



**Crisis
Management:**
2023 Review



Contents

Foreword	01
Focus: Insights from 2022 crisis support incidents	03
Asia-Pacific	05
Europe	11
Focus: Conflict on the continent	14
Latin America (LatAm)	17
Middle East and North Africa (MENA)	22
North America	27
Focus: Maritime	31
Sub-Saharan Africa	36
2023 Crisis Management checklist: Six questions to answer now	41



Foreword

Our annual review provides insights from our regional experts and features key topics, including Russia/Ukraine, maritime risks, and trends revealed by our inhouse risk advisory and crisis support service, Alert:24.

We take a statistical and analytical look back over a tumultuous 2022, a year defined by the Russia/Ukraine crisis, conflicts in the Middle East, mass shootings in the U.S., increasing political unrest in Latin America and the lingering pandemic. It also includes perspectives on managing the kidnap, extortion, accident and health, active assailant, maritime, terrorism and political violence risks that are likely to characterise the year ahead.

Increasing risks, lower tolerance

Events in 2022 served to illustrate the advantages of spotting early warning signs on crises and calling on specialist capabilities to protect human and physical assets against them. This is likely to become increasingly central to more businesses. In 2023, we can expect deeper tensions and wider volatility to impact more territories. Meanwhile, talent, supply chain partners and investors are likely to become less tolerant to organisations that appear to stumble into crises unprepared.

Enhancing your ability to respond

We've made some changes aimed at broadening and enhancing the protection, insight, and analytics we provide. These changes align our expertise on identifying and managing terrorism risk with our broader capabilities and are reflected in the additional analyses in this review.

If you'd like to discuss your risk mitigation or transfer needs, please do get in touch with myself or any of the Crisis Management Team.



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Focus: Insights from 2022 crisis support incidents

In 2022, risk advisory and crisis support services provided by our Alert:24 team assisted organisations facing a wide range of events, including kidnap, piracy, extortion, evacuation, and medical incidents. These incidents included the early notification of a potential issue, hand-holding advice and support, coverage clarifications and claims support.

Europe accounted for most incidents, representing 30% of the total number, up from 4% in 2021. This was largely driven by political repatriations arising from the Russia/ Ukraine crisis beginning in February 2022. In fact, political repatriations were responsible for nearly a quarter of all incidents we handled, with Ethiopia also seeing multiple cases.

While Europe saw the steepest rise in the number of organisations our Alert:24 team supported, the Asia-Pacific region saw the largest fall, down from 30% of incidents in 2021 to 12% in 2022. Incidents in 2021 were considered abnormally high due to the Taliban takeover in Afghanistan and 2022 represented a return to more normal levels. The absence of major political or security developments in the Asia-Pacific region in 2022 was also a key driver for this reduction. Medical emergencies proved the most common incident type in this region.

Significant rise in kidnaps

Kidnap incidents, both traditional and express, made up one in four of all incidents in 2022. This is a significant rise from the previous year, where kidnaps represented just 14% of incidents. Africa and Latin America continue to be the kidnapping hotspots and account for the majority of these incidents.

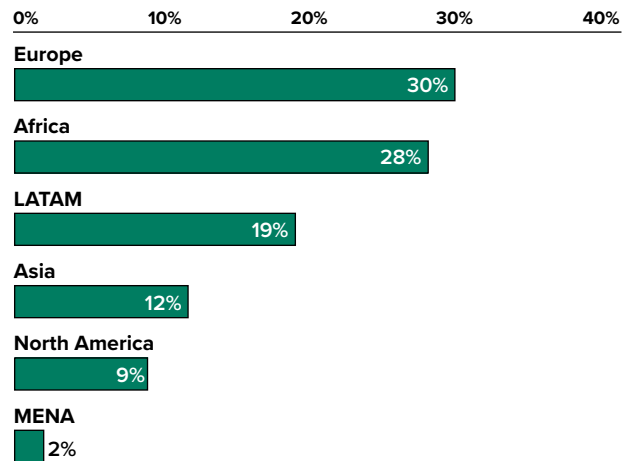
Threats made up just over a quarter of incidents we managed in 2022, reported to us by organisations from all regions of the world. The U.S., U.K. and Mexico saw the most reported threats, accounting for approximately half of the total in 2022.



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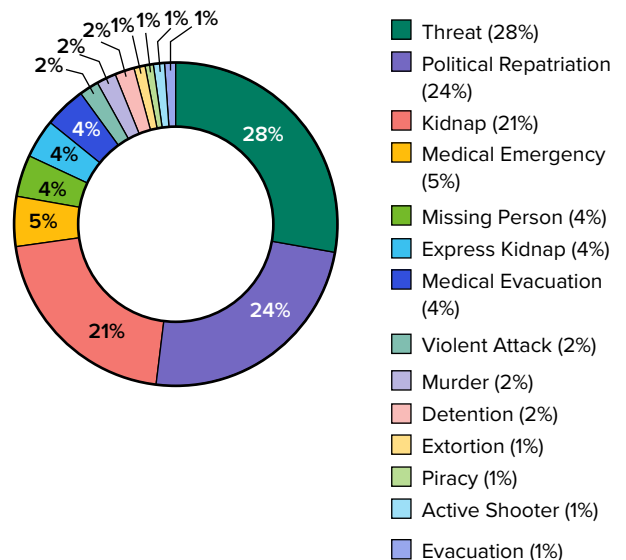


Figure 1: Percentage of incidents by region



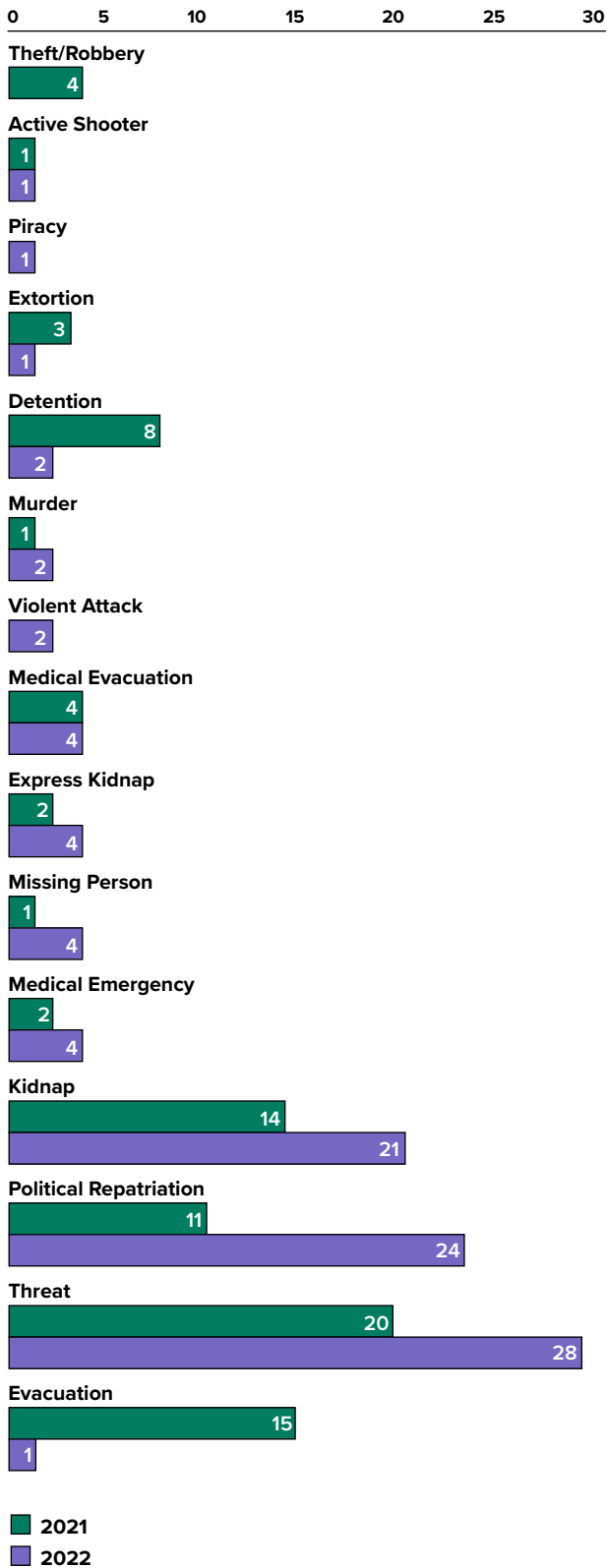
Source: Alert:24 Operations Centre, 2022.

Figure 2: Percentage by incident type



Source: Alert:24 Operations Centre, 2022.

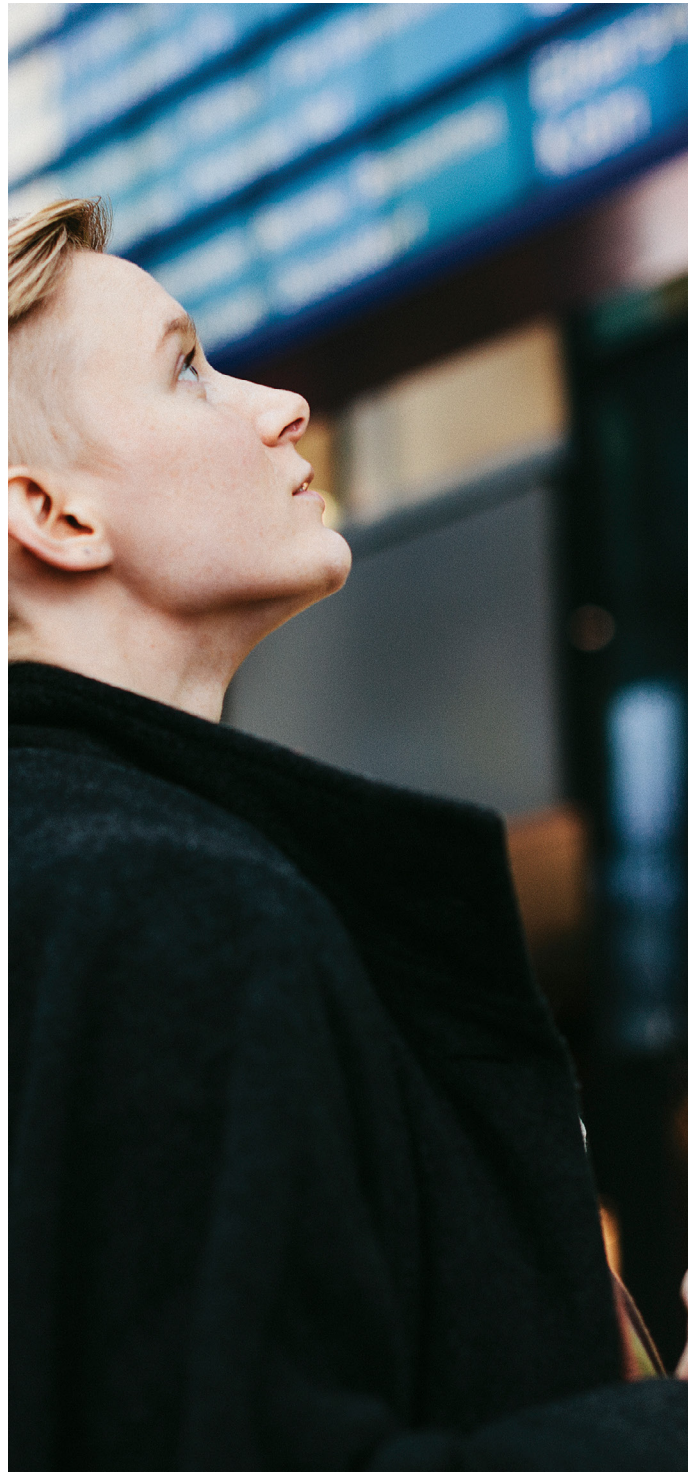
Figure 3: Percentage of each incident type 2021-2022



