

# The Danish Terrorism Insurance Scheme

A walkthrough

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*Government, society and business against terrorism*

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- A Committee on Terrorism Insurance was created by the government in 2005 following the discussions after 9/11
- The Terrorism Insurance Act was passed by the Danish Folketing 17 June 2008
- The act came into force 31 March 2010
- The European Commission found that the Scheme satisfied the conditions for state aid under art. 107 (3)(c) TFEU 14 January 2010

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**It was a long and difficult process**

# Committee on Terrorism Insurance

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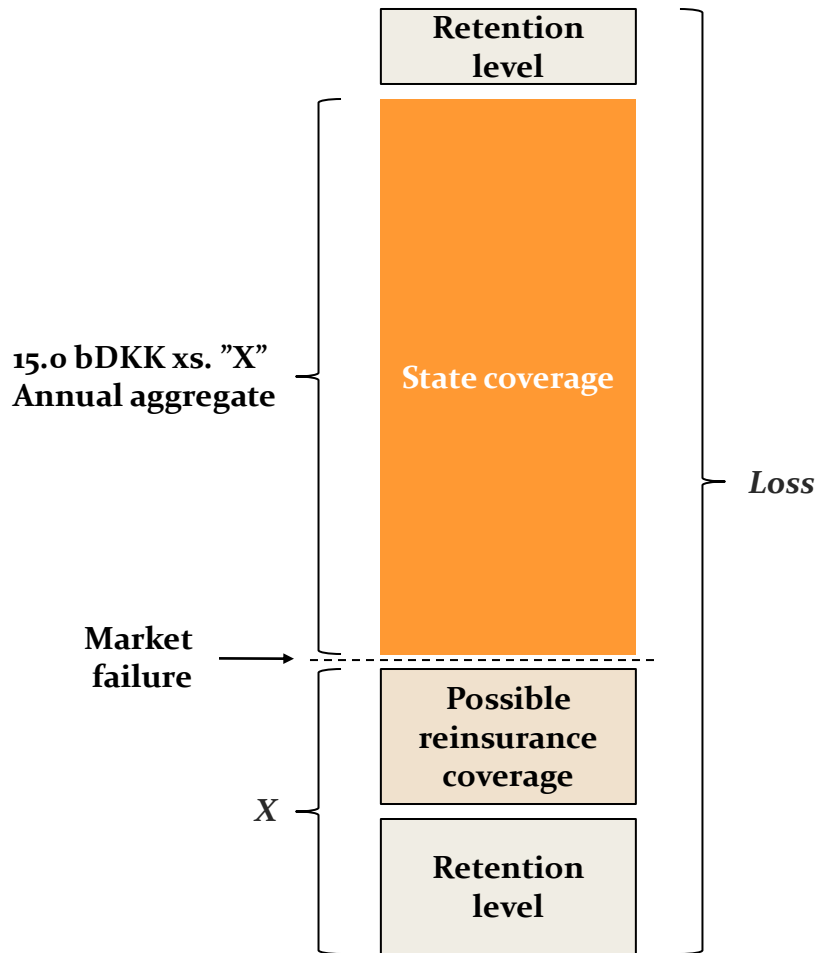
## *Analyses and recommendations:*

- Creation of a Scheme to cover losses from a terrorism event where NBCR-weapons have been used.
- Uncertainty of the coverage of workmen's compensation has to be removed
- Life & Pension was not a problem

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**Workmen's compensation was solved by a change in a law**

# The coverage and premium



Range ("X") bDKK	Premium % of layer	Example "X"=5 bDKK i.e. 5-20 bDKK
10+	0,10	1,0 + 9,0
9-10	0,11	1,1
8-9	0,12	1,2
7-8	0,13	1,3
6-7	0,14	1,4
5-6	0,15	1,5
4-5	0,16	0,0
3-4	0,17	0,0
2-3	0,18	0,0
		16,5 mDKK

Property, BI, motor (excl. liability), railway and marine hull in DK

# Process and decisions

## Process

### Terrorism Insurance Pool

- Mandatory membership
- Optional membership

### The Financial Supervisory Authority

### Terrorism Insurance Council

4 members

### Minister for Business and Growth

## Decisions

Buys co-reinsurance coverage in the market

Assessment of market failure and calculation of retention level.

Advice to the minister

Final decision of “X”

**Final decision 15 October for the next year**