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Nice Terror Exposes Insurance Need as Superstar Cancels Concert

By: Frank Zuccarello

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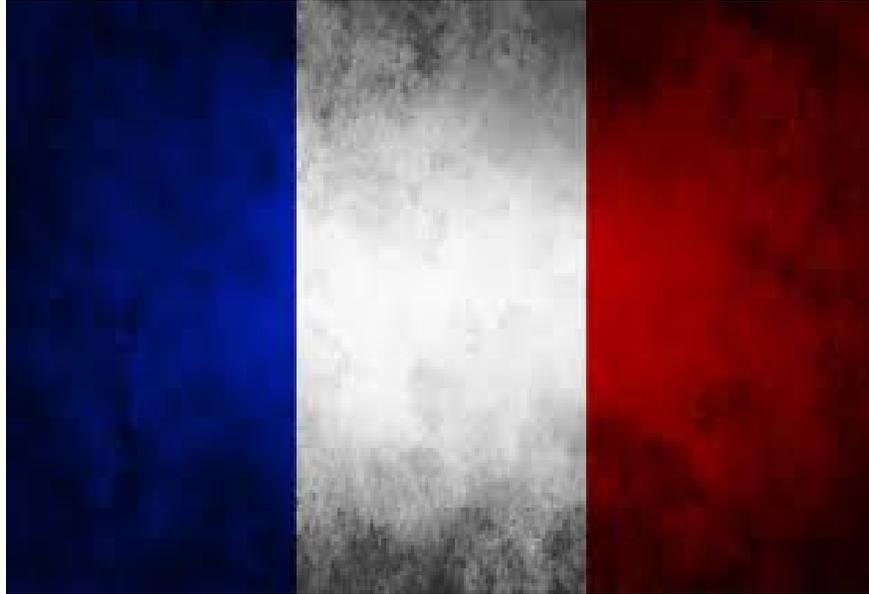
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Frank Zuccarello, Partner

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Insurance Needs for Terror Exposure Increasing

Thursday's tragic Bastille Day attack, which left 84 dead in the French city of Nice, has drawn condemnation from around the globe. And, while monetary losses cannot rival those of human life, they also expose a growing insurance need – event cancellation coverage in the event of such an attack.

A number of planned entertainment events have been cancelled in

the aftermath, including the Nice Jazz Festival and a leg of Rihanna's Anti tour. The singer, who was in the city during the attack, has been deemed safe – but it remains to be seen whether her financial losses will be covered by insurers.

The triggering of terror coverage for concerts has been a grey area in the past – a precedent was set by the Foo Fighters, who are suing

London Market Insurers for refusing to cover lost profits after cancelling a number of European shows following last year's Paris attacks.

Frank Zuccarello, partner at Exceptional Risk Advisors, says such coverage comes with very specific requirements, which can often be overlooked by those insuring events and entertainment.

"A lot of time, terrorism is an additional option that has to be chosen and the wording of terrorism is very specific," he says. "We call it contingency insurance for a reason, so a lot of it has to be done upfront to make sure that specific events are required, especially in this world of terrorism where you just don't know what forms of terrorism might be in."

Whether or not Rihanna and other scheduled entertainment had sufficient coverage, the cause of attack is an important factor in whether policies will trigger. Authorities are still determining whether Mohamed Lahouaiej-Bouhlel, who drove a truck into a crowd of people including teens and children, has a terror connection.



"We still don't know if this was a lone wolf who had terrorist ties, or if he was just upset his wife left him, or he lost his job – we don't know," says Zuccarello. "We don't know if he was inspired by ISIS or anything like that."

"A lot of times, it's up to the local officials, and I believe that France said it was a terrorist activity. I would think that would be hard pressed for underwriters to deny a terrorist link. But again, it's all subject to the wording."

Zuccarello says that as terrorist incidents are increasingly reported, the demand for coverages is increasing.

"I've been getting a lot more inquiries about it, and not only what we're calling terrorism but violent acts in general," he says, pointing to the recent shooting that claimed the lives of five police officers in Dallas.

"A mass shooting, such as the Dallas thing; was that terrorism or a man shooting? It's hard to describe. I would definitely call it a violent act that was impactful upon the nation. Any event in Dallas would be hard pressed to go on within a couple of days of that happening."

*By Frank Zuccarello
Partner, Exceptional Risk Advisors*

Exceptional Risk Advisors is one of the country's foremost experts on high-limit specialty life, accident and disability products. They are located in Mahwah, NJ and can be reached at info@exceptionalriskadvisors.com