


**ENERGY & UTILITIES**

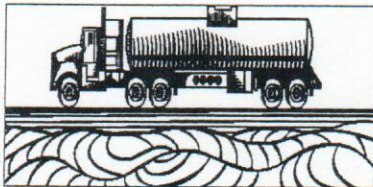
# INSURANCE REPORT

**INSURANCE NEWS FOR PETROLEUM, PROPANE & UTILITY RISKS**

## The Risk of Terrorism

### TERROR RISKS & WARNINGS

Their headlines concern anyone in the energy business or the business of insuring energy businesses. They usually detail explosions, and fires, trucks overturning or an environmental disaster related to pollution. In late June, however, The Miami Herald announced, FBI Warns of Fuel Tanker Attacks, and in doing so brought the new reality of domestic terrorism closer to the energy business than ever before.



Citing "a FBI official who spoke on the condition of anonymity", the article explained that the FBI had warned a day earlier that "terrorists may be planning attacks on synagogues and Jewish schools using fuel tank trucks." Since last September, it has become essential that every energy distributor from petroleum to propane to natural gas to nuclear pay closer attention to controlling their product and equipment than has ever been the case before. It's no longer good enough to just run a safe business, we must

now focus on having the most secure business possible. As Doug Dickinson of Schneider National Bulk in Green Bay said recently, "*Security has become just as great an issue for us as safety.*"

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From driver hiring to employee training, plant and truck security, unloading processes, vehicle tracking and monitoring, communications and relationships with local law enforcement, every energy related business must re-think its approach to security. Preparation and diligent thought are essential to managing the risks your business and community, as well as our Country, face post September 11th.

### ARE YOU INSURED ?

A new reality has begun to impact many businesses concerning a risk neither they nor most of their insurers ever used to give much thought to. Terrorism on American soil. In our experience, insurers in the United States historically gave little to no thought to terrorism exposures except when insuring the largest energy risks in the Country.

Their approach has changed dramatically in recent months as an increasingly larger number of insurers implement terrorism exclusions or limit their coverage offerings. In 2002, we've seen insurers attempt to exclude terrorism from a variety of policies including property, general and umbrella liability. These changes demand that you closely review each of your coverage to ensure you have the protection you need as well as understand what is excluded. If terrorism is excluded, you might be able to negotiate adding this coverage back for an additional premium. Please call us today if you'd like us to review your coverage or help in any other manner.



### ORLANDO & KEY LARGO BOUND!

Summer means seeing our friends in Orlando at the Gaylord Palms FPMCSA show July 27-31 and in Key Largo at the Ocean Reef Club for the FPGA convention from August 2-5. Please stop and say hello as well as let us know how we can help you. You can reach us at 305.238.1000 or by email at bob@morrisandreynolds.com.



8925 S.W. 148 Street, Suite 207  
Miami, Florida 33176-8000



305  
238.1000

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