Source: Alert:24 Operations Centre, 2021-2022

About Alert:24

Alert:24 is Crisis Management’s in-house security risk advisory and crisis support practice. It is underpinned by a 24/7 crisis support operations centre providing clients with response triage and support throughout the incident timeline. Alert:24’s risk advisory team provide intelligence, consultancy and training services across the security spectrum, enhancing Crisis Management’s security-risk focused insurance solutions.



Asia–Pacific

Overview

In 2022, the Asia-Pacific (APAC) region faced a diverse range of security perils. Terrorist and insurgent groups have continued to significantly undermine stability in Afghanistan and Pakistan through enduring terror campaigns.

Elsewhere in the region, developments have raised the spectre of inter-state armed conflict, which perennially looms over East Asia due to regional rivalries and competition between global powers. 2022 also saw several authoritarian regimes face increasingly vocal opposition, as economic headwinds prompted anti-government sentiment to boil over into significant bouts of unrest.

The eyes of the world remain on North and South Korea and the China-Taiwan relationship, as tensions between both sets of powers rose in 2022, with concerns over the risk of escalation continuing into the new year. Businesses with exposures in the region should continue to monitor these bilateral relationships.

Armed conflict

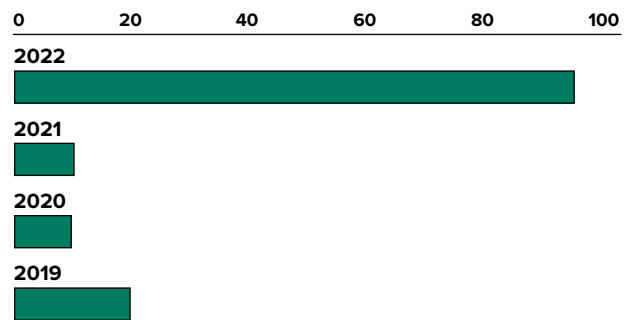
Long-standing potential conflict flashpoints in the region, namely the Korean Peninsula, the Taiwan Strait, the East and South China Seas, and the India-China border, all remained unresolved in 2022. On the Korean Peninsula, North Korea's military activity accelerated over the past year, with both the frequency of events and their proximity to South Korean territory being the highest since the 1953 armistice.

These activities included missile launches, artillery barrages, maritime incursions, and military aircraft sorties encroaching on the De-Militarised Zone and Northern Limit Line. The aggressive nature of these activities, combined with their increased frequency, prompted South Korea's Joint Chiefs of Staff to raise its alert level in November 2022.

Pyongyang cited Seoul's participation in joint military drills with the U.S. as the predominant reason for this escalation.

While Operation Vigilant Storm, held at the end of October involving hundreds of aircraft, coincided with a spike in North Korean activity, the level had already exceeded the levels seen in any previous year. Given the mix of weapons platforms the North employed during 2022, these provocations almost certainly represent Pyongyang's enduring desire to flex its military muscle. This unprecedented activity continued until the end of the year, with five North Korean drones breaching the South's airspace on 26 December.

Figure 1: North Korean Missile Test 2018-2022



Source: Missile Defense Project, additional data has been added to the graph from the source's text, <https://missilethreat.csis.org/north-korea-missile-launches-1984-present/>

This escalatory cycle of provocations is almost certain to continue in 2023. North Korea did not test a nuclear weapon in 2022, contrary to several intelligence agencies suggesting it was preparing to. However, a deterioration in relations means missile and rocket tests are likely to persist in 2023, while the probability of a nuclear test is also increasing.

Such occurrences, particularly an additional nuclear test, would only further ramp up tensions and international anxieties. Indeed, Pyongyang's recent adoption of a new nuclear doctrine in September – allowing for pre-emptive strikes if threats to strategic interests are detected – has raised the stakes further in a period of difficult relations between the country and its adversaries.

While neither Pyongyang or Seoul likely possess the intent to engage in a military confrontation, the combination of increasing tensions and more frequent military activity means there will continue to be an omnipresent threat. A singular miscalculation or misstep could lead to drastic military escalations on the peninsula.

Tensions between China and Taiwan also escalated during 2022. Beijing perceived the visit of U.S. House Speaker Nancy Pelosi in August as a significant provocation. In response, China staged military drills in designated exclusion zones encircling Taiwan and projected into its claimed territorial waters.

These drills involved ballistic missile firings, military aircraft penetrating the Taiwan Strait's median line, and the deployment of naval vessels, in what Taiwan's military said amounted to a practice "blockade".

Further raising tensions were the four Freedom of Navigation Operations (FONOPs) conducted by Taiwan's allies, which also drew condemnation from Beijing.

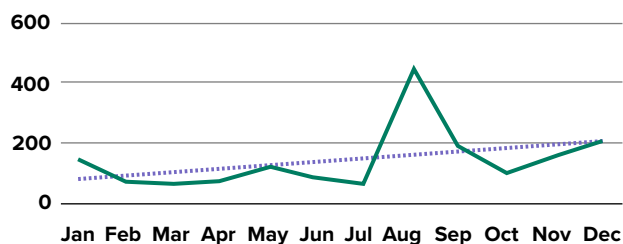
Following August's crisis, President Xi Jinping stated in October that whilst China would never renounce the right to use force to reacquire Taiwan, they strive for a peaceful resolution. Despite this, 26 December saw China send 71 planes – 47 of which crossed the median line – and seven ships towards Taiwan in the largest single-day incursion of 2022.¹

Underscoring the overall escalation during 2022, Beijing sent a total of 1,727 planes into Taiwan's air-defence identification zone (ADIZ), nearly double the number in 2021.² In response, Taipei has extended conscription durations from three months to one year, raised its defence budget, and announced further arms purchases amid a planned 13.9% hike in defence spending for 2023.³ Citing threats from China and North Korea, Japan also announced sweeping changes to its defence policies, increasing its defence budget by 20%, citing threats from China and North Korea.⁴

In a further display of the mounting tensions in the region, India and China engaged in additional border clashes. Hundreds of Indian and Chinese soldiers clashed along the Line of Actual Control, with injuries sustained by both sides in the Tawang sector of Arunachal Pradesh.⁵ Although low-level, the clashes are indicative of the rising geopolitical pressures between the regional rivals. India is also concerned over China's increasing involvement in Pakistan and Sri Lanka, as well as its ever-growing influence in the Indian Ocean.

The status of the South China Sea also remains a contentious issue within the region. In November, China and Vietnam announced they had agreed to "properly manage" territorial disputes in the sea.⁶ However, Taiwan, the Philippines, Malaysia, and Brunei – supported by Western nations who oppose Chinese claims of sovereignty – are almost certain to continue to undermine what they perceive as unlawful attempts to assert hegemony over the sea's strategically important waterways.

Figure 2: Chinese military jet incursions into Taiwan air space, 2022



Source: France24, <https://www.france24.com/en/live-news/20230102-china-s-air-incursions-into-taiwan-zone-doubled-in-2022>



¹ "China 'sends record number of fighter jets' toward Taiwan", Al Jazeera and News Agencies, December 26, 2022, <https://www.aljazeera.com/news/2022/12/26/china-sends-record-number-of-planes-toward-taiwan>

² Agence France-Presse, "China's warplane incursions into Taiwan air defence zone doubled in 2022", The Guardian, January 23 2023, <https://www.theguardian.com/world/2023/jan/02/chinas-warplane-incursions-into-taiwan-air-defence-zone-doubled-in-2022>

³ "Taiwan proposes large rise in defence spending", Free Malaysia Today, August 25, 2022, <https://www.freemalaysiatoday.com/category/world/2022/08/25/taiwan-proposes-large-rise-in-defence-spending/>

⁴ "Record Defence Budget Increase for Japan", IAS Point, 2022, <https://iaspoint.com/record-defence-budget-increase-for-japan/#:~:text=Japan%20has%20approved%20a%20record%20defence%20budget%20of,on%20Friday%20and%20will%20take%20effect%20from%20April.>

⁵ Jessie Yeung, "Indian and Chinese troops fight with sticks and bricks in video", CNN, December 15, 2022, <https://edition.cnn.com/2022/12/14/asia/india-china-border-tensions-video-intl-hnk/index.html>

⁶ Shi Jiangtao, "China, Vietnam vow closer ties, to 'manage' South China Sea dispute in joint focus on external challenges", South China Morning Post, November 2, 2022, <https://www.scmp.com/news/china/diplomacy/article/3198175/china-vietnam-vow-closer-ties-manage-south-china-sea-dispute-joint-focus-external-challenges>

Terrorism

Although terrorist groups operate throughout numerous states across the APAC, Afghanistan and Pakistan continue to represent global hotspots where foreign business operations face an elevated risk of being targeted.

Despite the Taliban transitioning from an armed insurgent group to the ruling government of Afghanistan, the country's operational environment continues to face an extreme threat of terrorism.

The group, themselves the main driver behind terrorism pre-August 2021, pledged it would enhance national security. However, terrorist organisations, predominantly Islamic State Khorasan Province (IS-K), have been able to operate with relative impunity in 2022.

Attacks have become a daily occurrence, with IS-K deploying a multitude of methods, including suicide attacks and IEDs to target civilian, security, and government infrastructure.

