

Active Shooter / Workplace Violence Risk & Insurance

NCOIL 2019 Panel Workshop

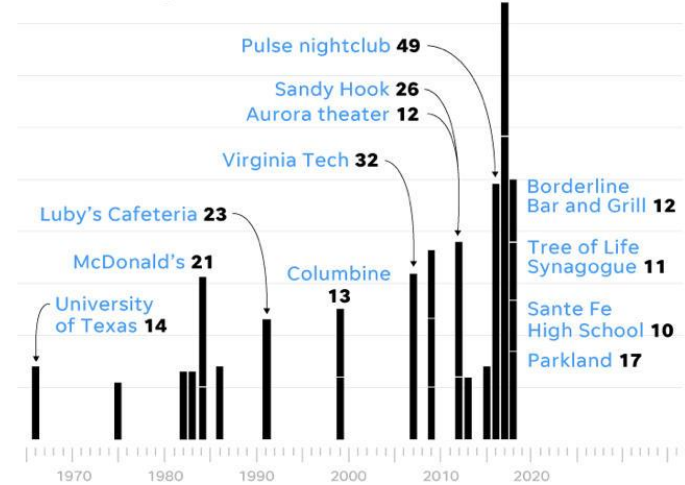
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4 of the biggest mass shootings in 5 decades happened in 2018

Mass shootings with more than 10 deaths



1— An unborn child was also killed
SOURCE USA TODAY research

What is an Active Shooter or Workplace Violence Event?

- **FBI and Homeland Security Definition**
Actively engaged in killing or attempting to kill people in a populated area
3 or more fatalities

- **Private Market Insurance Policy Definition**
Deadly Weapon Event means any event involving an Assailant(s) and the Named Insured where a Weapon has been used or brandished on any Location(s) of the Named Insured.

- **Media Definition**
4 or more fatalities

- **OSHA – Workplace Violence:**
Any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the work site. It ranges from threats and verbal abuse to physical assaults and even homicide.



What is an Active Shooter or Workplace Violence Event?

WHO COMMITS THESE ACTS:

- ✓ Customers, Clients, Patients, other 3rd parties
- ✓ Employees or Supervisors
- ✓ Domestic Partners or Relatives of Employees

Per OSHA.Gov:

2MM

Approx. **2 million** American workers are victims of workplace violence

In **2/3** of workplace homicides, the assailant was a 3rd party and had no known personal relationship with the victim(s).

2/3

700

Workplace violence is the second leading cause of work-site deaths in the US. with approx. **700** workplace homicide victims per year.

40%

1/3 did have a personal relationship, and more than **40%** of these were domestic violence related.

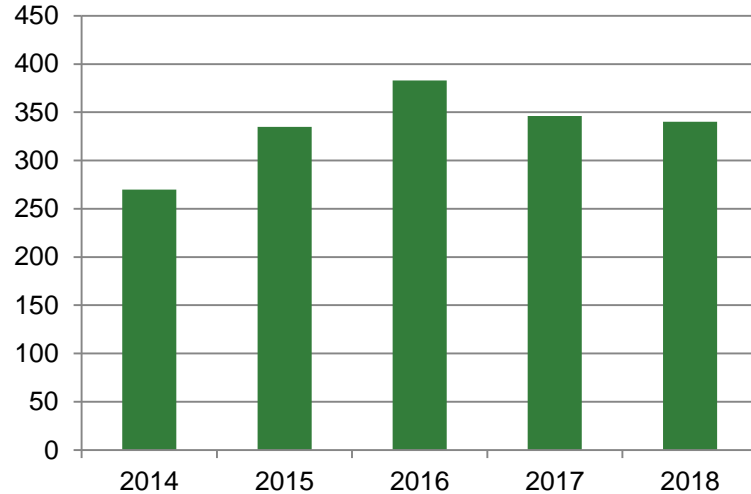


Mass Shootings in US in 2014-2018

Gun Violence Archive aggregates and publishes the gun violence data in near real-time from over 2,500 verified media, commercial, and law enforcement sources. GVA defines Mass Shooting event that include 4 or more victims. www.gunviolencearchive.org

