

Pool Re **SOLUTIONS**



Building resilience against
terrorism risk

Understanding risk, enabling resilience

Whilst the human cost of terrorism is devastating, the financial impact an incident can have on communities, businesses and economies is generally greater than most realise.

At Pool Re we understand that terrorism is a significant multi-faceted peril that can expose businesses in a complex way. Like many other catastrophic perils, terrorism is a challenge which requires a collaborative approach.

We have been the UK's leading terrorism reinsurer for over a quarter of a century. During this time our SOLUTIONS division have developed a specialist team of experts who can work with you to help you and your Policyholders understand and manage the terrorism threat.

Why choose us

We help you to understand:

That the evolving nature of terrorism poses diffuse and uncertain risks, and raises questions about how to manage them effectively. Which is why we've invested significantly into advanced research, analysis, modelling, and risk management capabilities.

We offer you our expertise:

SOLUTIONS team of experts have many decades of experience of advising C-suite decision makers in counter terrorism, security and risk management strategies, plans and operations.

We can provide you with the tools:

Both the insurance industry and your business or organisation can benefit from using our tools and information to help understand, manage and mitigate against terrorism risk.

We can bespoke our services:

Whatever your requirements, our services are both modular and scaleable, created to effectively address the needs of modern Insurers and policyholders. Helping to safeguard your business and livelihoods from the impact of a terrorist attack.



Tell me more about **SOLUTIONS**

SOLUTIONS combines decades of knowledge and expertise with data and analytics drawn from a wide range of notable partnerships.

By investing heavily in the best people and resources to support our objectives, we are able to provide our clients with a blend of services, information and tools to evaluate, price, and manage terrorism risk.

Comprised of three core pillars:

Risk Awareness

Risk Modelling

Risk Management



Risk Awareness

High quality, threat-led intelligence is central to all our Risk Awareness products covering all aspects of the terrorism peril. Our research directly supports the work of our Risk Modelling and Risk Management teams. Our Risk Awareness experts are drawn from a range of backgrounds, including the police, government, counter terrorist/CT experts from the military and academia, offering unique perspectives and experiences on all aspects of terrorism risk.

Risk Modelling

Devises and creates modelling solutions that can more accurately evaluate, quantify and price terrorism risk. We harness our Risk Awareness teams' intelligence and reports, and blend this with a collaboration of government, academia, and global (re)insurer data. This has both accelerated and enhanced our modelling capabilities which allows us to create modelling solutions to quantify and evaluate different aspects of terrorism risk.

Risk Management

Supports Members and their Policyholders by helping them to understand how the terrorist threat might affect their business and how it may be managed. We utilise work with businesses to enhance their resilience in order to minimise the impact of an attack. Our solutions are tailored to the individual business to fit their individual needs and to ensure the most appropriate support is available. We aim to provide business leaders with the information they need to make informed decisions from a position of detailed and thorough understanding of the threat to them, enabling them to focus resources appropriately.



Risk Awareness

Our work supports:

Cutting-edge actuarial modelling, using data and analysis harvested from a comprehensive range of databases.

Crucial partnership working with specialist think tanks and leading universities such as Cranfield and the Judge Business School at Cambridge.

A range of unique relationships across Government, in particular the Home Office and Counter Terrorism Police.

International collaboration with other terrorism reinsurance pools around the world to inform our view of the global risk and how to manage it most effectively.



The private sector has to play a bigger role than ever as part of a whole society effort to counter today's terrorism threat.

Sir Mark Rowley, former National Lead for Counter Terrorism

Capabilities:

Thought leadership: we produce commentary and opinion on significant events or topics affecting the United Kingdom's security or international counter-terrorism efforts.

Statistical analysis: we use data provided from the Global Terrorism Database (GTD), compiled by the University of Maryland, to provide quantitative reporting on recent trends in terrorist tactics and targeting. The GTD is the most comprehensive database on terrorist attacks available worldwide. We enhance the data with our own analysis and machine learning to improve its accuracy and its utility to the wider (re)insurance market and our partners.

Threat monitoring and reporting: we monitor developments in all aspects of the terrorism and counter-terrorism and provide regular summaries and analysis of developments pertinent to our Members and their Policyholders.

Bespoke assessments: these include wider sector vulnerability reporting, deeper dives into novel and emerging technologies used by terrorist actors, and more focused reporting for specific stakeholders.

Collaboration and Partnerships:

We partner with a wider range of government, private sector and academic organisations to inform our analysis. Some of the organisations we work with include:

- Office for Security and Counter-terrorism at the Home Office.
- Cabinet Office.
- Centre for Protection of National Infrastructure.
- National Counter Terrorism Security Office.
- Royal United Services Institute.
- Cranfield University.
- Cambridge University's Judge Business School.
- International Forum of Terrorism Risk (Re) Insurance Pools (IFTRIP).



Risk Modelling

Our Risk Modelling services provide:

Expertise

The expertise to build and deploy modelling tools and techniques that can be adopted by Members, (re) insurers and the capital markets to inform their view of terrorism risk and how to price it.

Insight

Unique insight and technological advances. With the increased confidence in terrorism modelling we help provide the foundation for private market capacity to grow.

Visualisation

Visualisation capability of Members' risks. Allowing the quick estimation of loss following an event, by supplying 'shape files' of cordons within which exposure may be affected.