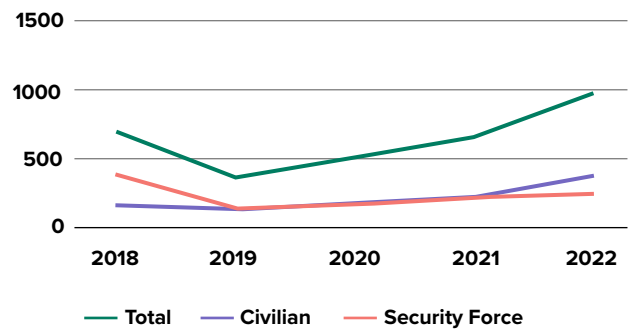
As was the case during the Taliban insurgency, foreign interests also represent a key target for terrorists. On 12 December, gunmen attacked Kabul's Longan Hotel, a location popular with Chinese and other foreigners in the country. The embassies of Pakistan and Russia, meanwhile, were targeted by IS-K bombings in December. In addition to violent attacks, terrorist groups and the Taliban alike continue to conduct kidnaps, with Westerners facing a particularly acute threat.

The severe threat of terrorism is just one of the many challenges facing those operating in Afghanistan. Throughout the year, the Taliban have gradually reimposed gender segregation and restrictions on women's rights, culminating in women being banned from working for non-government organisations in late December. Six major international aid groups suspended their work in the days following the announcement of the ban.⁷ A continuation of these policies will harm the Taliban's standing within the international community, eroding the level of covert support it might receive from foreign backers in its fight against IS-K, thereby further heightening the risk it poses.

Afghanistan's neighbour, Pakistan experienced an increase in the number of terror attacks it suffered in 2022, with the 506 incidents logged in total representing a 36% rise compared to 2021.⁸

These attacks saw approximately 601 people killed⁹, including 282 security personnel. Pakistan's border with Afghanistan was the epicentre of terrorist incidents, with Khyber Pakhtunkhwa (KP) seeing a 108% rise in fatalities on the year prior.¹⁰ While most victims of terrorism were Pakistani, at least five foreign nationals were also killed.

Figure 3: Terror-related fatalities in Pakistan 2022



Source: Center for Research and Security Studies, <https://crss.pk/annual-security-report-2022/>

Numerous groups conducted attacks in Pakistan during 2022. Tehreek-e-Taliban-e-Pakistan (TTP) reportedly carried out the majority of the acts, with the tempo of their attacks increasing significantly following the expiration of a ceasefire with the government in November.

The cessation of this deal with the Pakistani government contributed towards December purportedly being the most lethal month, with 40 security force members killed.¹¹ IS-K was also active in 2022, with its attacks – concentrated on Islamabad, Rawalpindi, Karachi, and Quetta – mostly targeting officials and the Shia community, accelerating in the latter months of the year.

Aside from the threat posed by the TTP and IS-K, the ethno-separatist Balochistan Liberation Army (BLA) continues to operate in southern Balochistan province. In recent years the BLA have attempted to undermine critical infrastructure projects and have specifically targeted Chinese interests, accusing foreign powers of exploiting the province's natural resources. The BLA have employed a mix of tactics including IEDs, indirect-fire and gun attacks to target sites and personnel associated with the China-Pakistan Economic Corridor. On occasion, the group have operated beyond their Balochistan stronghold to strike Chinese interests, most recently conducting

⁷ Riazat Butt, "4 NGOs suspend work in Afghanistan after Taliban bar women", AP News, December 25, 2022, <https://apnews.com/article/afghanistan-taliban-7c81e60a50f40a3a011354fa3a26e78d>

⁸ Center for Research and Security Studies, "Annual Security Report, 2022", <https://crss.pk/annual-security-report-2022/>

⁹ Center for Research and Security Studies, "Annual Security Report, 2022", <https://crss.pk/annual-security-report-2022/>

¹⁰ "2022 ends with deadliest month for security forces after decade: report", Dawn, January 1, 2023, <https://www.dawn.com/news/1729229/2022-ends-with-deadliest-month-for-security-forces-after-decade-report#:~:text=The%20country%20suffered%20376%20terror,with%20fatalities%20rising%20by%20108pc>

¹¹ "2022 ends with deadliest month", Dawn, 2023



a suicide bombing near the University of Karachi's Confucius Institute on 26 April 2022, which killed four people, including three Chinese academics.

The increased frequency of attacks witnessed in Pakistan at the close of 2022, and the TTP's return to hostilities, will likely be sustained into 2023. The threat to foreigners will also remain elevated, with foreign infrastructure projects continuing to be seen as legitimate targets by separatists seeking to undermine the government's influence and ability to ensure security. Islamist terrorists will meanwhile continue to see Western interests in particular as desirable targets; in December 2022 the U.S. government warned of a potential attack targeting Americans at the Marriott Hotel in Islamabad.

Civil unrest

Instances of civil unrest were a recurrent theme within the APAC region during 2022, with political, economic, and social grievances being the primary drivers of this discontent. Indeed, several nations across Central, Southern and East Asia experienced protests unparalleled in their recent histories, in terms of both scope and severity.

Kazakhstan has long been considered to have a stable and secure operating environment based on a foundation of strong authoritarian rule. However, in January, Kazakhstan experienced its most significant bout of unrest since it gained independence from the USSR.

Small-scale protests in the oil-producing Mangystau region over a sudden spike in fuel prices rapidly developed into nationwide anti-regime demonstrations. Almaty, the country's largest city, became the epicentre, where protesters burned buildings and temporarily seized the airport.

The protests were quickly contained, with unrest subsiding within 10 days. However, some international organisations were suitably concerned by the severity of the protests, which left 238 dead and caused USD \$198m in property damages, to evacuate personnel. This is despite the country previously being considered a secure operating environment.¹²

The involvement of Collective Security Treaty Organisation (CSTO) forces, fronted by Russia, helped quell unrest, and with President Tokayev ordering the establishment of a Special Operations Force to quickly respond to any future instances of public dissent, a repeat of January 2022's protests is unlikely. Despite this, underlying grievances have not been resolved and there is potential they may resurface in the future.

In Sri Lanka, decades of economic turbulence have left the country bankrupt and unable to afford vital commodities, exerting significant hardship on the general population. The economic crisis transitioned into a political crisis, with the peaceful protests that emerged in early March quickly snowballing into demonstrations involving tens of thousands, prompting the authorities to impose a state of emergency on 1 April. The protests saw at least 10 deaths and 250 people injured.¹³

Anti-government activists focused on Colombo, protesting government buildings and official residences. Under sustained pressure, the prime minister resigned in May, followed by the president in July. The example of Sri Lanka highlights how sustained economic woes can result in nationwide protests, further crippling a nation's operating environment and threatening the activities of businesses and tourists in the country.

As the situation improved for many Sri Lankans and the economy somewhat rebounded, momentum behind the protests had abated by the autumn. However, sporadic protests over shortages persist.

¹² Oleksiy Yarmolenko, "Over \$200 million in damages and 238 dead: Kazakhstan reported on the consequences of the January protests", Babel, August 16, 2022, <https://babel.ua/en/news/83033-over-200-million-in-damages-and-238-dead-kazakhstan-reported-on-the-consequences-of-the-january-protests>

¹³ Alert:24 has collated information for this from multiple sources: "Two killed in shooting near Weeraketiya PS chairman's residence", Adaderana, May 9, 2022, <http://www.adaderana.lk/news/82311/two-killed-in-shooting-near-weeraketiya-ps-chairmans-residence>; "Sri Lanka MP among five killed as violence escalates", Al Jazeera, May 9, 2022, <https://www.aljazeera.com/news/2022/5/9/sri-lanka-govt-supporters-attack-protesters-demolish-tents>; "UPDATE - One dead, 24 injured from gunshot injuries as protestors and police clash in Rambukkana", Daily Mirror, April 19, 2022, https://www.dailymirror.lk/latest_news/UPDATE-One-dead-24-injured-from-gunshot-injuries-as-protestors-and-police-clash-in-Rambukkana/342-235274; "Man gets electrocuted while protesting against power cuts in Sri Lanka", Deccan Herald, April 3, 2022, <https://www.deccanherald.com/international/world-news-politics/man-gets-electrocuted-while-protesting-against-power-cuts-in-sri-lanka-police-1097330.html>; "Local rap star Shiraz Rudebwoy dies at protest site", Daily Mirror, April 12, 2022, https://www.dailymirror.lk/latest_news/Local-rap-star-Shiraz-Rudebwoy-dies-at-protest-site/342-235030

Elsewhere in South Asia, Pakistan experienced a wave of unrest following calls for nationwide rallies against the government of Prime Minister Imran Khan and his cabinet. Protests intensified following Khan's ousting as he rallied his supporters during a series of marches, with an assassination attempt against him only galvanising his position as the head of a seemingly growing movement opposed to the government and military establishment.

The political climate will be more fraught ahead of the 2023 general election, due before the end of October, especially as Khan appears intent on continuing his confrontation with the government through rallies and marches.

This, together with economic headwinds exacerbated by the repercussions of the severe flooding experienced in 2022, is likely to fuel high levels of unrest in Pakistan during 2023. Indeed, the impact of the Russia/Ukraine crisis on the global economy and the residual impact of COVID-19 restrictions will ensure socio-economic issues continue to drive elevated levels of unrest throughout the wider region.

Kidnap

Kidnap risks in the region continue to be driven by militancy and criminality. Afghanistan remains a kidnapping hotspot. In 2022, 27 civilians, mostly local nationals who were earmarked as opponents to the Taliban, were kidnapped.

Despite there being no known cases of the Taliban kidnapping foreign nationals in 2022, the group has released victims it had previously taken as part of prisoner swaps, in addition to detaining foreigners for apparent breaches of customs and laws.

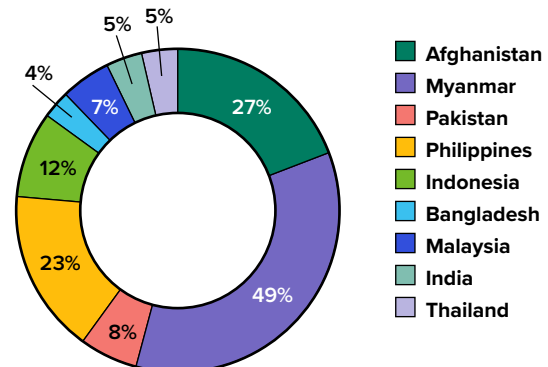
While terror and politically motivated kidnappings represent the most pertinent risk within the region, sporadic crime-related kidnapping incidents have occurred, with criminal organisations using illicit activity for financial gain.