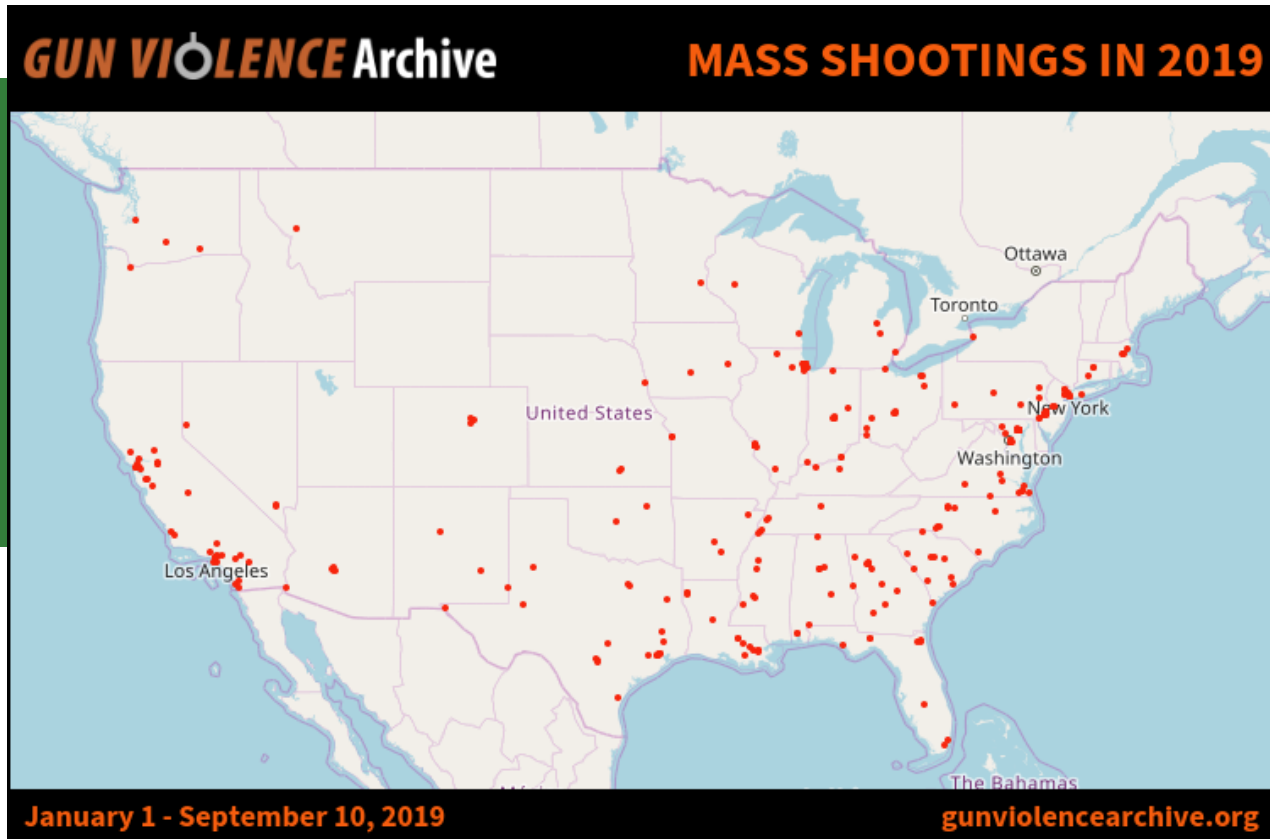
- **Mass Shooting:** FOUR or more shot and/or killed in a single event.
- **Low 2014 w 270 / High 2016 w 383**
- **Average** number of gun incidents: 57,000
- **Average** number of mass shootings: **335**
- **Average** of 29 mass shootings per month
- **2019 393 as of Dec 10th Projected over 400**

