

# TRIPRA and Standalone Terrorism: A Comparison

In today's volatile environment, the scale, type and frequency of terrorist attacks continue to evolve and can occur at any time. Businesses require creative solutions to protect their income, assets, and reputation against the devastating consequences of an attack. Under the federally subsidized TRIPRA (Terrorism Risk Insurance Program Reauthorization Act) insurance program, businesses are provided with some coverage but it is limited in scope. Standalone Terrorism insurance offers broad, tailored and flexible solutions to address a client's specific needs.



# COMPARISON TRIPRA VS. MRSGIS

## TRIPRA (Terrorism Risk Insurance Program Reauthorization Act)

## MRSGIS (Munich Re Specialty Group Insurance Services)

TRIPRA requires U.S. Government certification in order to respond to a loss. **There have been no incidents 'certified' under TRIPRA to date**, including the Boston Marathon bombing as well as events in San Bernardino, CA; Charleston, SC; and Orlando, FL. TRIPRA has yet to pay a claim.

Other than an applicable Policy deductible or excess, **there is no monetary threshold that must be met**. With our standalone policy, insureds can feel more secure that their losses will be covered.

TRIPRA requires a terrorism event to exceed \$5 million in insured losses to qualify as a "certified" event.

Coverage will apply as long as the terrorist event meets our definition. Government certification is not required for us to indemnify insured losses.

Coverage is available **only in U.S. locations**; international assets will not be covered.

We provide coverage in the **U.S. as well as internationally**.

Property insurers typically calculate a TRIPRA premium based on a flat percentage of the all-risk premium. This can mean a significantly high TRIPRA premium if the risk has a high exposure to catastrophe perils or adverse loss experience.

Coverage is offered up to 24 months for operational risks and 72 months for builder's risk/construction, providing clients with stable, continuous coverage.

TRIPRA's claims handling ability has not been tested, as no losses have been paid since its inception.

Each submission is reviewed based on the risk's actual terrorism exposure, independent of the all-risk premium and the risk's exposure to natural catastrophes.

Our in-house claims team is renowned for quality handling of all aspects of loss recovery.

### Quick Glance: **MRSGIS** Standalone Terrorism Coverage

- Capacity of up to \$425 million per risk
- Standalone terrorism forms, or terrorism follow-forms
- Worldwide coverage
- Written as primary, excess and/or quota share
- Exposure-based rating
- Coverage solutions for first-party physical damage and business interruption, contingent time element, construction risks, third-party terrorism liability, cyber terrorism, malicious attack/active assailant cover, event cancellation following an attack
- Broad risk appetite including: Residential/Habitational Property, Manufacturing industries, Commercial Real Estate, Retail & Wholesale, Warehouses, Oil & Gas Facilities, Conventional Power Plants, Renewable Energy, Offshore-Risks, Builder's Risk/Construction Projects

## TERRORISM FAQs

### 1. How do we define Terrorism in our policy?

Our policy covers an act or series of acts, including the use of force of violence, committed by a single person or a group of people whether acting alone or on behalf of an organization for political, religious or ideological or similar reasons. Unlike TRIPRA, for coverage to be triggered, U.S. Government certification for an act of terrorism is not required with our policy.

### 2. Why is Terrorism insurance necessary?

Terrorism insurance provides businesses with protection against the unpredictable nature of a terrorist attack. An act of terrorism can be big or small, high profile or low key, and can occur anywhere and at any time, evidenced by recent terrorist activity. The evolution of smaller attacks on soft targets and crowded places along with “lone-wolf” attacks has made Terrorism insurance a critical component in a comprehensive risk management program.

### 3. Should clients consider adding Contingent Business Interruption coverage for Terrorism?

Clients do not need to be the specific target of a terrorist attack to suffer significant losses. Terrorist acts cause both direct and indirect damage to businesses. Government-mandated closures in affected areas can result in direct loss of revenue for businesses. A client can experience indirect losses if goods from suppliers and deliveries to customers are delayed.

### **Munich Re Specialty Insurance. Solutions for today and tomorrow.**

Learn more at [munichrespecialty.com](http://munichrespecialty.com)

Our underwriters' expertise will help guide you in choosing adequate risk protection for your clients. To find out more about our customized Terrorism solutions, please contact:

**Adam Posner**

**Head of US Terrorism &  
Political Violence**

[adam.posner@munichre.com](mailto:adam.posner@munichre.com)

(347) 449-0719

**Kelli Evans**

[kelli.evans@munichre.com](mailto:kelli.evans@munichre.com)

(770) 910-2200

**Nicole Camara**

[nicole.camara@munichre.com](mailto:nicole.camara@munichre.com)

(847) 969-8230

Munich Re Specialty Insurance (MRSI) is a description for the insurance business operations of affiliated companies in the Munich Re Group that share a common directive to offer and deliver specialty property and casualty insurance products and services in North America. The Terrorism and Political Violence coverage that is the subject of this brochure is offered, and any related services are provided, through Munich Re Specialty Group Insurance Services, Inc. as underwriting manager with underwriting authority provided by Munich Re Syndicate Ltd. - Syndicate 457, a marine and specialty insurance underwriter and surplus lines insurer at Lloyds of London. The information contained herein is intended for surplus lines brokers and producers. It also is intended as general information only and does not constitute an offer to sell or a solicitation of insurance. Any inquiries concerning Terrorism and Political Violence coverage should be directed through a licensed surplus lines producer or broker. Any descriptions of coverage contained in this information sheet are meant to be general in nature, may not be available in every state, may vary by state, and do not include nor are intended to include all of the actual terms, benefits, and limitations found in an insurance policy. The insurance policy and not this information sheet will form the contract between the parties thereto, and will govern in all cases. © Copyright 2021 Munich Re Specialty Group Insurance Services, Inc. All rights reserved. Printed March 2021