions



**2003**

Developed first dual trigger contingent insurance default terrorism solution for the global banking industry



**2000s**

Placed first stand alone 5 yr non cancellable stand alone terrorism insurance policy



**Post 9/11**

Designed and placed the first USD 1,000,000,000 terrorism insurance policy



**2000**

Developed first Cyber Terrorism insurance solution



**2000s**

Placed first combined PD/Bi and Third Party terrorism liability insurance policy



**2000s**

Placed first Basel / Solvency II compliant Global Terrorism policy.



**2008**

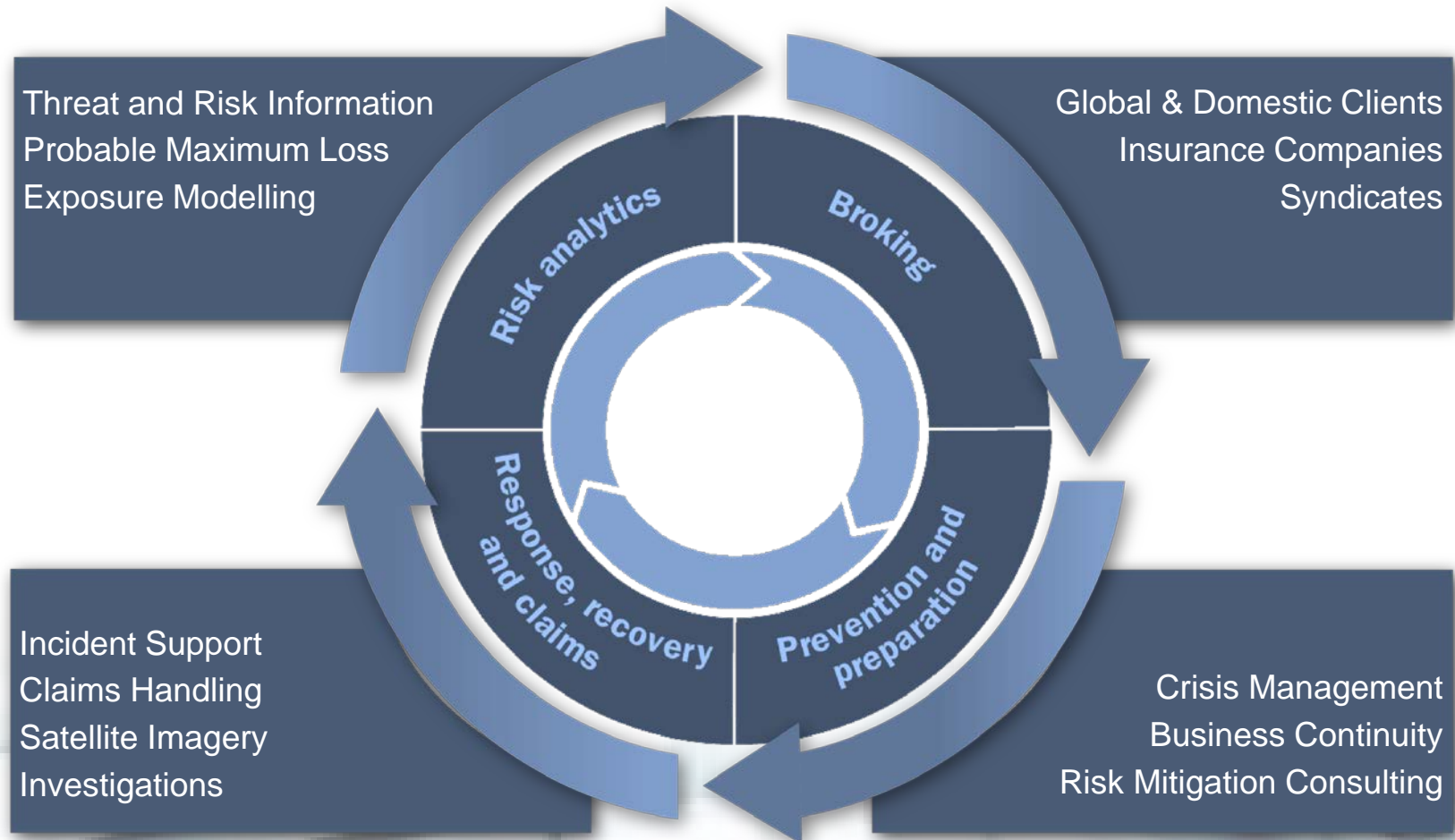
Designed and placed the first multi line/multi peril global “one stop shop” risk transferred/risk managed crisis management solution



Developed current largest stand alone Political Violence insurance solution provided by the market