Mass Shooting Incidents Reported and Verified

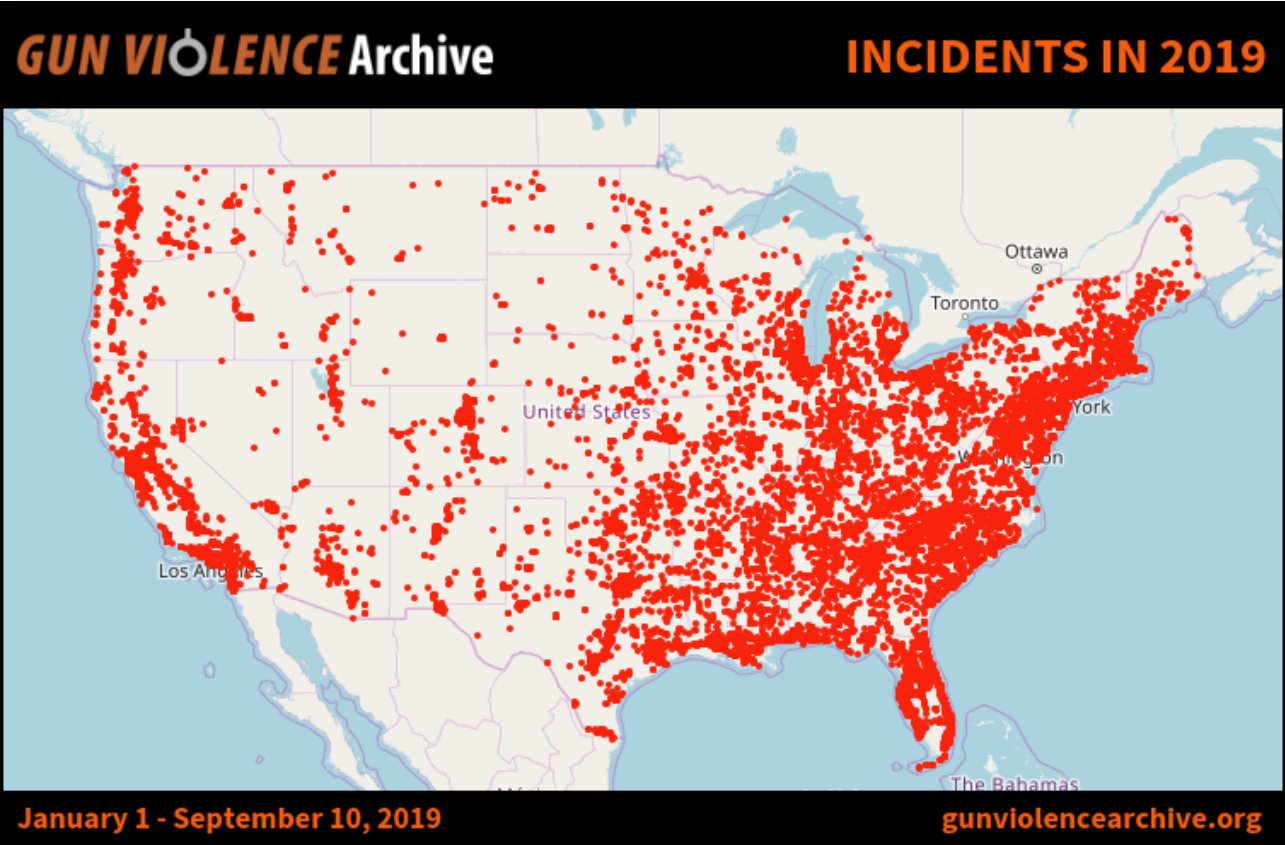


GVA Mass Shootings as of Sept. 1st 2019 (244th day of the year)