Technological advances

For many years, the lack of a mainstream model to estimate the severity, and especially the frequency, of terrorist attacks was a major barrier to entry for the private market. Technological advances, however, have led to a re-appraisal of the possibilities, and our team have collaborated to create:

Computational Fluid Dynamic (CFD) scenario modelling. Using a combination of software and expertise from academic institutions such as Cranfield University and Cambridge Centre for Risk Studies, alongside industry experts such as Guy Carpenter, we have developed innovative capabilities that have already significantly improved the dexterity of our terrorism modelling.

Models which allow us to more accurately quantify not only conventional terrorism, such as explosives, but also CBRN and firearm attacks.

Our sophisticated modelling tools made possible the first-ever insurance-linked securities (ILS) bond to cover terrorism risk exclusively.



Executing this successful placement whilst the ILS market is processing losses from 2017 and 2018, demonstrates the strength and quality of Pool Re's proposition and their market-leading risk analysis. This type of innovation is a great example of the major role the UK market can play in broadening the ILS asset class.

Shiv Kumar, President, GC Securities

Case Study: Non-Damage Business Interruption

Situation: Multiple incidents in 2017, in particular the London Borough Market attack, highlighted the lack of coverage for businesses who were denied access, unable to operate or closed due to police cordons.

Solution: Having identified this gap in coverage we worked with government to change the scope of cover our Members could offer. We built and parameterised a stochastic model that demonstrated the range of scenarios that could affect policyholders and what this could mean to individual Member insurers. The parameterisation of the model involved interviews with counter terrorism specialists drawing on their experience of cordon characteristics.

Benefit & Result: Interested members had a starting point of how Pool Re considered pricing this business using a market representative perspective; and could leverage on this as necessary when considering their own pricing. Pool Re remain happy to work with members to tailor such output for their individual needs.



Risk Management

“ *The insurance industry has the potential to shape behaviour and improve safety, security and resilience... Pool Re is an excellent example of a public-private partnership set up specifically to mitigate the financial impact of a terrorist attack.*

Counter Terrorism Strategy (CONTEST) June 2018

Our Risk Management approach helps you answer these 4 fundamental questions



What is the threat to my business and how bad could it be?



What is my current state of preparedness to deal with a terrorist event?

Helping you understand the risk

Whether it's simply understanding the current state of your preparedness, to having assurance that you have the necessary data to inform your insurance programme, we're here to ensure you and your business have the knowledge and understanding you need to address the rapidly and constantly evolving threat by:

Providing you with coordinated and effective risk management advice regarding the evolving nature of the threat, and offering bespoke solutions which can be adapted according to your business.

Helping you identify the impact a terrorist event could have on your business, employees and customers. This is vital if you are to apply

appropriate and effective risk controls to help prevent or reduce the impact.

Supplying scalable and modular support, designed to provide you with the relevant information and data required to make informed decisions about how best to manage the terrorism risk to your business or organisation.

Equipping you with an extensive range of terrorism risk management resources and insights. In particular, many of our resources are produced in conjunction with a range of specialised partnerships, including Government agencies, academia, risk professionals and the insurance industry.

The Risk Management Team's core activities build on the platform of our unique tools, training and advice, providing you with:

Risk mitigation tools, such as the Vulnerability Self-Assessment Tool (VSAT). Available for all Members and their policyholders.

The scope to commission specific bespoke support for your business or organisation which may include: risk and vulnerability assessments, contingency planning and analysis as well as exercising senior decision-makers.

Practical training for Members and Policyholders. By collaborating with academia and industry specialists we are creating a new generation of risk

engineers and claims handlers. Our ambition is to improve national terrorism risk literacy, and integrate terrorism within broader property risk management practices.

Timely and regular information such as:

- Educational material around emerging issues or new aspects of risk.
- Up-to-date government advice and guidance.
- Access to resources such as breakfast briefings, blogs, webinars, seminars, and the website.

ns about protecting your business from the terrorism threat.



What more can I do to mitigate the likelihood of an attack and manage its effects?



Is my current insurance programme appropriate?

Case Study: Terrorism Resilience Assessment

Situation: A large retail business wished to understand its current state of preparedness to mitigate the terrorism threat to its business operations in order to identify vulnerabilities in its governance structures as well as across its portfolio.

Solution: The client undertook an initial benchmarking exercise using Pool Re Solutions' Vulnerability Self-Assessment Tool (VSAT) to assess how well it matched against recognised best practice for a number of specific categories including Physical Security, Personnel Security, IT, Corporate Profile and Processes and in-place emergency plans and procedures. VSAT produced a report with an assessment of the risk rating of the business as well as links to specific advice.

In addition, Pool Re Solutions engaged with the client in a workshop to provide additional detailed advice as well as help design with the client a prioritised risk improvement plan.

Benefits: The client's Board were able to identify where vulnerabilities existed and received advice on how to mitigate the issues. In addition the bespoke risk improvement plan enabled them to prioritise and resource activities against their budget and in line with their risk appetite.

Result: A clear and concise report providing analysis of how their business was meeting the threat of terrorism and a clear and articulate plan, based on best practice advice, that was resourced appropriately.

We believe all organisations and businesses can benefit from a better understanding of the terrorism risk solutions available.

To find out more about Pool Re SOLUTIONS and how your organisation can take advantage of this service please contact us at:

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