

The impact of Martyn's Law for insurers

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With the Terrorism (Protection from Premises) Act 2025 (the Act) receiving royal assent earlier this month, businesses have been given two years to implement the requirements to enhance their preparedness for a potential terror attack, but what does this mean for insurers?

Background

The Act is also known as Martyn's Law, named after Martyn Hett who lost his life during the terror attack at the Ariana Grande concert in May 2017. Following the tragedy, his mother Figen Murrey pressed for legislation to be passed to mandate counterterrorism measures at large events; that legislation has now been passed in the form of the Act.

What is the goal of the legislation?

This Act is an attempt to strengthen and improve the security of public premises and events in the UK. It requires those responsible for certain venues and events to consider how they will respond to a terror attack, and in the case of larger events, what appropriate steps are to be considered to reduce vulnerability to terrorist attacks.

A tiered approach has been introduced, linked to the number of individuals likely to be present at the same time at large gatherings and events. Such places which fall into scope include a public premises where 200 people or more are expected, while venues and events where 800 or more attendees may be expected will face more stringent requirements.

Businesses from large concert halls to bars and restaurants, even supermarkets, will need to be aware of this act and have two years to prepare.

What this means for insurers

An [impact assessment published alongside the Act](#) has said that businesses could see “a reduction in [insurance] premiums where it is recognised that a premise represents a better rated risk as a consequence of having a proportionate security plan in place”, but that there is a risk that “the greater awareness of the threat of terrorism could result in more premises applying for terrorism-related insurance policies, which would also raise costs to businesses”, with a likelihood that where businesses have identified failings at a premises, they could face higher premiums. “There are ongoing discussions with the industry on understanding the implications of Martyn's Law for insurance, and any potential impacts for premises”, and, “due to the ongoing nature of these conversations and absence of evidence around the behaviour of both insurers and businesses, the impact on insurance on both business and insurers resulting from Martyn's Law has not been estimated within this impact assessment.”

Whilst the precise impact of the Act is yet to be seen, it does seem likely that it will raise awareness of terrorism cover, which may lead to an increase in demand. For insurers looking to provide terrorism cover, the framework introduced by the Act could provide a useful tool for underwriters when considering risk selection.

Additionally, insurers may want to consider other potential exposures arising from [Martyn's Law](#).

In particular, management liability underwriters will want to consider the extent to which non-compliance with these new requirements could result in increased claims and regulatory investigations against businesses and their [directors and officers](#).

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