255 Mass Shootings



Gun Incidents 2019 as of Sept. 1 – 33,257



GVA Mass Shooting Data Per State

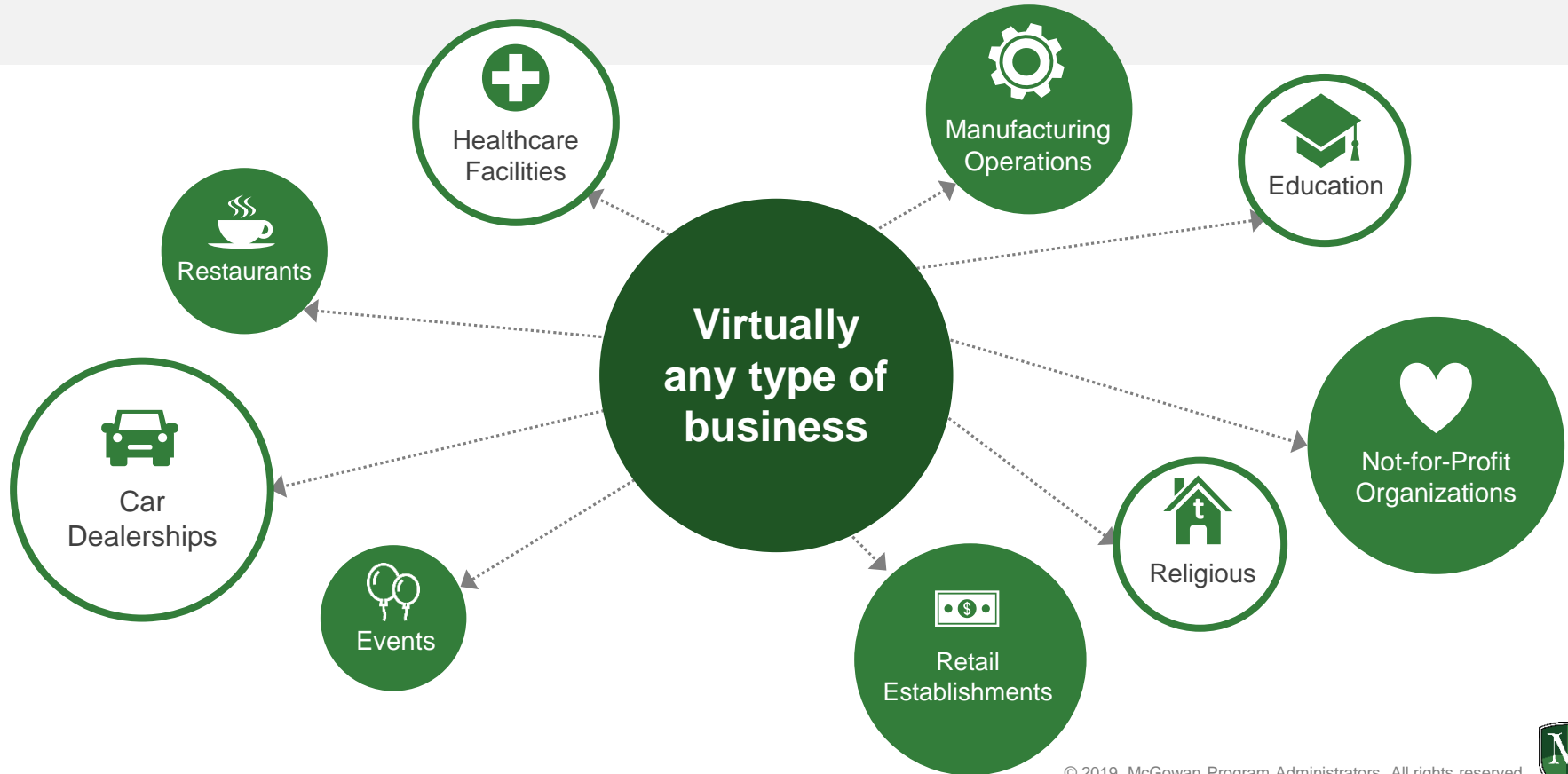
GUN VIOLENCE ARCHIVE 2014-2019 OH STATS <small>Evidence Based Research - since 2013</small>	
PUBLISHED DATE: December 11, 2019	
Total Number of Incidents	14,192
Number of Deaths ¹	3,549
Number of Injuries ¹	8,071
Number of Children (age 0-11) Killed or Injured ¹	219
Number of Teens (age 12-17) Killed or Injured ¹	897
Mass Shootings ²	78
Officer Involved Incident Officer Shot or Killed ²	50
Officer Involved Incident Subject-Suspect Shot or Killed ²	354
Home Invasion ²	630
Defensive Use ²	451
Unintentional Shooting ²	571