This is most evident in the Philippines, where at least 23 people were kidnapped, with more than half being Chinese nationals, most likely engaged with Chinese triads present within the country.¹⁴

Overall, local nationals are almost exclusively targeted by kidnapping incidents in the APAC region, however, intermittent incidents directed at expatriates have occurred in 2022. Foreign nationals that have been victims in 2022 are predominantly citizens of neighbouring APAC states involved in criminal endeavours, with this trend unlikely to change in the short term to any significant degree.



Figure 4: APAC Kidnapping Incidents 2022



Source: Verified incidents logged on SCR's Risk Intelligence Platform.



This escalatory cycle of provocations is almost certain to continue in 2023.



¹⁴ Verified incidents logged on SCR's Risk Intelligence Platform.

Internal conflict

Internal conflict continued to pose a threat to business operations in 2022. Political separatists, independence movements and guerrilla factions have all been active, with Thailand, Nepal, Indonesia, Philippines, and Pakistan all registering attacks related to internal conflicts.

However, these conflicts tended to be limited in their geographical scope, being restricted to specific regions or provinces, and rarely threatened national security. The exception to this trend was Myanmar, which continued to be engaged in an extended civil war throughout 2022.

The civil war in Myanmar escalated during the first months of 2022. Fighting between the military and the pro-democracy coalition of civilian resistance groups, headed by the People's Defence Force (PDF), resulted in heavy casualties. Amid increasing air raids by the military targeting remote villages in Kachin, Chin, Kayah, Karen, Shan states, and Sagaing region, tens of thousands of civilians were displaced.

Major urban centres, such as Yangon, Mandalay, and Naypyidaw, also continued to be threatened by a high level of insecurity as civilian resistance fighters targeted military interests. These attacks have taken the form of frequent IED strikes against military units and a range of government offices, in addition to targeting businesses and businesspeople linked to the military junta.

The use of IEDs poses a significant incidental risk to bystanders, as highlighted in July when an IED in downtown Yangon left two dead and 11 wounded. On 3 September, the U.S. government issued a security alert over the increasing frequency of IED attacks,¹⁵ noting eight explosions had been recorded in Yangon over the previous 48-hour period. The U.S. Embassy later stated October and November 2022 had seen a general increase in violent attacks, including explosions, shootings, and IEDs.¹⁶

The business and operational environment has also continued to be impacted by coup-related unrest, including strikes. Groups including healthcare practitioners and garment manufacturers have stopped work, both in direct opposition to the military junta, and over working conditions and pay concerns, the latter being an issue exacerbated by the negative economic impact of the coup.

The conflict is almost certain to persist for at least the next year as neither side appears able to achieve a decisive victory. Furthermore, with assessments of September 2022 suggesting only 17% of Myanmar's territory was under stable junta control (with 52% under the effective

control of the resistance forces), the military is certain to continue exploiting its advantages on the battlefield – such as airpower – to conduct attacks in rural states.¹⁷

Although the military possess nominal control over commercial urban centres such as Yangon and Naypyidaw, there is little to suggest it will be able to put a stop to regular violent attacks by civilian militias. As a result, IED and small arms fire attacks will continue to pose a threat to those operating in Myanmar. There is potential the situation could escalate further in 2023, with the country's military leadership recently vowing a general election, scheduled to take place by August, would be held. Such a vote would be highly contentious, given the current political and security environment, and would undoubtedly spur further resistance against the junta.



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¹⁵ Security Alert: Increase in IED Attacks, US Embassy of Burma, September 3, 2022, <https://mm.usembassy.gov/security-alert-increase-in-ied-attacks-september-3-2022/>

¹⁶ Security Alert, US Embassy of Burma, November 29, 2022, <https://mm.usembassy.gov/security-update-november-29-2022/>

¹⁷ Briefing Paper: Effective Control in Myanmar, Special Advisory Council for Myanmar, September 5, 2022, page 13.

<https://specialadvisorycouncil.org/wp-content/uploads/2022/09/SAC-M-Briefing-Paper-Effective-Control-in-Myanmar-ENGLISH-1.pdf>



Europe

Overview

The onset of conflict in Ukraine drove the vast majority of security and operational challenges facing businesses with exposures in Europe during 2022. The crisis immediately highlighted the severe consequences of inter-state conflict, with businesses operating in the country facing direct threats.

The positive role insurance can play in uncertain times came to the fore. The ongoing repercussions of the conflict have been felt across the continent, with particular concern felt by EU members sharing a border with Russia, Belarus and/or Ukraine (see [Focus: Conflict on the Continent](#), pg 14)

Terrorism

2022 saw no significant terrorist attacks across the continent. However, in Germany, an alleged plot to overthrow the state by far-right extremists was foiled by security services. On 7 December, 25 individuals including a prince, a retired military officer, and former member of parliament were arrested in operations in cities across the country.

The group adhered to fascist ideology and sought to overthrow the German state, deny the right of modern Germany to exist, renegotiate the country's post World War II settlement, and seek the backing of the Russian government.

Although the plans were thwarted at the initial stage, the incident highlights the ever-growing threat from far-right groups within Europe. This threat is likely to grow, as Europe seems set to face continued economic problems into 2023 and further influxes of refugees from across the Mediterranean, both issues that typically fuel support for far-right ideologies.

Active assailant

There were several active assailant incidents, driven by diverse motivations, including far-right and religious extremism, with incidents affecting sites including entertainment venues and educational establishments.

In late June, on the evening before the annual Pride celebrations in the Norwegian capital Oslo, a gunman entered the London Pub, a popular LGBTQ+ bar and nightclub, and started shooting. He then moved to two further locations, continuing to shoot randomly. Across the three venues, two people were killed and a further 21 injured. The perpetrator was identified as a 42-year-old Norwegian citizen of Iranian origin with links to Islamic extremism.¹

In another attack against the LGBTQ+ community, two people were killed and another person injured outside the Tepláreň gay bar in the Slovakian capital Bratislava. The perpetrator, who had links to the far-right, was found dead the next day in an apparent suicide, having uploaded a manifesto online prior to the assault.²

Both incidents highlight the threat to the LGBTQ+ community from extremist ideologies, with other similar cases being a likely occurrence in the future.

On 12 August, 12 people were killed (including the perpetrator) during a shooting spree in the town of Cetinje, Montenegro by a man identified as Vučko Borilović.³ The motivations for the attack are currently unconfirmed.

¹ "Oslo shooting: Norway attack being treated as Islamist terrorism, police say", BBC, June 25, 2022, <https://www.bbc.com/news/world-europe-61933817>

² "Bratislava shooting: Two dead after gunman opens fire in front of LGBT venue in Slovak capital", Euro News, October 13, 2022, <https://www.euronews.com/2022/10/13/bratislava-shooting-two-dead-after-gunman-opens-fire-in-front-of-lgbt-venue-in-slovak-capital>

³ "Montenegro shooting leaves 12 dead including gunman", The Guardian, August 12, 2022, <https://www.theguardian.com/world/2022/aug/12/montenegro-shooting-dead-including-gunman-cetinje>

Elsewhere on the continent, in September an assailant killed 17 people and injured a further 24 before committing suicide at a school in Izhevsk, Udmurtia in west-central Russia. The assailant was identified as a 34-year-old man who was a former student of the school. The investigation discovered he suffered from schizophrenia and also idolised the 1999 Columbine school shooters, Eric Harris and Dylan Klebold – individuals often venerated by right-wing mass shooters.⁴

Germany has also been the location of shootings at educational facilities in 2022. In May, in the northern German city of Bremerhaven, an armed man entered a school, shooting and injuring one person, reportedly with a crossbow.⁵ This incident followed a similar incident in January, when an 18-year-old student opened fire in a lecture hall at Heidelberg University in southwestern Germany, killing one and injuring three others before fleeing and committing suicide.⁶

These instances of shooting at educational establishments, a threat which is predominantly associated with the U.S., highlight the global nature of the risk.



Civil unrest

Europe in 2022 witnessed a rise in the number of climate protests. Countries like the U.K. saw a series of high-profile incidents including bridge-scaling, pitch invasions at sports events, and the targeting of well-known artwork for vandalism. All such incidents drew huge attention to the cause of the nascent environmental group Just Stop Oil.

However, the centrepiece of the group's strategy, the blocking of key motorways, was arguably the most disruptive of their actions. In total, some 2,000 members were arrested in 2022, 138 of whom faced imprisonment for their actions.⁷

The group was able to block several key roads and motorways in and around London throughout October and November 2022 causing extensive disruption to the road network. These acts were not only highly problematic for businesses, but also for emergency services.

The group, although highly controversial in its methods and demands, has announced a desire to further escalate their actions in the coming year via additional large-scale disruptions. However, it is evident the vast polarisation caused by the actions of Just Stop Oil has been recognised amongst some other campaign organisations. At the start of the year, fellow activists Extinction Rebellion announced it would be pausing operations that disrupt the wider public in a bid to gain further support from the wider population.

The British government is processing a controversial new law to make it more difficult for people to stage disruptive protests, such as halting public transport or disrupting fuel supplies, in addition to giving the police greater powers to manage and prevent them. The imposition of this law could potentially be a flashpoint for future protests in 2023.

Other European countries saw protests in addition to the U.K. Towards the end of the year, Germany experienced disruptions at two of its largest airports in Berlin and Munich, where protestors from the environmental group Last Generation (Letzte Generation) blocked runways and brought air traffic to a halt.⁸

⁴ "Russia: At least 17 dead, 24 wounded in Izhevsk school shooting", Al Jazeera and News Agencies, September 26, 2022, <https://www.aljazeera.com/news/2022/9/26/at-least-6-dead-20-wounded-in-school-shooting-in-russia>

⁵ Philip Oltermann, "Woman seriously wounded in German school shooting, say police", May 29, 2022, <https://www.theguardian.com/world/2022/may/19/woman-seriously-wounded-in-german-school-shooting-say-police-bremerhaven>

⁶ Alexa Phillips, "Heidelberg University shooting: Gunman who attacked lecture theatre was 18-year-old biology student", Sky News, January 24, 2022, <https://news.sky.com/story/germany-lone-gunman-dead-after-shooting-several-people-at-university-in-heidelberg-12524362>

⁷ "Just Stop Oil calls for an end to arrest and imprisonment of protesters", Energy Voice, January 2, 2023, <https://www.energyvoice.com/oilandgas/north-sea/472366/just-stop-oil-calls-for-an-end-to-arrest-and-imprisonment-of-protesters/>

⁸ "Climate activists glue themselves to airport tarmac in Berlin and Munich", Reuters, December 8, 2022, <https://www.reuters.com/business/environment/climate-activists-glue-themselves-airport-tarmac-berlin-munich-2022-12-08/>

In slightly less disruptive but nevertheless provocative acts, Belgian, Spanish, and British activists each separately targeted famous artwork. The wide range of actions and growing frequency of incidents indicates climate change will continue to be a galvanising issue for many groups throughout Europe.

