



Protect Your People, Properties and Assets From the Threat of Civil Unrest



All organizations must take civil unrest seriously, which has doubled in the past decade, according to the Global Peace Index, and is expected to continue. News organizations frequently cite a recent poll by Zogby Analytics showing that 46% of respondents believe the United States is headed for civil war. While hoping for the best, property owners and other business leaders are preparing for the worst.

As a result of these trends, insurers are increasingly excluding coverage for damage caused by riots, looting and vandalism. Many businesses and organizations are taking a closer look at their insurance coverage options and trying to determine how they can best protect their people, properties and assets. In the process, they are learning that coverage triggers, such as “Acts of Terrorism” and “Strikes, Riots, and Civil Commotion,” are defined in different ways by different insurers. The distinction between these terms is important because a policy may cover specific damages resulting from a terrorist act, for example, but not from a riot or protest.

Here’s a look at how the insurance industry defines them:

“**Act of Terrorism**” is generally defined as an act or series of acts, including the use of force or violence, of any person (or groups) who is dangerous to human life, property, or infrastructure. The person/group may be acting alone or on behalf of, or in connection with, an organization committed for political, religious, or ideological purposes.

- Businesses covered through the U.S. government Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) should know that an “Act of Terrorism” coverage will only be triggered if it is declared as such by the Secretary of the Treasury in concert with the Secretary of Homeland Security. No incidents in the U.S. have been declared in this way since the terrorist attacks of September 11, 2001.

“**Strikes, Riots and Civil Commotion**,” on the other hand, is generally defined as losses sustained during a committed action by a group of people to disturb the public peace for political purposes and motivations. This form of coverage includes, but is not limited to:

- Malicious Damage: The loss, damage or destruction of property caused by the actions of anyone intending to cause harm or mischief during the disturbance of the public peace.
- Riot: A violent disturbance by a group of persons assembled together for a common purpose that threatens the public peace.
- Strike: A work stoppage to enforce demands made on an employer or to protest an act or condition.

While terrorism coverage has been available in the market for quite some time, coverage for Strikes, Riots, and Civil Commotion has, to this point, been limited. Businesses are urged to review their existing property or general liability policies to determine if these include coverage for crisis-related incidents, although this would be very unlikely. For this reason, they may consider purchasing individual policies to fill the gaps,

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despite the fact that a patchwork program can be limited in coverage (or duplicative), uncoordinated, and costly. USI Insurance Services, through its U.S. Risk division, can offer a better solution.

Introducing ThreatSafe Plus

Through an innovative and recent expansion to its successful ThreatSafe Insurance Program, USI's ThreatSafe Plus suite of products, administered by its U.S. Risk team, offers broad coverage options for Strike, Riot and Civil Commotion (SRCC) in addition to the existing benefits and features of the original ThreatSafe program. The SRCC addition, which provides coverage against direct physical loss or physical damage caused to a property, is available as a stand-alone policy or by endorsement to USI's Sabotage & Terrorism or Active Response policies.

As an example, SRCC coverage became a focal point related to recent protests that turned into riots in certain U.S. locations (limited specifics purposeful for privacy reasons). SRCC coverage was called upon pursuant to damages and looting on certain large retail clothing and shoe stores, many of which had windows smashed, contents stolen, and in some cases, fires set within the stores. The SRCC coverage addressed this by paying for all damages mentioned, excess of deductibles, allowing the business owners to make necessary repairs to quickly reopen the stores and minimize any further disruption to business.

A Full Suite of Coverage Options

In addition to SRCC, ThreatSafe Plus offers these additional coverage options:

- **Active Assailant, Loss of Attraction and Threat (ALT):** Three of the most common perils combined in one form.
- **Active Response:** Active Assailant with the addition of a sublimit for liability associated with an active assailant event.
- **Auto Terror Protect:** Umbrella insurance for terrorism-related auto events that wraps around any

existing motor and third-party liability policies. First- and third-party coverage plus additional supplemental costs and expense.

- **Crisis Prevention and Response (CPR):** Pre-crisis planning and training to minimize the threat of incidents, plus fast response and communication support to minimize physical/reputational damage.
- **Chemical, Biological, Radiological, Nuclear (CBRN):** Coverage for physical loss and damage caused by demolition, decontamination and prohibition of access orders, and blast damage.
- **Workplace Violence and Stalking Threat:** Business interruption plus additional consulting expenses as a result of an act of workplace violence or a stalking threat.

All coverage options are secured through USI's underwriting partners and leverage USI's decades of real-life crisis/terrorism underwriting and claims experience to ensure the most favorable program structure and terms. Features include:

- \$250,000,000 limit for terrorism-related exposures.
- Additional capacity available on a case-by-case basis.
- High limits for other named perils, including SRCC.
- Flexible deductibles.
- Worldwide coverage.

Getting Started

The process begins with a comprehensive business review conducted by U.S. Risk's crisis management professionals who will evaluate the client's potential and existing exposures, gaps in coverage, and other considerations. From there, the U.S. Risk team along with the client's USI representative, will build a fully customized insurance program that addresses the business's needs and concerns.

To get started, please reach out to your USI representative, or visit our website at www.usi.com.

The USI ONE Advantage®

To analyze our client's business issues and challenges, our property & casualty team leverages USI ONE®, a fundamentally different approach to risk management. USI ONE integrates proprietary business analytics with a network of local and national technical experts in a team based consultative planning process to evaluate the client's risk profile and identify targeted solutions. Clients then receive tailored recommendations for improving their total cost of risk. To learn more about USI ONE and the USI ONE Advantage, contact your local USI team today.

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