The Threat of Terrorism during the 2010 World Cup
1. Global Terrorism
2. Threat of Terrorism in Africa
3. Global Sport Events Affected by Terrorism Threat
4. 2010 World Cup Outlook – Terrorism Threat
5. Economic Impact of Terrorism
6. Sasria Solution
Global Terrorism
Global Terrorism

Emerging trends

• Attacks that aim to cause economic damage such as attacks on
  • On transportation infrastructure,
  • Tourism, and
  • Oil installations,
• The growing number of unattributed terrorist attacks, and
• The growing power and influence of radical Islamist political parties in foreign nations
Key Trends of in the evolution of Terrorism

- Increase in sophistication
- Overlap with international crimes
- Increase in suicide bombings
- Decline in state sponsored terrorism
- Nuclear and cyber terrorism – something for the future
Major Global Terrorism Incidences

- 9/11 Terrorism attack
- 2004 Madrid train bombings
- 2008 Taj Mahal bombings
- 2007 Mexico’s Tortilla crisis
- Moscow Metro Rail explosion
- Petersburg railroad explosion 2010
A Response to Terrorism - Terrorism Pools
Existing Pools by Location

Source: Hannover Re 2009
Threat of Terrorism in Africa
Terror Incidences in Africa

- 2007 Algeria bombings
- 2008 US Embassy bombings in Nairobi
- Kenya 2007 riots
- 2009 Mogadishu Hotel bombings
- Kigali carwash explosion 2010
Challenges in Accessing Terrorism Insurance in Africa

• No existing terrorism pools except South Africa and Namibia
• Terrorism cover is mainly placed in the London Market
• Difficult to secure terrorism insurance for small commercial companies in the London Market
• Africa perceived as bad political risk hence premiums are high
• Lack of availability of terrorism cover threaten to have an impact on the economic growth in general
Global Sports Events Affected by Terrorism Threats
Terror Related Incidences at Sport Events

- 1972 Munich Olympics
- 1996 Terrorism threat in the Atlanta Olympics
- 2000 Sydney Olympics terrorism threat
- 2004 Athens Olympic games terrorism threat
- 2008 Beijing Olympics terrorism threats
- 2010 Africa Nations Cup - Togo Bus shooting 2010
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2010 World Cup Outlook – Terrorism Threat
Vulnerability of South Africa

- International linkages and freedom of movement
- Apparent availability of South African passports
- Rainbow nation – communities sympathetic to terror organisations might exist
- Domestic terrorist with transnational links
- Opportunity for the FIFA World Cup 2010 to attract international terrorists
Recent Major Sports Events in South Africa

• Since 1994, South Africa has successfully hosted a series of major sporting events, including the:
  • 1995 IRB Rugby World Cup (Champions South Africa)
  • 1996 Africa Cup of Nations (Won by South Africa)
  • 1999 All Africa Games
  • 2003 ICC Cricket World Cup
  • 2009 Indian Premier League Cricket tournament
  • 2009 FIFA Confederations Cup (SA are semi finalists)
  • 2009 British and Irish Lions Rugby tour
2010 World Cup – Vulnerable Places

- Stadiums / Fan parks
- High rise building in major cities
- Embassies
- Hotels
- Shopping malls
- Densely populated areas
- Team training areas
What is South Africa doing?
Government & FIFA LOC Level

- Anti-Terrorism bill
- SAPS and other international security agencies
- FIFA Local Organising Committee security cluster
Economic Impact of Terrorism
Implications

• Stock market collapse
• Contraction of local economy
• Reduction in consumer confidence
• Reduction in foreign direct investment
• Damage to country’s infrastructure

The destruction of the physical assets was estimated in the US national accounts to amount US$14 billion for private businesses and US$1.5 billion for State and local government.
9/11 Insurance Loss Estimates

- Property - WTC 1 & 2: $3.6 (11.1%)
- Property - Other: $6.0 (19.5%)
- Biz Interruption: $11.0 (33.8%)
- Workers Comp: $1.8 (5.8%)
- Aviation Liability: $3.5 (10.8%)
- Other Liability: $4.0 (12.3%)
- Aviation Hull: $0.5 (1.5%)
- Event Cancellation: $1.0 (3.1%)
- Life: $1.0 (3.1%)

Source: Hannover Re 2009
Terrorism Insurance

- Over 30 years experience of covering terrorism/ political risks
- Adequate balance sheet and reinsurance capacity to withstand any terrorist attack
- Loss limit increased from R500 million to R1.5 billion
- Sasria continue to conduct research to ensure that no gaps exist in our policies and that clients are protected against any terrorism and political events
THANK YOU!!