This effect is evidenced by the 280,000 people in more than 270 towns and cities who came out in support of the Fridays for Future movement in Germany. Moreover, 2022 was the fifth hottest year on record, and further evidential signs of worsening climate change could see a fresh wave of campaigns on the continent. Given the attention and disruption infrastructure yielded as a target in 2022, it is likely groups will continue to focus their attentions on this element of society.

The Russia-Ukraine conflict has played a part in a staggering number of international developments in 2022. As of August 2022, inflation had reached 10.1% in the EU. Driven by increasing costs in energy and food prices, which were significantly exacerbated by the Russia/Ukraine crisis, Europe suffered economic difficulties in 2022.

Rising energy prices were a particularly contentious issue for much of Europe, with Russia supplying 40% of Europe's natural gas prior to the conflict. The mounting societal difficulties saw citizens from across Europe publicly express their discontent in a series of protests, rallies and strikes. This disrupted key industries such as transport, energy, education, and healthcare.

Despite their geographical separation, taking place in countries such as Germany, France, Spain, Portugal, the U.K., and many more, the demands were overwhelmingly similar in their desire for pay rises in line with inflation.

In October, thousands turned out on the streets of Paris to protest spiralling prices. These protests occurred against the backdrop of weeks of strikes for higher wages at French oil refineries and nuclear power plants. These strikes in oil refineries caused petrol shortages around France. Schools and train services also suffered disruptions due to strikes over pay.

Despite the economic difficulties faced by the continent in 2022, Europe continued to support Ukraine in its fight against Russia and most countries have begun the process of weaning themselves off Russian gas.

This process has been testing for wider society but could have been far more challenging were it not for an abnormally warm winter period. Aside from the fortuitous weather, 2022 also saw what is hoped to be the peak of inflation alongside a drop in global oil prices.

These factors imply 2023 may be quieter in terms of civil unrest throughout Europe, meaning there will be less disruptions to travel, commerce and public services. Despite this somewhat positive outlook, industrial action continues to affect almost every key sector in the U.K. Rail workers, nurses, port workers, lawyers, and others continue to hold strikes, with pay rises to offset the four-decade high inflation rate of 10.1% being a universal demand amongst these groups.

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Focus: Conflict on the continent

In the early hours of 24 February 2022, President Vladimir Putin announced a 'special military operation' that would see the return of interstate conflict to Europe on a scale unprecedented since the conclusion of World War II.

The conflict in Ukraine has exerted a significant toll on the country, as well as having far-reaching consequences for the global economy. Moreover, it demonstrated that despite violent non-state groups being viewed as the principal threat facing much of the developed world in recent decades, the risk of interstate conflict remains a possibility. Competition for resources and the impacts of climate change are also likely to increase the probability of armed conflict in many regions.

The conflict has encompassed several phases, reflected in the shifting nature of conflict risks concerning the country's operational environment. At the start of the ground operations, Russia employed its long-range missiles and aircraft to strike military, energy storage, and industrial facilities, amongst other primarily civilian infrastructure targets that could support Ukraine's military response, such as airports.

This situation not only resulted in a significant risk to personnel and property throughout the country, but also led to widespread business interruption. The ability of organisations to evacuate personnel was severely hampered by country's airspace closing, necessitating the use of overland transport options.

Long-range strikes entered a second phase in March, targeting TV and radio broadcast towers, internet, and mobile phone infrastructure, as well as government buildings, as Moscow sought to inhibit Kyiv's ability to control the information space as its ground campaign progressed.

Russia initially launched a multi-pronged ground offensive, seizing significant territory, particularly in Ukraine's northern regions on their march towards Kyiv and along the coast of the Sea of Azov.

This period of quickly developing frontlines resulted in widespread confrontations between troops, supported by the concentrated weight of their artillery units, with many towns and cities facing a significant risk of destruction, including Kyiv. However, Ukraine's ability to resist militarily was significant, causing Russian gains to be increasingly costly. This prompted Moscow to announce reduced war goals a month into the conflict, with forces focusing on the eastern Donbass region.

As Russia's military pivoted to the east, so too did the most pronounced conflict risks, as the greatest concentration of kinetic military activity has continued to be experienced along the frontlines.

Although the risk of conventional ground warfare threatening cities away from the east, such as Kyiv, abated from early April, Russia continued to launch long-range missile and drone strikes against targets, including civilian infrastructure, across the country.

Although largely spared from attack initially, Ukraine's railway infrastructure witnessed a significant proportion of Russian attacks, as Moscow attempted to hinder military logistics operations, including the flow of Western weapons.

Warehouses and industrial facilities suspected of being used to store and maintain military equipment also remained priority targets, resulting in damage to infrastructure and cases of significant numbers of civilian casualties being inflicted.

A relative absence of attacks in Kyiv in the west of the country saw these areas become viewed as being increasingly permissive to business during the summer months.

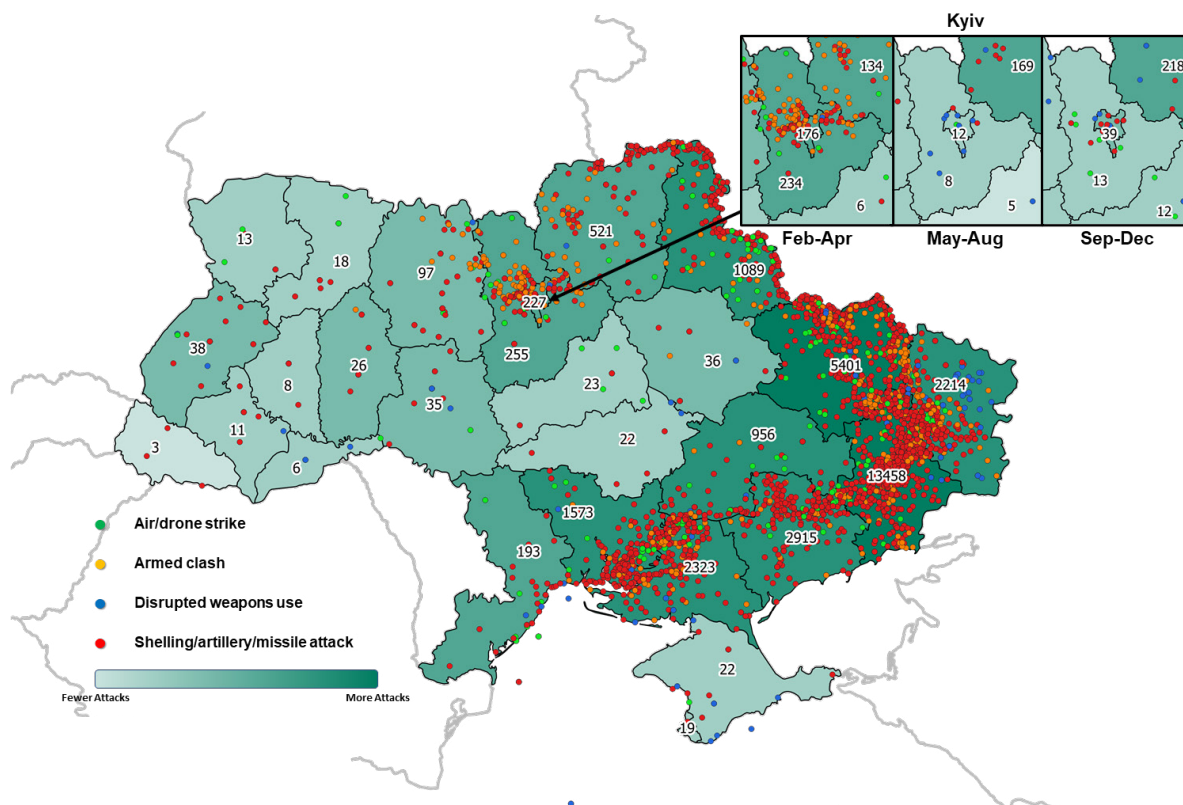
However, Ukrainian success on the battlefield and replacement of the Russian military general heading the operation prompted a change in strategy by Moscow, which from early October began using missiles and drones to strike Ukrainian energy infrastructure, almost certainly in an attempt to force Ukraine to negotiate rather than face a winter without power.

Since October, numerous large scale aerial attacks have occurred, with an estimated 50% of Ukraine's energy infrastructure reportedly destroyed as of December.¹ Ukraine's ability to defend its airspace has since gradually improved, at least in part thanks to imports of Western weapons systems. As the winter months approached, the conflict on the ground again became more of a stalemate.

The Russia/Ukraine conflict highlights how external conflict, when it occurs, presents an extremely significant risk. Modern military equipment wielded by states has significant destructive potential. By November, U.S. officials were estimating more than 200,000 military

¹ "Zelensky says 50% of Ukraine's energy facilities destroyed", Tass, December 12, 2022, <https://tass.com/politics/1549283>

Figure 1: Ukraine Map of Attacks 2022



Source: ACLED, 2022, <https://acleddata.com/>

casualties on all sides, in addition to more than 40,000 civilian deaths.² The cost of rebuilding Ukraine has been estimated to be in excess of 1.1 trillion USD.³

No area of Ukraine appears immune to conflict-related violence, with Russia’s targeting profile able to shift without warning. The direct effects of the conflict have also not been limited to Ukraine, with Russia being subjected to numerous long-range attacks against military targets and infrastructure.

Furthermore, neighbouring Poland and Moldova, as well as Zagreb, Croatia – some 500km away from Ukraine’s border – have seen errant munitions impact within their territory. Vessels in the Black Sea have faced the risk of displaced sea mines, while the explosion that crippled the Nord Stream 2 pipeline is almost certainly related to the war.

The conflict has also seemingly inspired low-level attacks against governments and businesses due to their allegiances, with a series of parcel bombs targeting diplomatic infrastructure, officials, and defence companies aligned to Kyiv in Spain in December.