GUN VIOLENCE ARCHIVE 2014-2019 TX STATS <small>Evidence Based Research - since 2013</small>	
PUBLISHED DATE: December 11, 2019	
Total Number of Incidents	17,364
Number of Deaths ¹	7,089
Number of Injuries ¹	8,988
Number of Children (age 0-11) Killed or Injured ¹	372
Number of Teens (age 12-17) Killed or Injured ¹	990
Mass Shootings ²	132
Officer Involved Incident Officer Shot or Killed ²	154
Officer Involved Incident Subject-Suspect Shot or Killed ²	1,079
Home Invasion ²	923
Defensive Use ²	1,091
Unintentional Shooting ²	820

GUN VIOLENCE ARCHIVE 2014-2019 CA STATS <small>Evidence Based Research - since 2013</small>	
PUBLISHED DATE: December 11, 2019	
Total Number of Incidents	21,248
Number of Deaths ¹	7,697
Number of Injuries ¹	10,697
Number of Children (age 0-11) Killed or Injured ¹	226
Number of Teens (age 12-17) Killed or Injured ¹	1,064
Mass Shootings ²	231
Officer Involved Incident Officer Shot or Killed ²	140
Officer Involved Incident Subject-Suspect Shot or Killed ²	1,547
Home Invasion ²	623
Defensive Use ²	530
Unintentional Shooting ²	539



AS/WPVV – Target Risks



Duty of Care

OSHA

In the US, several sources of law obligate an employer to a Duty of Care for the safety, health & security of employees (Occupational Safety and Health Administration Act of 1970)

- Duty of Care requires protection against workplace violence hazards.
- Injuries that are “reasonably foreseeable” can impose liability for negligence on employers for failure to take adequate safety precautions.

Active Shooter / Workplace Violence “Insurance” in the News

- *More School buying Active Shooter Insurance*
Wall Street Journal
- *As Active Shooter / Workplace Violence Incidents Increase, Industry Addresses Coverage ‘Gray Area’*
Insurance Journal
- *Workplace shootings have insurers going on offense*
CBS NEWS
- *Mass Shootings Convince Companies to Explore 'Active Shooter' Insurance*
Fortune Mag
- *Interest in active shooter insurance grows*
CNBC



Most traditional policies have no provision for event / victim response or crisis management.

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GENERAL LIABILITY

- GL may not respond unless there is an actual claim / demand for money and if insured is deemed to be “liable” for the event.
- GL typically excludes employees,

BUSINESS INTERRUPTION AND EXTRA EXPENSE

- BI may not respond unless the event results in actual “damage” to your Building or Contents. The business may need to close solely due to injuries or death.

PROPERTY

- If your business needs to refurbish rebuild relocate after an attack, your Property policy may not pay unless there was some actual “damage” to your Building or Contents. Does not cover emotional anguish claims

WORKERS COMPENSATION

- WC may not cover personal attacks on an employee with a clear motive that is not related to the workplace.
- WC typically does not pay extra expenses to recruit, replace or train new employees present during an attack who are unable to continue working after the event.

Many organizations have per claim deductibles



Active Shooter / Workplace Violence Insurance

Insured Expenses:

● **Victim Expenses**

- Medical, dental, psychological, reward \$, salaries, rehabilitation, funeral and burial expenses.
- Loss of Sight, Loss of Hearing, Permanent Disablement, Death.

● **3rd Party Legal Liability Expenses**

- Including defense costs and **indemnity / judgements / settlements**.

