Excerpt from recent June 14th IBA article regarding Terrorism vs Active Shooter Coverage:

**“The reality in America today is that any business anywhere can become a victim of terrorism,” Robert Hartwig, president of the Insurance Information Institute.**

Though businesses are buying (Terrorism Insurance), this coverage isn’t automatically triggered with each terrorist event. An incident must be determined to be terrorism by the United States Treasury, which only happens after it meets a $5 million threshold for property damage.

**That’s a rare occurrence. The Orlando shooting tragedy is highly unlikely to meet the strict stipulations, and neither did incidents in San Bernardino or during the Boston Marathon.**
What’s more likely to be triggered (if purchased) is workplace violence, or active shooter, insurance – another form of coverage that has surged in recent months.

Some carriers, for example, began selling active shooter insurance during the waning months of 2015. Originally marketed to universities, widespread interest and the proliferation of attacks at hotels and hospitals have prompted them to expand the product, which covers the liability companies have if they are found not to have taken needed precautions to prevent gun rampages. It also covers “on the scene” costs of an attack, and kicks in when victims require counseling or consulting as a result of the incident.

The Active Shooter policy insures businesses for up to $20 million

The virtue of an “active shooter” product is that it offers additional coverage outside of workers’ compensation policies, which traditionally cover the medical costs of employees who are injured as the result of a shooting.  And while covering all outcomes is not possible, insurers in this space say there is a great deal of value in relevant risk management.

A company spokeswoman with affiliate of Lloyd’s of London currently underwriting “active shooter / violence incident” coverage, said, “While recognizing that perfect security is not achievable, we also provide risk management guidance to help organizations protect people from this risk.”

Despite the rise in interest, the market for the product is still quite small – Lloyd’s is reportedly the only insurance firm currently underwriting the coverage.

Despite the Orlando murderer's intents and statements, the Pulse attack will likely not be certified as a terrorist attack- one of the requirements needed to trigger coverage under TRIA. Even if the attack was certified to be a terrorist act, the monetary losses aren't sufficient to allow triggering TRIA coverage.

**Resources:**

**http://www.ibamag.com/news/heres-how-the-terrorism-variable-could-affect-insurance-for-orlando-nightclub-shooting-33257.aspx**