Do some research  
what are they  
what do they impact?  
how do they work  
whar are the issues of costation  
be ready to discuss- pick an angle  
  
 Pool Re was established by insurance industry in 1993 in the wake of IRA bombings which happened in the UK Mainland, as the PoolRe (2016) says. It is a mutual reinsurer whose members are mostly the insurance companies and Lloyds of London Members who offer commercial property insurance. As the PoolRe (2016) says, members of the scheme pay levy to the government, specifically to HM Treasury, who underpinned commitment towards the payouts, if the members of scheme would not be able to pay for legitimate claims. The company offers terrorism insurance to commercial buildings. Analysing on what does that impact, what AJG (2016) says is that all standard UK insurance policies do not cover terrorism risk, therefore the cost of having reinsurance company specifically towards such activity increases, as the revenue of companies or the entity that is in charge of the specific property, has to take to account additional costs of terrorism cover towards insurance of the building. However, As AJG (2016) says, most of bank lenders require terrorism cover as one of the conditions for granting a property lease. In addition to this, Willis (2016) specifies that the insurance company which is member of PoolRe is required to cover not individual, but all of its properties, which tops the cost of insuring the property up additionally,  
 OECD (2016) underlines what PoolRe is, how it operates etc. Firstly, the coverage of PoolRe has 3 layers which are industry retention amounts, coverage to its full amount, and the UK government indemnity which is up to 100% above the fund’s value. The cover from PoolRe has no terminal date, however the policy is subject to periodic assessment. The policy covers the risks on all basis with exclusion of war and war-related activities, and any type of cyber attacks expressed as hacking, virus and denial of service. The damage of nuclear installations is covered by separate PoolRe scheme. The pricing mechanism is based on geographical locations specified in the Underwriting Manual.   
 Pool Re (2016) works, as they say, like a normal policyholder, however the cover is either included with property insurance, a policyholder can request a terrorism cover. However the cost of the policy depends on financial exposure of the business, NaCTSO (2016) explains that the cost of cover is based on the financial exposure, which is calculated by adding loss of asset value with addition of reintstatements costs, which Insurance Tailors (2016) describe as the cost of professional fees, along with debris removal and cost of putting the house up again, from scratch. However the cost of cover, as they say, should be calculated only on the putting the house up again, by exposure to calculating the cost of material and labour used to build the house, not the value based on the market trends and pricing. The cost of building the house can vary, Homebuilding&Renovating (2016) presents statistics, which give an oversight of building a house, which varies between £626.48/m2 and £1009.98/m2 , and as a result the difference between 60m2 standard and 135m2 excellent specification building would be £98758.5, and it is just for a residential home. In case of commercial properties the difference in value could easily be counted in millions, as the difference of size and area they buildings cover is much more realizable, comparing a small corner shop to a shopping centre for example.  
 The way it impacts the businesses is that the cost of insurance is usually split between each of the commercial property tenant, or in other words, a shop that rents space in the shopping centre. However the loss on revenues for businesses has to be compromised in a way of charging higher prices for goods, slight lower salaries, redesign of the area to make more cost effective etc.   
 However, the main factor that affects the PoolRe is actually risk of terrorism because it affects the whole country. MI5 (2016) is the security agency constantly monitors the risk of terrorism and can be different at the time and releases the threat levels in the same way the weather forecasters release the weather reports. The obvious is that insurers may be confused with the fact of being involved in insuring the building, because the problem is that on one side there are companies’ profits, but on the other if the risk is too high, the insurance becomes an assurance. However there are limits to which the cover applies based on individual terms and conditions designed specifically to the entity. Airmic Technical (2013) underlines the limits apply to terrorism attacks arising from chemical, biological, radiological or nuclear attacks.  
 Ralph (2016) says that PoolRe should evolve to cover other losses such as pandemics and cyber attacks. He says that according to insurance broker Willis, the cyber insurance grows by about 30 to 40 per cent per year. He also confirms the hypothesis mentioned before, saying that some insurers are unwilling to commit themselves to the market on a larger scale, as the scale of risk is difficult to assess. As a counter opinion, the chief executive mentioned in the article says he wants to evolve the model of the reinsurance. Therefore the question arises if the PoolRe should really exist if insurers cannot commit themselves to provide cover for types of risk that are meant to protect individuals. However, on the other hand insurance companies are still businesses, which exist to make profits, so therefore maybe the terrorism insurance should involve more of government control and policies to be in place as the terrorism is more concerned with the risk of war and fight between the governments rather than competition between the companies in the way of rivalry.  
 According to the Pool Re website, the current cover is at £1.95bn and is a three year policy, which has been increased from £1.8bn. The scheme is led by Munich Re, which is a member of Munich Re Group, and it includes chemical, biological, radioactive and nuclear risks. They say that terrorism, along with flooding, are the two biggest risks for the United Kingdom. Enoizi (2016) underlines that the UK businesses should be prepared for all types of terrorism, which include indirect attacks from chemical or biological weaponry. However the question arises, that attacks on regular basis, even indirect, indicate that the country would rather be actually in war, even though not declared directly. For such reasoning there are specific indications. Dailymail (2014) presents a situation, where the ISIS declares a goal of global domination through various means. Therefore terrorism through attacks is one of the means to reach such status.   
 This leads to the point whether the cost of terrorism insurance is worth anything. Of course, the cap of almost £2bn is good, however compared to asset value and, compared to 9/11, which according to IAGS (2016) was around £2bn to £3bn

Pool re market cap

Definition of terrorism

Whether insurers have enough cash in bank accounts

Whether the cheque for companies is too high

If it doesn’t focus on individuals why does it focus on commercial property

Conflict between insurers

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