# Our approach



# Pool Re has modernised in order to deliver significant value to its stakeholders

## Internal initiatives to modernise the activities of Pool Re

External reinsurance	Risk reflective rates	SME proposition	Underwriting amendments	Investment class widening	Updating of exclusion	Member Retention
<ul style="list-style-type: none"><li>▪ Purchase of £1.95 billion retrocessional capacity from the private market through a three year single layer programme led by Munich Re</li></ul>	<ul style="list-style-type: none"><li>▪ Ability to alter rates so they are risk reflective</li><li>▪ Modelling member exposure data to establish the relative rating position between the 4 zones</li></ul>	<ul style="list-style-type: none"><li>▪ Simplified terrorism product set to businesses with assets &lt;£2m</li></ul>	<ul style="list-style-type: none"><li>▪ Changes to underwriting manual regarding deductibles, risk management credit, (PSIA) credit for loss limits</li></ul>	<ul style="list-style-type: none"><li>▪ Investment in a broader range of asset classes to diversify risk and help maintain the real value fund</li></ul>	<ul style="list-style-type: none"><li>▪ Update the cyber exclusion</li></ul>	<ul style="list-style-type: none"><li>▪ Increased to £135 million per event and £270 million per year</li></ul>

# Standalone Market – Arthur J. Gallagher facility

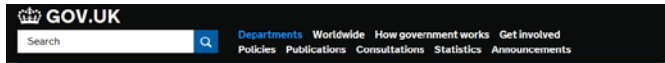
1. UK stand alone market capacity per risk up to £400m PD / BI. £130m Liability
2. First loss limits available
3. Selection of properties to be covered
4. CBRN coverage available on a sub limited basis up to £5m
5. Non Damage business interruption available up to £5m:
  - Denial of Access – 12 hour excess (2.5 mile radius - 0.5k radius for agg sensitive areas ) IP 30 days
  - Loss of Attraction – 7 day excess (10 mile radius – 0.5k radius for agg sensitive areas) IP 12 months
  - Threat - 2 hour excess IP 14 days

	Pool Re	Old Facility	New Crisis Management Facility
Can properties be selected for coverage?	No	Yes	Yes
Can First Loss limits be selected?	No	Yes	Yes
Is denial of access covered?	As per all risks	Yes up to £2.5m	Yes up to £5m
Is non damage denial of access covered?	No	No	Yes up to £5m
What radius of denial of access is covered?	0	1 mile	2.5 miles unless in London in which case 0.5km
Denial of Access excess/deductible	0	24 hours	Min 12 hours
Is threat covered?	No	No	Yes - GBP 5,000,000 aggregated sublimit
Is loss of attraction covered?	No	No	Yes - GBP 5,000,000 aggregated sublimit
What radius of loss of attraction is covered?	0	0	10 miles unless in London in which case 0.5km
Is claims preparation covered?	As per all risks	No	Yes - 10% of limit or GBP 50,000 whichever the lessor
Failure of Public Utilities	As per all risks	Yes - GBP 2,500,000 aggregate sub limit per Failure of supplies	Yes - GBP 5,000,000 aggregate sub limit

	Pool Re	Old Facility	New Crisis Management Facility
<b>New Acquisitions (PD/BI)</b>	As per all risks	Yes - GBP 10,000,000 aggregate sub limit	Yes - 15% of total insured value declared at inception per changes in value clause
<b>Risks Management funds available</b>	No	No	Yes - Up to 5% of premium
<b>Occurrence or aggregated limits</b>	Follows all risks	All aggregate limits	Occurrence limits apart from sub limits which are aggregated
<b>What is the maximum limit per location</b>	Follows all risks	£200m	£230m
<b>Is CBRN (chemical, biological, radiological, nuclear) covered?</b>	Yes – up to all risks Policy limit (requires damage trigger)	Yes - Up to £2.5m (requires damage trigger)	Yes – up to GBP 5,000,000 aggregated sub limit including non-damage
<b>Is Brand Rehabilitation covered?</b>	Not covered unless within BI of all risks	If included within BI then covered otherwise not covered	If not covered under all risks then 10% of limit or GBP 500,000 aggregate
<b>Contingent Financial Loss (customers and suppliers)</b>	Not covered	Covered where damage	GBP 5,000,000 aggregate sub limit
<b>Failure of Public Utilities</b>	As per all risks	GBP 2,500,000 aggregate sub limit per Failure of supplies	GBP 5,000,000 aggregate sub limit
<b>Premium Payment terms</b>	As per all risks	45 days	60 days



# Government advice



National Counter Terrorism Security Office

Counter terrorism support for businesses and communities  
Secure your fertiliser



28 October 2016 — Guidance  
**Recognising the terrorist threat**  
Offers advice on planning for a terrorist incident and what action to take in the event of an attack.



