Active Shooter / Workplace Violence
Risk & Insurance
NCOIL 2019 Panel Workshop

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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

- **Media Definition**
  4 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.

- **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

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

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

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

40%

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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](http://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
GVA Mass Shootings as of Sept. 1st 2019 (244\textsuperscript{th} day of the year)

255 Mass Shootings

January 1 - September 10, 2019

gunviolencearchive.org
GVA Mass Shooting Data Per State

**OH STATS**
- Total Number of Incidents: 14,192
- Number of Deaths: 3,549
- Number of Injuries: 8,071
- Number of Children (age 0-11) Killed or Injured: 219
- Number of Teens (age 12-17) Killed or Injured: 897
- Mass Shootings: 78
- Officer Involved Incident: 50
- Officer Involved Incident: 354
- Home Invasion: 630
- Defensive Use: 451
- Unintentional Shooting: 571

**TX STATS**
- Total Number of Incidents: 17,364
- Number of Deaths: 7,089
- Number of Injuries: 8,988
- Number of Children (age 0-11) Killed or Injured: 372
- Number of Teens (age 12-17) Killed or Injured: 990
- Mass Shootings: 132
- Officer Involved Incident: 154
- Officer Involved Incident: 1,079
- Home Invasion: 923
- Defensive Use: 1,091
- Unintentional Shooting: 820

**CA STATS**
- Total Number of Incidents: 21,248
- Number of Deaths: 7,697
- Number of Injuries: 10,697
- Number of Children (age 0-11) Killed or Injured: 226
- Number of Teens (age 12-17) Killed or Injured: 1,064
- Mass Shootings: 231
- Officer Involved Incident: 140
- Officer Involved Incident: 1,547
- Home Invasion: 623
- Defensive Use: 530
- Unintentional Shooting: 539
AS/WPV – Target Risks

Virtually any type of business

- Healthcare Facilities
- Manufacturing Operations
- Education
- Car Dealerships
- Religious Organizations
- Retail Establishments
- Events
- Restaurants
- Not-for-Profit Organizations
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.

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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4 of the biggest mass shootings in 5 decades happened in 2018
Mass shootings with more than 10 deaths

- Texas church 25'
- Las Vegas 58
- Pulse nightclub 49
- Sandy Hook 26
- Aurora theater 12
- Virginia Tech 32
- Borderline Bar and Grill 12
- Tree of Life Synagogue 11
- Sante Fe High School 10
- Parkland 17

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

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