



# Loss of Attraction

A terrorist or malicious event within the locality of a business may often result in reduction in footfall or custom, potentially impacting both revenue and reputation.

Loss of attraction products are designed to respond when no actual physical damage occurs at an insured location: rather, an event that results in physical damage or bodily injury occurs within a pre-defined radius of the insured business, or at a previously identified location that could impact trade. Forensic accountants would then be consulted to determine the extent of the financial loss and the calculable downturn in revenue.

Loss of attraction addresses potential longer-term financial consequences due to a drop in footfall or custom. In the three months following the November 2015 Paris attacks and March 2016 Brussels attack, hotel reservations were down 22% and 17% respectively on the previous year, representing a significant income shortfall for hospitality providers.

Another possible scenario could involve a terrorist attack occurring at an airport, causing a reduction in bookings at local hotels or tourism hotspots. In this instance, customers are either prevented from staying at local hotels or are forced to cancel their holiday. The consequences of this unexpected loss of revenue can severely impact businesses.

## Type of cover we provide

Talbot AIG has the capacity to provide up to \$75 million in cover, including:

- Perils including sabotage and terrorism, strikes, riots and civil commotion, malicious attacks and political violence.
- Indemnity for net profit loss, extra expense and crisis management where, as a direct result, the insured suffers a loss of attraction.
- Options include setting a trigger based on a set radius of an attack near an insured location, and/or, specific locations that may have a direct relationship to an insured location's custom.

## Recent scenarios affecting tourism

- Paris Attacks (2015)
- Brussels Bombings (2016)
- Barcelona Las Ramblas Attack (2017)
- Fort Lauderdale Airport Shooting (2017)
- London Bridge Attack (2017)

Features	Benefits
No direct physical damage required	Trigger levels can be defined according to business priorities and tailored to include either terrorist attacks in a set vicinity to the insured location, or at significant locations that can be shown to have a direct link to potential footfall at the insured location.
Business interruption	Cover for loss of profit in the event of a terrorist attack in the vicinity of a business interrupts normal operations. Traditional products respond to the direct impact of business interruption whereas Loss of Attraction deals with the longer-term effects of diminished revenue with the parameters established for each client's specific needs.
Bespoke limits	Cover can be tailored to respond at a bespoke level of profit reduction.
Extra expense and crisis management costs	Cover provided for expenses incurred in the management and mitigation of business interruption.
Tailored triggers	Losses can be covered either for a set period of time or until profit levels return to the trigger level, dependent on the business needs.
Clear and comprehensive wording	A clear wording which details exactly what is covered and excluded and that clearly defines triggers for cover.

### Line size

- US \$75 million

## Our Political Violence Leaders

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