● **Business Interruption / Extra Expenses**

- Expenses to resume operations.
- Post Event Crisis Management / PR / Security

● **Off-Site Exposures**

● **Physical Damage** to Property including demolition, clearance, and memorialization costs



Exclusions to Avoid

Look for and request:

- **NO** Terrorism Exclusions
- **NO** Employee Exclusions
- **NO** Casualties Threshold Limit
- **NO** Vehicle Exclusion
- **NO** Drone Exclusion
- **NO** Requirement for explosive to be physically attached to assailant
- **NO** Mental Anguish Exclusion



RISK MANAGEMENT THREAT ASSESSMENT SERVICES

- Organizational Vulnerability Assessment
- Policy & Procedure, Emergency Action Plan (OSHA Requirement 10+ Employees)
- Organizational Active Shooter Response Training (Instructor Led, Video, and E-learning)
- Emergency Drills and Rehearsals
- Table Top Exercises
- *other consulting services available

ORGANIZATIONAL VULNERABILITY ASSESSMENT

A comprehensive, on-site, facility risk and vulnerability assessment followed by a detailed written report outlining potential vulnerabilities and gaps in building security, internal procedures, and more.

POLICY AND PROCEDURE REVIEW AND CREATION

Having a well documented Active Shooter Response or Workplace Violence Policy and Procedure is essential for a company.

- Liability Protection
- Guiding Document (employee missed training)
- Known Hazard (OSHA)

ACTIVE SHOOTER RESPONSE TRAINING

- Has been developed not to scare employees
- Protects company against failure to train law suits (access signage)
- Concepts and Principles apply not just at the workplace
- Age appropriate response
- Made to make individuals think
- Cohesive Response to LE
- Various delivery methods

DRILLS AND REHEARSALS

- Build in the muscle memory
- We have to train and realize these are different than fire drills
- Condition ourselves for a stress response
- Practice makes perfect!
- Make them look for their exits and considered secondary options

TABLE TOP EXERCISE

- Helps find gaps in processes
- Helps establish roles within Management for Emergency Response
- Helps establish your ICS
- Will ensure actual emergency response runs smoother
- Run through your business continuity plan
- Can test specific areas of response or multiple levels.

OTHER CONSULTING SERVICES

- Workplace Violence Prevention
- Fraud and Workplace Investigations
- Training of LE and Security
- Customized Training Programs

Active Shooter Incident of 8/17/18 Palm Beach Central High School

Event

- Friday Night, August 17th 2018
- Football Game
- Palm Beach Central High School hosts Dwyer High School
- ESPN Game of the Week
- Attendance estimated at 5,000

Pre-Event Preparations

- Security Assessment by the Palm Beach School District Police Department
 - In conjunction with Palm Beach Central High School Principal
 - Determine the appropriate number of officers and location of posts.
 - Total 10 officers.
 - Parking lot swept and sealed at half time. No further vehicles permitted to enter thereafter.
 - Individual posts for the majority of the event.
 - At final 10 minute marker, officers paired up to begin orderly crowd controlled exit.

The Incident

- Last few minutes of a close scoring game.
- Entire stands remained full.
- Gunshots heard by Southwest Corner.
- Two teachers near shooting vicinity.
 - Travis Abel directing traffic
 - Eileen Barrios standing by the track gate
- Principal and Athletic Director on golf cart in vicinity.
- Parent Booster - permitted to pull her car into restricted area.
 - Fortuitous event.

IMMEDIATELY FOLLOWING EVENT

- Crowd begins to exit bleachers.
- Confusion and Panic
- Principal assisted by Athletic Manager demonstrated remarkable calmness in the evacuation.
- Principal assisted in getting the teams off field safely and directed them into locker rooms.
- Additional Palm Beach School District Police, Sheriff's Department and Emergency Services respond.
- Premises secured with nominal injuries, zero fatalities.