Several Russian embassies and consulates have been the target of protests and vandalism, while the ramming of the gates of the Russian embassy in Dublin is a further demonstration of how tensions over the war have the potential to boil over.⁴

The return of great power conflict has borne far-reaching geopolitical consequences, as states have reassessed their economic and defence relationships. The flow of vital commodities like natural gas, oil, timber, grain, and metals all suffered sudden disruption, resulting in global price hikes and contributing towards rampant inflation.⁵

This has created substantial pressures on governments and their populations, including in Europe. Russia’s invasion hastened Sweden and Finland in applying

² “Ukraine war: US estimates 200,000 military casualties on all sides”, BBC, November 10 2022, <https://www.bbc.com/news/world-europe-63580372>

³ Steven Arons, “Ukraine Reconstruction May Cost \$1.1 Trillion, EIB Head Says”, June 21, 2022, <https://www.bloomberg.com/news/articles/2022-06-21/ukraine-reconstruction-may-cost-1-1-trillion-eib-head-says?leadSource=uverify%20wall>

⁴ “I’ve done my bit, lads’: Irish man plows truck through Russian Embassy gates”, New York Post, March 8, 2022, <https://nypost.com/2022/03/08/irish-man-desmond-wisley-plows-truck-through-russian-embassy-gates/>

⁵ Special Focus: The Impact of the War in Ukraine on Commodity Markets, The World Bank, April 2022, pg. 10 <https://openknowledge.worldbank.org/bitstream/handle/10986/37223/CMO-April-2022-special-focus.pdf>

for NATO membership, a development illustrating that Russia's neighbours feel increasingly emboldened to take a firm stance against Moscow's invasion, that may also increase the probability of a more widespread conflict between the alliance and Russia.

The conflict in Ukraine is highly likely to persist throughout 2023 and possibly into 2024. Grievances that would need to be put aside for meaningful negotiations to begin, remain irreconcilable. The remaining winter months are likely to see a continuation of the current relative stalemate on the ground, with sporadic attacks by Russia against Ukrainian energy infrastructure.

However, as 2023 progresses, the conflict will highly likely move into a new phase, with both sides likely to attempt major offensives. Russia drafted a reported 300,000 personnel in the autumn of 2022 and is purportedly planning to draft a further 500,000 in the early months of 2023.⁶

While a significant portion of the first draft have undoubtedly been deployed to the frontlines in Ukraine, it is highly likely a large amount of these have remained in Russia to be trained for a spring offensive. This is likely to initially focus on the Donbass region, with Russia attempting to secure the remainder of Luhansk and Donetsk Oblasts.

Should this be successful, then Russia will likely look to secure Zaporizhzhia and Kherson Oblasts, in line with the referendums conducted in the autumn of 2022. It is therefore highly likely conflict risks will remain most pronounced in the east of the country, with more sporadic attacks continuing elsewhere.

However, we cannot rule out Russia renewing its efforts to seize Kyiv. While Ukrainian officials maintain this eventuality is very unlikely, they do concede an increased probability of this in the spring.⁷

Ukraine's ability to defend against and reverse the course of the Russian offensive will continue to rest on the external support it receives, including in terms of military equipment from Western backers. At the time of writing, Kyiv's partners remain committed to supplying Kyiv with evermore advanced and capable systems, which should at least prevent rapid Russian gains that would quickly consume cities. Indeed, offensives conducted by either side are likely to be attritional, with only incremental gains made in the early months of 2023.

Russia will almost certainly continue to conduct long-range missile and drone strikes against Ukrainian infrastructure. However, with the ever-increasing capability of Kyiv's air-defence, these are highly unlikely to have the desired effect of forcing Ukraine to capitulate.



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⁶ “Military briefing: Soledar victory could cost Russia dear”, Financial Times, January 14, 2022, <https://www.ft.com/content/d759e24b-dd48-4adc-a0ae-7e53b89e5231>

⁷ “Repeat Invasion from Belarus More Likely in Spring, Ukraine Says”, Kyiv Post, October 20, 2022, <https://www.kyivpost.com/post/591>



Latin America (LatAm)

Overview

Latin America's (LatAm) security risks continue to be predominantly dominated by widespread cases of civil unrest and high crime rates. A myriad of socio-economic and political issues drive much of the unrest across the region.

Chronic high levels of poverty, social inequality, and corruption, likely adversely impacted by the COVID-19 pandemic, sees countries in LatAm presenting some of the highest rates of kidnap in the world, with other serious crimes such as armed robbery and extortion remaining a significant concern.¹ It's likely we will continue to see rising levels of kidnap and extortion activity as international travel returns to pre-pandemic levels.

Despite LatAm's increasingly established credentials as a democratised market-region (more than 80% of the LatAm population lives in a democracy) and comparatively low incidence of external conflict, regional tensions and a lack of interstate cooperative agreements continue to hinder efforts to tackle long-term transnational issues. These include organised crime, armed violence, and internal displacement.²

Finally, issues relating to internal conflict, specifically between armed rebel groups, have continued to exacerbate security issues across many LatAm countries. However, approaches by new governments in Chile and Colombia, for example, have inspired optimism that the region's long-term struggles with rebel groups could finally reach a peaceful conclusion.

Unrest in Latin America

LatAm has proven to be one of the hardest-hit regions by the COVID-19 pandemic, which exacerbated already high levels of civil unrest. Sparked by rising inflation, including soaring prices for basic commodities, in tandem with pre-existing grievances such as insecurity, high wealth inequality, gender inequality, police brutality, and political corruption, among other factors, this unrest is indicative of the deepening polarisation witnessed across much of the region.³

2022 saw the number of recorded protests rise by an estimated 6%⁴, continuing an ongoing trend: between 2018-2021, protests across the region grew by 28%, riots by 21%.⁵ The countries experiencing protests most frequently include Colombia, Argentina, Panama, and Peru.

In LatAm's third-biggest economy, Argentina, the inflation rate eclipsed its regional neighbours. By the end of 2022, inflation had risen to over 90%.⁶ Growing rates of poverty, homelessness, and dwindling purchasing power of workers sparked major incidents of unrest, most notably in August and September, when thousands of protesters took to the streets of Buenos Aires to demand President Alberto Fernandez's government take action.⁷

This came only weeks after supporters of Vice President Cristina Fernandez de Kirchner rallied in their thousands against a 12-year prison sentence handed to her for corruption charges,⁸ reflecting Argentina's highly polarised electorate.

¹ Edeh Samuel Chukwuemeka APMC, "Countries With The Highest Rate Of Kidnapping 2023: Top 10", BScholarly, December 17, 2022.

<https://bscholarly.com/countries-with-the-highest-rate-of-kidnapping/>

² "Democracy and human rights in Latin America: Is democratic erosion gathering pace?", Europarl, November 11, 2022,

[https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2022\)698868](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)698868)

³ "Latin America: Winter was marked by violent unrest, and more turmoil is expected to result into a "hot" upcoming spring", Credendo, October 13, 2022, <https://credendo.com/en/knowledge-hub/latin-america-winter-was-marked-violent-unrest-and-more-turmoil-expected-result-hot>

⁴ Aisling Finn, "Latin America territories record up to 358% surge in civil unrest", Insurance Insider, August 4, 2022, <https://www.insuranceinsider.com/article/2ag54imdnj0tz6ffrn9s/global-insurers-section/latin-america-territories-record-up-to-358-surge-in-civil-unrest>

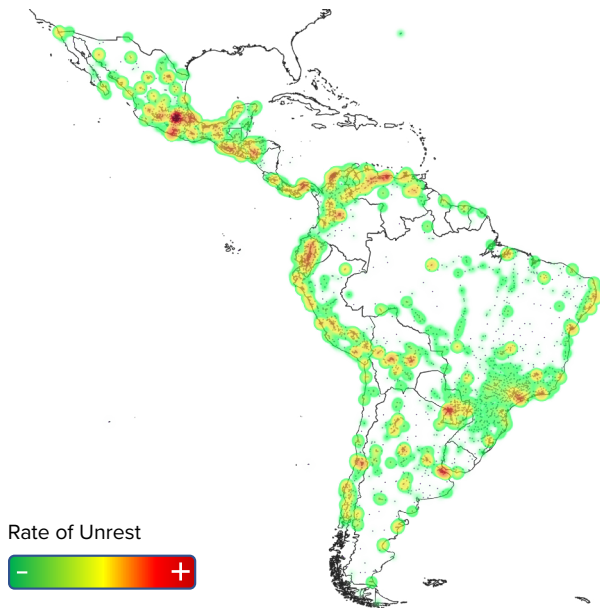
⁵ James Francis Whitehead, "Latin America sees a resurgence in political violence", October 8, 2022, Courthouse News Service, <https://www.courthousenews.com/latin-america-sees-a-resurgence-in-political-violence/>

⁶ Ovunc Kutlu, "Inflation in Argentina jumps to record 92.4% in November", Anadolu Agenc, December 16, 2022, <https://www.aa.com.tr/en/economy/inflation-in-argentina-jumps-to-record-924-in-november/2765869>

⁷ Maria Belen Liotti, "In Argentina, mass protests demand higher wages, lower inflation", Reuters, August 17, 2022, <https://www.reuters.com/world/americas/argentina-mass-protests-demand-higher-wages-lower-inflation-2022-08-17/>

⁸ "Argentina vice president asks demonstrators to go home after unrest", Reuters, August 28, 2022, <https://www.reuters.com/world/americas/thousands-argentina-take-streets-defend-embattled-vice-president-2022-08-27/>

Figure 1: 2022 LatAm protest Heatmap



Source: ACLED, 2022, <https://acleddata.com/>

In Panama, inflation and corruption were the two main triggers for the unrest that hit the country for several weeks in July. Protesters called on President Laurentino Cortizo to tackle rising inflation and political corruption, but his government's plan to cut fuel costs and put price caps on basic foodstuffs did little to quell the massive demonstrations staged by teachers, construction workers, students, and indigenous groups.

In the central province of Veraguas, protesters blocked the Pan-American highway, costing the country millions of dollars in losses and worsening fuel and food shortages.⁹

In Brazil and Peru, the focus for much of the unrest has been related to electoral candidates, elections, and political crises. Brazil's 35th president, Luiz Inácio Lula da Silva, returned as the country's 39th president on 1 January 2023, following his victory over Jair Bolsonaro, which was overshadowed by instances of unrest and political violence, the most ever recorded in any given year.¹⁰

The tense October elections were followed by more demonstrations, including highly disruptive efforts by the outgoing president's supporters, which included large numbers of truck drivers blocking more than 250 roads and highways across 23 Brazilian states.¹¹

One of the most serious post-election incidents included the violent unrest in downtown Brasilia and the failed attempted storming of the Federal Police headquarters, in an alleged effort to incite sufficient violence to prevent Lula from being sworn in. Despite Lula's calls for unity, the country remains highly divided and is likely to see political demonstrations and industrial action continue to take place with regularity.

Following the removal and arrest of Peruvian President Pedro Castillo by the country's Congress in December on charges of "rebellion," Castillo's supporters took to the streets in a series of large-scale protests.

