



Terrorism and Insurance

by Isabelle Want

Ok, this is an article I wish I did not have to write about but in the wake of the events of last November in Paris, I have had a few questions from customers about it so let's answer them. I think it is important to talk about it from an insurance point of view and to reassure you all that in the unfortunate circumstances of being affected by terrorism, you would always have the full support of your insurance company and the French government.

1. **A few statistics:** In 2015, the Institute for Economics and Peace published their "global terrorism index" in which they estimated the cost of terrorism for 2014 to be around 49.5 billion euros, 60% increase on 2013! I did not have the numbers for 2015 at the time of writing this article but to offer a perspective on these numbers, note that the cost of criminal activities and murder is 32 times higher! With 1.700 Billion dollars cost.
2. **What cost (from an insurance point of view):** The loss of life and injuries is what comes first and this is what costs the most. But there is also the cost of damages to properties, injuries, loss of business, clean-up operations, loss of jobs, loss on tourism, etc.... As an example, the September 11, 2001 attack cost an estimated 31.7 billion dollars to insurance companies.
3. **FGTI:** Insurance companies are not the only ones who pay the bill for this type of claim. In France, the FGTI (Fond de Garantie des Victimes des actes de terrorisme et d'autres Infractions) was created in 1986 following a wave of terrorism attacks on shopping centres in Paris. The aim of this government institution is to help financially the victims and the families of the victims of terrorism. This institution evaluates the loss (financial, emotional and physical) for the victims and their family. They managed a budget of around 1.2 billion euros which is provisioned by insurance companies by a way of an obligatory contribution of 3.30€ on every insurance contract. Indeed, the first month of your car, house, health, etc. insurance contract, there is an additional 3.30€ which is for this institution and the compensation to the victims of terrorism and their family. You can get compensation from FGTI if you are non-French and a victim on French territory or if you are a French citizen victim abroad.

Note that from 01/01/2016, the 3.30€ has increased to 4.30€.

4. **Cover by insurance company:** Your car, property and business is covered for damages resulting from a terrorist attack. It is called "garantie attentats" in French. But your car is not covered if you are the person who caused the terrorist explosion!! Et puis quoi encore (dream on!).



Following the 13/11/2015 events, Allianz has opened a 24 hour helpline for their customers affected by this attack with a dedicated team helping them psychologically but also logistically with their paperwork for the claims. I venture that most insurance companies in France have done the same.

Conclusion: To sum up, yes, you are covered. But no financial compensation will ever make the victims forget the horror that they went through.

I will take the opportunity of this article to thank you all (British and other nationalities) for all your messages of sympathy. My thoughts, like yours I am sure, go to all the victims and their families.

But life must go on so I will try to do a more cheerful article next month (maybe on tax).

Don't hesitate either to contact me for any other subjects such as inheritance law, tax, savings, funeral cover or quote on any insurances. And check out our website www.bh-assurances.fr for my previous articles on the 'Practical Pages' of the English site.

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