



Terrorism Insurance Incorporating Non-Damage Business Interruption Cover

Stand-Alone Cover for MD/BI Risks

For many types of risk, stand-alone terrorism cover ticks all of the right boxes for brokers and their clients:

- cover**
- price**
- flexibility**
- non-damage BI**

The changing nature of terrorist attacks

Businesses are increasingly being impacted by terrorist incidents because police cordons and exclusion zones can hinder access, and there may also be a subsequent loss of attraction, both of which can lead to a reduction in takings.

Yet businesses such as bars, restaurants and other entertainment venues have discovered that their terrorism insurance won't always respond following malicious terrorist attacks, including so-called "lone-wolf" attacks, if there is no physical damage to their own or surrounding property.

To meet this need, the business interruption section of our stand-alone wording includes wider cover:

- **Denial of Access** and **Loss of Attraction** are now able to be triggered by acts of terrorism that don't result in physical damage; and
- **Brand Rehabilitation Expenses** have also been added.

The advantages of stand alone cover

Stand-alone cover could also give a real competitive advantage for clients who:

- have **multi-location exposures**, and so can benefit from a combined MD/BI floating first-loss sum insured, better reflecting their perception of the risk;
- have **overseas exposures**, beyond the confines of England, Scotland and Wales;
- like to be able to **choose which locations to insure** and which locations to not insure, according to their perception of the risk.

Cover – Insured Perils

In many cases the cover offered by the traditional placement routes is narrower than the terrorism exclusion in the underlying MD/BI policy, whereas the cover given by the stand-alone wording is a better fit.

Traditional Placement Routes	NMU Cover ¹
Implies that more than one person needs to be involved in acts of terrorism	A person can be acting alone or with others
<i>and</i>	
the act has to be carried out on behalf of or in connection with an organisation	There does not need to be a connection to any organisation
<i>and</i>	
the organisation (and therefore the act) has to be aimed at influencing or overthrowing a government	The act does not need to be aimed at influencing or overthrowing a government – its purpose can just be to put the public in fear Alternatively, the act can simply be committed for political, religious or ideological purposes
Force or violence is needed	Sabotage is additionally covered
Property damage is needed to trigger BI cover	No property damage trigger required for denial of access and/or loss of attraction

Cover – Geographical Restrictions

Traditional Placement Routes	NMU Cover
Only available for property in England, Scotland or Wales	Available for property <ul style="list-style-type: none"> • in any part of the UK, i.e. including Northern Ireland, the Channel Islands and the Isle of Man, • in the Republic of Ireland, or • overseas²

Cover - Flexibility

Traditional Placement Routes	NMU
Requires that <ul style="list-style-type: none">• all premises must be insured, and• for full value	Allows the policyholder to <ul style="list-style-type: none">• choose which properties to insure, and• insure on a floating first-loss basis

Risk Examples

An organisation with over 130 locations was able to save 44% on the terrorism premium spend by arranging cover to a floating combined MD/BI first loss limit of GBP20M.

A retail chain saved over 30% by insuring its 35 stores and head office on a floating combined MD/BI first loss limit of GBP20M – also covering its Northern Ireland and Republic of Ireland locations, which weren't previously able to be catered for.

An education provider with 19 locations and a total MD/BI exposure in excess of GBP70M was able to save 50% against its previously full-value, full-portfolio terrorism spend by insuring on a more practical and realistic first loss basis, to a limit of GBP20M.

A leisure chain, with an overall MD/BI exposure of more than GBP700M across more than 250 locations in the UK and Ireland, saved more than 50% against their previous full-value, full-portfolio terrorism spend, by insuring on a more flexible, floating combined MD/BI first loss limit of GBP25M.

A business that had an existing premium spend in excess of GBP44,000 was able to save over GBP20,000 by insuring their 200+ locations on a combined MD/BI floating first-loss basis.

The NMU Difference - Non-Damage BI Cover

Hundreds of businesses located at the site and also within the vicinity of a malicious terrorist attack where **no property damage occurred**, faced serious economic losses and possible closure as they failed to recoup BI claims from Pool Re for *Denial of Access* and *Loss of Attraction*.

NMU's stand-alone Terrorism Insurance wording includes non-damage cover for *Denial of Access* and *Loss of Attraction* when BI cover has been purchased, whilst also including *Brand Rehabilitation Expenses*, for example, costs associated to marketing campaigns and promotions to assist with regaining public confidence in visiting venues affected by an attack.

1. NMU writes terrorism risks on behalf of certain underwriters at Lloyd's.
2. Cover is of course not available in those countries where the risks are simply too great, or where local legislation prohibits cover being offered.

We've thought differently about terrorism insurance, have you?

To obtain a quotation or for more information, contact our terrorism insurance team

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NMU provides a range of innovative insurance solutions backed up by award winning service

Why NMU

At the heart of our business are competitiveness, service, attention to detail, innovation, flexibility and the fair treatment of customers

Local Service

We have the widest geographical spread of expertise of any specialist insurer in the UK

Products & Services

Our NMU branches underwrite:

- Cargo
- Freight Liabilities
- Marine Trade
- Engineering
- Marine Equipment
- Terrorism
- Motorsport

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