In response, Peru's new government declared a 30-day national state of emergency (SoE). However, at least 15 of the country's 24 regions' key highways were blockaded¹², police stations, courts, television studios, railways, and factories were attacked and damaged, and most of the country's airports were forced to shut for days following at least four instances of crowds swarming airports in southern Peru.

At least 27 people died during the unrest. In an effort to quell the violence, Congress voted to hold early elections in April 2024. However, ongoing calls for an earlier election date and the resignation of the new president, Dina Boluarte, suggests Peru's outlook remains mired in unrest and instability.

Across other LatAm countries, motives for unrest have included unpopular economic policy decision-making, often over taxation, spending cuts, and privatisation efforts, as seen in Brazil, Colombia, Ecuador, and Uruguay. Following the mass dismissals during the pandemic, job insecurity and low salaries have also been common triggers for protests, as seen in Argentina, Ecuador, and Mexico this year.

In Chile, unrest over a myriad of socio-economic and political demands first set in 2019 continued into 2022 when voters elected a left-wing president, Gabriel Boric. He began drafting a new 'progressive' constitution – a frequent demand by protesters – which was surprisingly rejected by 62% of voters in September.¹³

Since then, Boric has navigated the political uncertainty brought about by the result and obtained a multi-partisan agreement to begin work on a new draft. However, further failures to enact his own campaign promises will likely result in further unrest.

⁹ "Protesters in Panama Leave Part of Key Highway", Voice of America, July 17, 2022,

<https://www.voanews.com/a/protesters-in-panama-leave-part-of-key-highway-6662917.html>

¹⁰ Sandra Pellegrini and Maria Puolakkainen, "Political Violence During Brazil's 2022 General Elections", ACLED, October 17, 2022,

<https://acleddata.com/2022/10/17/political-violence-during-the-brazil-general-elections-2022/>

¹¹ "Truck drivers protest the defeat of Jair Bolsonaro in Brazil's run-off election", USA Today, November 3, 2022,

<https://www.usatoday.com/picture-gallery/news/world/2022/11/01/truck-drivers-brazil-protest-defeat-jair-bolsonaro/10658458002/>

¹² Dan Collins, "Former Peru president ordered to remain in custody for 18 months as protest death toll rises", The Guardian, December 15, 2022,

<https://www.theguardian.com/world/2022/dec/16/peru-protests-death-toll-rises-to-12-after-another-day-of-violent-clashes-castillo>

¹³ Ariel Dorfman, "Chileans rejected the new constitution, but they still want progressive reforms", The Guardian, September 6, 2022,

<https://www.theguardian.com/commentisfree/2022/sep/06/chile-new-constitution-reject-pinochet>

Extractive industries disruption

The recent wave of newly installed left-wing governments across the region has seen leaders pledge to take natural resource extraction regulation, environmental concerns, and indigenous lands compensation more seriously, including some of the region's biggest players such as Gabriel Boric of Chile, Lula da Silva of Brazil, and Gustavo Petro of Colombia.

These issues have become increasingly widespread among many LatAm protest movements over the past year. Scores of small LatAm communities have resisted the efforts of large commercial investment projects, often seen as infringing on their territorial rights or damaging to the environment.

As environmental and indigenous concerns continue to carry greater weight with international and public opinion, many of the leaders appear reluctant to respond to, let alone address, the disruption, at least not with the heavy-handed tactics that were so commonly used in the past.

As a result, extractive industries across the region – previously used to governments defending their foreign direct investment and large commercial projects contributing to national GDPs – are struggling to garner the governmental and security support necessary to stop the disruptions from forcing them to shut down projects and sites.

It remains more important than ever for mining, oil and gas, and forestry companies in the region to mitigate risks associated with unrest, threats, and evacuation.

In Peru – the world's second biggest copper producer – the case of the Las Bambas mine has resulted in multiple environmental conflicts between 2015-2022.¹⁴ During the construction of the mine, about 15,000 people turned out to protest.¹⁵ Recurring disruptions from indigenous communities that claim the mining company has failed to honour its commitments with them, has forced the mine to suspend operations for long periods of time, often due to communities blockading key roads leading in and out of the sites.

In mid-April, two communities entered the mine and settled inside, forcing Las Bambas to halt operations for 51 days until a 30-day truce was signed in June. Las Bambas' General Manager Edgardo Orderique claims the cost of the conflict between September 2016 and September 2022 was about 528 days of interrupted operations.

The latest disruptions took place under the government of Pedro Castillo, who was criticised for being slow to act, which led the National Society of Mining, Oil and Energy to call the government's reaction "erratic and biased".¹⁶

The government reportedly gave the mining company permission to expand the mine in March, despite warnings from communities of further conflict. As such, Castillo's government was unwilling to face the reality that it would be unlikely to be able to fulfil pledges made to its foreign direct investors or Castillo's main base of support, the rural and indigenous communities.

In Ecuador, a country infamous for local pushback on extractive sector projects – most notably the ongoing local resistance to the San Carlos Panantza copper mine project that has halted operations since late 2020 – saw mass protests organised by the Confederation of Indigenous Nationalities of Ecuador (CONAIE) in June.

The nationwide protests saw highways blocked across the country, violent clashes with police, and paralysis of much of the capital, leading to shortages of food and fuel. The country's oil industry – and main source of income – saw production rates fall by over 50 percent¹⁷, costing the country some \$213 million.¹⁸ The conservative government of Guillermo Lasso refused to engage in talks with CONAIE until nearly two weeks had passed. Eventually, it offered to scrap a decree for oil projects and reform a similar one for mining projects.

In Chile, the impact of indigenous Mapuche groups on extractive industries has been significant, following years of conflict with the state and private enterprises. Several Mapuche groups have demanded the return of ancestral lands located in the country's south where forestry companies currently operate. This has led to sporadic instances of violence resulting in the deaths of Chilean citizens including Mapuche activists, security forces, and forestry workers.

¹⁴ Marcelo Rochabrun and Marco Aquino, "MMG to invest \$2 bln at its troubled Peruvian Las Bambas mine", Reuters, September 29, 2022, <https://www.reuters.com/markets/commodities/mmg-invest-2-bln-its-troubled-peruvian-las-bambas-mine-2022-09-27/>

¹⁵ "Peru anti-mining protest sees deadly clashes", BBC, September 29, 2015, <https://www.bbc.com/news/world-latin-america-34389803>

¹⁶ "Peru mining group says government 'erratic and biased' against industry", Reuters, December 9, 2021,

<https://www.reuters.com/world/americas/peru-mining-group-says-government-erratic-biased-against-industry-2021-12-09/>

¹⁷ "Ecuador's president announces fuel price cut as protests cripple output", France24, June 27, 2022,

<https://www.france24.com/en/americas/20220627-ecuador-warns-protests-could-shut-down-oil-production-within-days>

¹⁸ "Ecuador government, Indigenous activists reach deal", DW, June 30, 2022,

<https://www.dw.com/en/ecuador-government-indigenous-activists-reach-deal-to-end-protests/a-62321442>



In 2022, the conflict intensified; cases of sabotage and the burning of homes, trucks, and machinery triggered President Boric's government to announce an SoE in May, allowing the military to guard routes and highways across Chile's southern regions.

As the progressive leftist candidate, Boric had showed no intention of continuing the same strategy as his right-wing predecessor Sebastián Piñera, who had extended his own SoE declarations several times. The delay to extend the SoE under Boric is once again indicative of the reluctance shown by some of the new left-wing LatAm governments to use force and heavy-handed tactics.

As part of Boric's efforts to improve longstanding social and economic injustices and Mapuche lack of representation, his government announced its intention to allocate around \$470 million to public works projects in the south, in addition to plans to promote land restitution, create a ministry for indigenous peoples, and reform the constitution.¹⁹

Peace talks in Colombia

Following the peace deal signed by the Revolutionary Armed Forces of Colombia (FARC) and the Colombian government in November 2016, the country has experienced record-low levels of violence. However, violent incidents involving FARC dissidents who refused to lay down their arms continue to present a significant threat to Colombia's security.

The FARC dissidents, numbering around 2,300, are known to operate across 16 Colombian departments, with most incidents recorded in former FARC strongholds.²⁰ The dissidents continue to conduct guerrilla activities such as kidnapping-for-ransom, attacking security forces, and destroying energy infrastructure, and remain heavily engaged in the drug trade. In December, Bogotá announced dissident FARC rebels from the Segunda Marquetalia were ready to launch a de-escalation process ahead of potential negotiations with President Gustavo Petro's government. A "rapprochement" phase has thus begun with several armed groups as part of Petro's goal to end the long-term conflict.

The peace deal between FARC and the Colombian government saw the extreme leftist National Liberation Army (ELN) become the default main rebel armed group with approximately 3,000-5,000 fighters operating across the country.²¹

However, in early December it was announced the first agreement between Bogotá and the ELN had been reached during official peace talks in Caracas, Venezuela.²² The agreement allows for Embera indigenous populations displaced by ELN operations to return to their reserves.

¹⁹ "Chile declares state of emergency in zone shaken by indigenous conflict", Reuters, May 17, 2022, <https://www.reuters.com/article/chile-violence-idUSL6N2X9099>

²⁰ Mathew Di Salvo, "FARC dissident groups grown to have 2300 guerrillas since 2016 peace deal: report", Colombia Reports, June 6, 2019, <https://colombiareports.com/farc-dissident-groups-grown-to-have-2300-rebels-during-peace-process-report>

²¹ Luke Taylor, "Colombia's ELN guerrilla group denies agreeing to national ceasefire", The Guardian, January 3, 2023, <https://www.theguardian.com/world/2023/jan/03/colombia-guerrillas-deny-national-ceasefire>

²² "Colombia says agreement made with ELN rebels on displaced people", Al Jazeera and News Agencies, <https://www.aljazeera.com/news/2022/12/4/colombian-embera-community-to-return-to-its-land-amid-peace-talks>



Later in the month, the ELN declared a nine-day unilateral ceasefire from 24 December “to create an atmosphere of peace” for Christmas and the New Year.²³ On 31 December, Petro announced a “bilateral ceasefire with the ELN, the Second Marquetalia, the Central General Staff, the AGC and the Self-Defence Forces of the Sierra Nevada” had been agreed “from 1 January to 30 June 2023”.²⁴

However, the ELN swiftly rebuked Petro’s statement, denying an agreement had been made, a clear reflection of the potential pitfalls for miscommunication and disagreement between the main parties. Petro’s desire to see the fighting between Colombian forces and rebel groups end remains acute.

The government concluded the first round of talks with the ELN in December and is due to begin the next round in late January in Mexico City. Nevertheless, the lack of a centralised and clear hierarchy among the ELN complicates hopes for ‘total peace’.