The Next Day

- 8/18/2018
 - Joint Press Conference with Sheriff's Dep't and School Police
 - Not a school event

 - What to do next.....
 - Notify Insurance Carrier
 - Who?
 - Underwriters – McGowan Programs.
 - Policy – Active Shooter Policy.
 - Underwriter contacts Crisis Response Team.

CRISIS RESPONSE FIRM

- Began immediate social media sweeps
 - Provided daily social media reports
 - Determine whether retaliatory response was in the works
 - Investigate who might be responsible
 - Determine who was injured
 - Identify witnesses
- Dispatch Counseling Team to District
 - On site counseling available for students, visitors and staff affected
 - Established 800 number
- Contracted for legal, investigative and adjusting services

Legal & Investigations

- Cloak of privilege at the direction of counsel in anticipation of litigation.
- Conduct interview with employee eyewitnesses.
- Comprehensive investigation to assess level of possible retaliatory threat.
- Working with District Risk Management Department, begin addressing claims proactively and attempting to resolve them as they are presented.
- Share information with Palm Beach School District Police Department and Sheriff's Department that might be helpful to their investigation.

Known Claims

- 5 third party injuries including two individuals shot.
- 2 workers compensation claims.
- 1 third party property damage claim.
- 100's of trauma mental health counseling calls

Insight Into Why This Occurred

School Location Incidental to Shooting

- Gang related violence.
- Nothing to do with school.
- Targeted shooting.
- Both victims are believed to be connected to a prior murder.
- Retaliatory in nature.
- No arrests made.

Post Loss Security Enhancements

- Enhanced school police procedures
 - Vendor hired to “wand” visitors to football games.
 - Clear bags only.
 - No reentry to games.
 - Additional security and police presence at games.
 - Cost for additional security at football games is a direct district expense as opposed to a draw against a school’s budget.
- Considering future social media monitoring with 3rd party vendor.

ACTIVE SHOOTER POLICY

Underwriters are paying legal advice and investigation
PLUS

- Districtwide security assessment prior to placing of coverage
- Crisis Management series including social medial monitoring, media advice
- Mental health counseling
- Cleanup of the stadium and campus following the event
- Damage to District property
- Extra security measures following the event
- Future claims, legal defense, TPA fees and expenses

Less Than the Cost of a Cup of Coffee

- ❖ \$15,000,000 of liability coverage
- ❖ \$5,000,000 dollar to dollar match to rebuild

- ❖ \$161,500 premium per year for entire district
- ❖ 179 schools
- ❖ Student population 193,000
- ❖ Staff population 22,340
- ❖ \$.84 per student per year
- ❖ \$.75 per student and staff per year
- ❖ Reduces in cost even further with 3rd parties at outside events



QUESTIONS?

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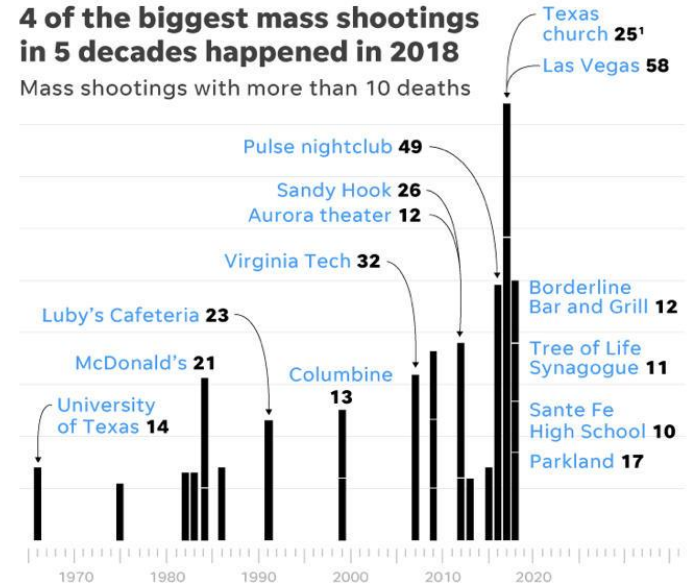
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