**Counter Terrorism Protective Security Advice**  
for Hotels and Restaurants



**Counter Terrorism Protective Security Advice**  
for Major Events



produced by  
**NaCTSO**  
National Counter Terrorism Security Office





PAS 68:2013



BSI Standards Publication

## Impact test specifications for vehicle security barrier systems

PAS 69:2013



BSI Standards Publication

## Guidance for the selection, installation and use of vehicle security barrier systems

**CPNI**

Centre for the Protection  
of National Infrastructure



## Counter Terrorism Protective Security Advice

*for your business outside of the UK*



Foreign &  
Commonwealth  
Office



## Anticipate

## Prevent

## Respond

## Recover

Threat, Risk &  
Vulnerability studies

Policies &  
Procedures  
(Security)

Crisis Response

Claims & Investigations

Security Risk Register

Insurance Solutions

Business Continuity  
Management

Intelligence

Safe Travel  
Program

Crisis Management  
Plan

Executive  
Resilience

Crisis  
Communications  
Plan

Security Capex

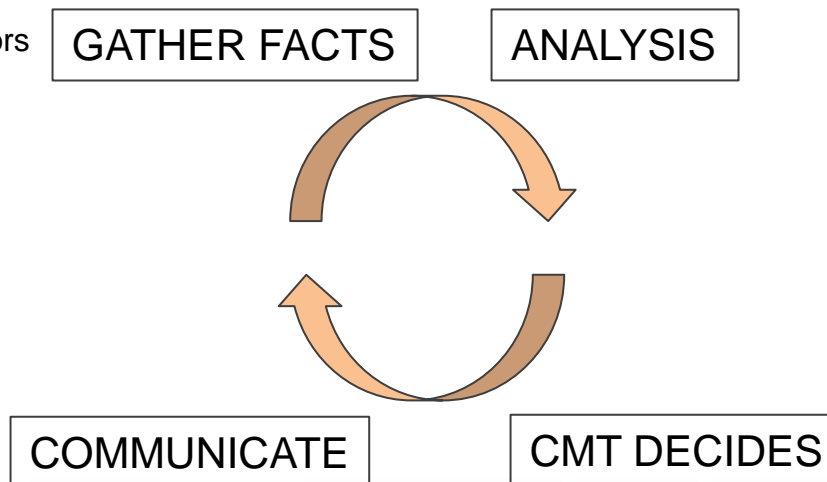
Training & Awareness

Crisis Management Support 24/7/365

# Crisis Management Decision Cycle

## Situational Awareness

Employees  
Other people  
Dates / Times / Locations  
Events  
Initial response  
Sources: BBC / Govt / Advisors  
Escalation possibilities  
Assets  
Operations  
Stakeholders  
Media Involvement



## Action

Overall statement of Your actions  
CMT / Implementation Team / Advisor Tasking  
Communications – Internal  
Communications – External (market facing)  
Communications – External (regulator)  
Communications – External (media / general)

## Common Recognised Information Picture (CRIP)

What has happened?  
What is happening?  
What is changing?  
What might happen next?  
SO WHAT:

- Your People
- Other People
- Environment
- Your ability to operate
- Your assets
- Your Stakeholders

## Decision

CMT Considerations  
Implementation Team Advice  
Advisors  
Confirm Delegated Authority  
Record decisions and times

# Crisis characteristics

- High consequence decisions
- Speed of events
- Inaccurate or inadequate information
- Potentially irrational people
- Multiple interested parties or stakeholders
- Conflicts of interest
- Media attention and reputational risk
- Freedom of activity restricted
- Personnel / public safety at risk
- Potential for major financial loss
- Legal and financial liabilities

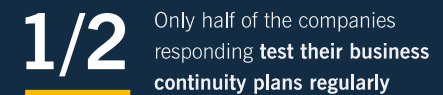
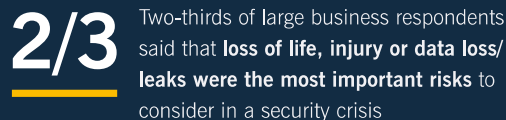
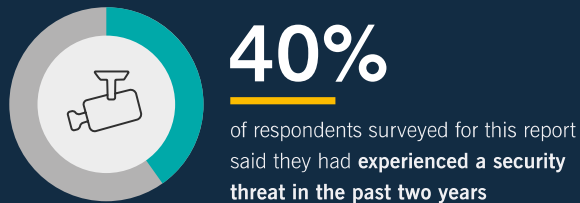




# New Research Report – Launched at Airmic 2017

Large UK companies are keenly aware of the need to build crisis resilience to the main threats their businesses face, but how well are they doing at managing and responding to security threats, like cyber extortion, terrorism and emergency repatriation?

Visit [uk.ajginternational.com/crisis-resilience-report](http://uk.ajginternational.com/crisis-resilience-report) to download the full report.





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[crisis-resilience.ajginternational.com](http://crisis-resilience.ajginternational.com)



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