

Terrorism Risk Management

While you may think that acts of terrorism will never happen to your business, their occurrence can be completely random and their results catastrophic. And, as the frequency of terror-related incidents continues to increase worldwide, you need to be aware of how to protect yourself and your employees from potentially devastating losses.

Just one terrorist attack at or near your business could result in substantial injuries, deaths, business interruptions, reputational damage and more. However, with a proper understanding of the common types and targets of attacks, and a terrorism management program, you can limit your exposures to an attack and protect your business and employees.

Common Types and Targets of Terrorism

Terrorist attacks can occur at any time, and are usually not directed at a single business or individual. As a result, you should be aware of the general characteristics of terror-related incidents and the most common targets.

The U.S. Department of State recently released the latest statistics on the types of terrorist attacks that occur most often:

- Bombings and explosions: 54 percent
- Armed assault: 21 percent
- Facility and infrastructure attacks: 9 percent

Because the most common types of terrorist attacks have the potential to devastate the infrastructure within a large area, it's important to take structural vulnerability

into consideration when you draft a terrorism management program. Additionally, an effective program must take the safety of employees, customers and nearby pedestrians into consideration.

In 2016, terrorist attacks killed 25,673 people and cost the global economy \$84 billion, not including the trillions of dollars that governments have spent on anti-terrorism efforts.

First Step: General Assessment

The first step in creating a terrorism management program is to conduct a general assessment of your business's facilities. While you may have a good idea of the risks that your business and employees face, you may not recognize how or in which areas they are exposed until you conduct a detailed assessment. And, even if you have a fundamental knowledge of your risks, you also need to recognize the exposures presented by the businesses and buildings around you. Remember, the most common types of terrorist attacks are bombings and armed assaults—incidents that almost always affect a large area.

During your initial assessment, you should determine the standoff distance around the entire perimeter of your facility. This is the distance at which you can prevent an unscreened person or vehicle from approaching your business, and it is determined by the effectiveness of

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your facilities, employees and security procedures. Knowledge of your business's ability to respond to threats will help you to assess and respond to terrorism risk exposures.

Second Step: Risk Assessment

Once you have completed your general assessment, you can use the information you gathered to determine the potential impact of a terrorist attack on your business. Then, you can focus your resources on preventing or mitigating the damage from an attack.

You should keep the following topics in mind while performing a terrorism risk assessment:

- **Structural stability:** Analyze how various locations around your facility could be damaged by an explosion or bomb. Remember to consider explosions that originate from both inside and outside the building.
- **Personnel vulnerability:** Consider where your employees and customers are usually located in and around your business. If they are all centrally located, they will be much more vulnerable during a terrorist attack. Make sure that everyone in the building has easy access to multiple exits in the event of an attack.
- **Operational continuity:** Consider the vulnerability of any key equipment or other vital materials. An attack could cripple your operations if important equipment or data is lost. If possible, don't keep all of your resources in just one area, and make sure that all of your records are backed up at a separate location.

Risk Management

Your terrorism management program should cover the unique exposures found during your general and risk assessments. Common protective measures can include strengthened window films, employee evacuation procedures, and electronic and physical security systems.

In some ways, covering terrorism exposures is similar to preparing for a natural disaster, such as a severe storm or fire. In fact, you may be able to use an existing emergency plan as the basis for your terrorism management plan.

Terrorism Insurance

Another easy way to protect your business from a terrorist attack is with terrorism insurance. For more information on this type of coverage, contact the insurance experts at TPG Insurance Services. We can also provide you with another comprehensive article, "Coverage Insights: Terrorism Insurance."