



reign.
terrorise /təˈrɔːrɪz/. See terrorism
terrorism /təˈrɔːrɪzəm/. Terrorism
violence, especially murder, or
bombing, in order to achieve
force a government to do some

TERRORISM INSURANCE

Currently all UK policies incorporate a “total exclusion” for loss or damage caused by terrorism. If the client decides to purchase the cover we can arrange this by either placing the insurance via the Government backed Pool Re or via Lloyd’s of London.

Terrorism is defined as “Acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards overthrowing or influencing, by force or violence, Her Majesty’s Government in the UK or any other Government ‘de jure or de facto’”.

Terrorism zones are set by Pool Re which is the government body that insures against terrorism, and the same zone rules apply to all Insurers that provide terrorism cover. They range from Zone A to Zone D, A being the highest risk.

If the client does not take out terrorism cover and there is a terrorist attack, any resultant damage would not be covered under the client’s buildings insurance policy.

It is worth noting that it is often a mortgage requirement to have terrorism insurance in place. In general, and based on our experience, a mortgage company will require a resident to obtain the highest level of cover possible which, by inference, includes terrorism cover and perils such as explosion. Some more modern mortgage/lease agreements may actually make specific reference to terrorism insurance, but this does vary. As stated above, if there was an explosion near or at the property which was as a result of terrorism, then there would be no cover provided under the buildings policy.

Often when people think of terrorism they think of explosions in the street (often a car bomb or suicide bomber) and usually these are targeted at busy locations (such as public transport as with the 2005 attacks in London) however there are other situations that can occur with residential risks, and it’s worth considering the below examples:

- A tenant in a flat that is rented out who unknown to the leaseholder of the flat is a suspected terrorist experiments/builds bombs in their own flat
- An aircraft brought down by terrorists lands on or near the building; the London sky is extremely busy in terms of flight traffic
- Tenants in the building may be the target of terrorists: vivisectionists, politicians, scientists involved in controversial genetic research, etc
- A random attack from an individual/group who are disturbed/discovered via an attempt to attack a more high profile building and choose a lower profile residential building due to the lower levels of security compared to public or government buildings

It is for this reason that we recommend that terrorism cover be purchased. We make this recommendation to all our clients, regardless of the properties’ location/use. The recommendation is not based on any property specific analysis or data, it is simply based on the fact that any property is at risk of terrorism related damage (the cost of repairing which will be dwarfed by the premium).