As such, the likelihood for talks to collapse remains high, and as discussions are being held there is significant potential for rebel groups to attempt to increase their leverage by conducting attacks on soft targets such as fixed installations, energy pylons, exploration teams, and pipelines. In addition, some groups may splinter in disagreement over any discussions of peace with the government.

Cartel impunity in Mexico

Mexico’s problem with drug cartels and the insecurity they propagate in the form of assassinations, massacres, kidnappings, extortion, shootings, and the like, has remained a serious problem for decades. Their ability to operate openly with impunity only appears to have worsened in recent times as their power grows.

Infamous drug cartels like La Familia Michoacana continue to expand their operations into areas that have previously avoided cartel activity. Cartels are increasingly

investing their funds into other illegitimate as well as legitimate enterprises, providing them with diverse and protected revenue streams. Smaller groups have taken to franchising agreements with larger and highly feared cartels, providing groups like the Jalisco New Generation Cartel (CJNG) exponential growth opportunities and wider territorial coverage.

The level of impunity is indicative of the strength of many of the drug cartels. Often capable of over-matching Mexican security forces, the largest cartels routinely retaliate against any efforts to curb their activities, frequently committing assassinations and massacres. In mid-December, Colonel José Muñoz – who commanded a detachment in the gang-dominated border city of Nuevo Laredo – was kidnapped while on vacation in Tapalpa, Jalisco.

The incident was the second time in a month a Mexican army officer had been attacked by cartels. In February, a video surfaced online showing a dozen people lined up against the wall of a house in San José de Gracia, Michoacan, before being shot by firing squad in broad daylight. Authorities reportedly arrived three hours after the massacre occurred. Incidents of this nature are not uncommon, with similar acts having been committed before and after the fact.

Moreover, 2022 has proven to be the deadliest year in at least three decades for Mexican journalists and media workers, with at least 15 recorded killings. Fewer than 5% have been solved and government officials are suspected of being behind killings,²⁵ indicating the growing problem of impunity in the country.



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²³ “Colombia ELN rebels declare Christmas ceasefire”, TRT World, December 19, 2022, <https://www.trtworld.com/americas/colombia-eln-rebels-declare-christmas-ceasefire-63701>

²⁴ “Colombia’s ELN rebels say they have not agreed to ceasefire”, Reuters, January 3, 2023, <https://www.reuters.com/world/americas/colombias-eln-rebels-say-they-have-not-agreed-ceasefire-2023-01-03/>

²⁵ Christopher Sherman, “2022 is deadliest year on record for Mexican journalists”, AP News, December 17, 2022, <https://apnews.com/article/mexico-caribbean-558cc55bc786e01a62f90d1a26b70936>



Middle East and North Africa (MENA)

Overview

Middle East and North Africa (MENA) continues to present security challenges to those operating across the region. Enduring conflicts in concert with low-levels of political and social cohesion at the state-level continue to foment war, terrorism, crime, and civil unrest risks.

These risks frequently spill over borders, posing a widespread risk to commercial operations. Iraq, Syria, and Yemen in particular have continued to experience high levels of violence and political instability in 2022, while precarious political situations in Lebanon, Libya, and Iran were increasingly exposed. 2022 witnessed the continued targeting of 'fixed asset' risks, with critical infrastructure such as airports, mining, and petrochemical facilities under assault.

As 2023 progresses, headline items to watch include possible proxy conflicts between Iran, Saudi Arabia, Israel, USA, and Turkey playing out within the arenas of Syria, Iraq, Yemen, and Lebanon. Worsening climate change will result in continued high levels of internal conflict as communities are pushed out of previously arable/pastoral land, particularly within Iraq and Syria, with extremist groups seeking to exploit these conflicts to their own gain.

The region will remain a compelling location for insurers offering special risks, specialist accident and health, and political violence coverage, due to the geopolitical and security profile of these countries, as well as the lack of expertise and capacity within local markets to offer these products.

Conflicts and violent overspill in the Middle East

High-intensity conflicts emerging following the Arab Spring have eased overall in recent years. The Syrian civil war had developed into a stalemate by 2021, with this situation persisting during 2022 as the Assad regime – supported by Iran and Russia – retains control over 70% of Syrian territory.¹

Neighbouring Iraq continues to face a low-intensity insurgency as a legacy of the previous war to remove Islamic State (IS), while Libya too has seen a reduction in outright hostilities since 2021.

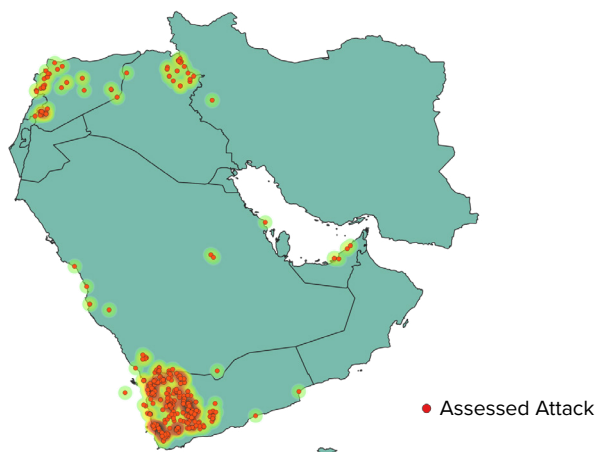
Perhaps the most significant improvement to regional security during 2022 was witnessed in Yemen, where a UN-brokered truce reduced violence to levels not seen since 2015. The truce also resulted in the cross-border drone and missile attacks frequently launched by the Iran-backed Houthis against Saudi Arabia (and occasionally targeting other regional opponents like the United Arab Emirates) ceasing entirely.

These cases of de-escalation observed across the region are positive and have resulted in short-term security gains. However, these various multi-layered conflicts remain unresolved, and this situation is unlikely to change given the plethora of competing domestic, regional, and international stakeholders continuing to vie for influence in the region.

The situation in Yemen is especially tenuous. The truce there, which yielded a significant de-escalation and coincided with the pausing of cross border attacks, expired on 2 October.

¹ Philip Loft, "Syria and its civil war: A future under Assad?", UK House of Commons, November 26, 2021, <https://commonslibrary.parliament.uk/research-briefings/cbp-9378/>

Figure 1: Cross Border Missile, Drone, and Airstrikes 2022



Source: ACLED, 2022, <https://acleddata.com/>

In addition to Saudi military targets, these attacks have focused on critical infrastructure, including oil facilities and airports. In the first quarter of 2022, prior to the agreed truce, there was a surge of missile and drone attacks against targets in the kingdom, including oil infrastructure in Riyadh, Jeddah, and elsewhere, alongside Aramco's liquefied gas (LNG) plant in Yanbu port on the Red Sea.²

The Houthis also targeted the UAE, striking an oil depot close to Dubai's airport. Although the Houthis have refrained from conducting further similar attacks since the truce officially concluded, it seems likely the conflict in Yemen – along with these types of attacks – will escalate once more.

The primary driver behind the potential for re-escalation in Yemen is Iran's involvement, with the Houthis viewed by many as a proxy force forming part of Tehran's strategy to compete with the regional influence of Riyadh and its Western allies.

Iran currently faces many challenges, both domestically and on the world stage. The probability of Tehran pushing its regional interventionist agenda will increase if the regime is unable to quell ongoing unrest at home, or if nuclear negotiations are not satisfactorily concluded.

Tehran has already issued threats toward Saudi Arabia, alleging the kingdom incited protests in Iran. Fears of attacks against Saudi Arabia resulted in the U.S. issuing a warning to its citizens in the country in October.³

Although there were no attacks, the U.S. Navy intercepted a vessel originating from Iran carrying precursors for

explosives and solid-rocket propellants destined for the Houthis on 8 November, demonstrating they continue to receive external support.

Beyond Yemen, Iran continues to manage numerous levers of influence over neighbour Iraq. Iranian involvement in Iraq's state apparatus (including through aligned Popular Mobilisation Units (PMU) militias, nominally part of the security force architecture) has long allowed Tehran to ramp up pressure through violence when its interests are threatened. This is evidenced by previous rocket attacks against Baghdad's political centre and U.S. interests.

A series of rocket attacks targeted the Khor Mor gas field in the northern Kurdistan region, forcing operational pauses, as well as prompting workers of U.S. and Turkish companies to vacate the site. Iranian militias were suspected of conducting the attacks, as the expansion of the gas project would threaten Iran's position as the main supplier of gas to Iraq and Turkey.

Other conflict risks present in Iraq stem from direct military action by Iran and Turkey. In November, Iran's Islamic Revolutionary Guards Corp (IRGC) launched a ballistic missile and drone strikes against alleged Kurdish Iranian dissident groups it claimed were behind protests in Iran.

This was a further demonstration of Tehran's lack of respect for Iraq's borders following on from volleys of IRGC ballistic missiles launched against Israeli interests in March 2022, and U.S. interests in the country in January 2020.

Turkey has similarly targeted Kurdish groups in Iraq on the basis of upholding domestic security, launching a renewed military operation targeting the Kurdistan Workers' Party (PKK) in April 2022. In November 2022, Turkey stepped up airstrikes against the PKK and aligned People's Protection Unit (YPG) units both in Iraq and Syria in response to a terrorist bombing in Istanbul.⁴

Turkish and Iranian military attacks in Iraq and Syria underscore the potential for sharp increases in conflict risks within the region. As well as directing air and missile strikes, both Turkey and Iran also threatened to mount ground offensives into Syria and Iraq, respectively.

Although an Iranian invasion of northern Iraq is considered unlikely, the potential for a Turkish intervention into northern Syria in 2023 is a more realistic possibility, with the security agenda potentially being exploited by Turkish President Recep Tayyip Erdoğan ahead of June's elections.

² Emile Roy, "Diplomatic Efforts Succeed in Subduing the Conflict", ACLED, 2022, <https://acleddata.com/10-conflicts-to-worry-about-in-2022/yemen/mid-year-update/#1644921169748-ca58a54a-3d26584f-3dfe>

³ Saudi Arabia Travel Advisory, October 5, 2022, U.S. Department of State. <https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/SaudiArabia.html#/>

⁴ Emile Roy, Matti Suomenaro and Sherwan Hindreen Ali, "Regional Overview: Middle East 19-25 November 2022", ACLED, December 1, 2022, <https://acleddata.com/2022/12/01/regional-overview-middle-east-19-25-november-2022/>



Northern Syria remains beyond the Assad regime's control, with the Kurdish Syrian Democratic Forces (SDF) in the northeast and Islamist Hayat Tahrir al-Sham (HTS) in the northwest, bracketing the Turkish-backed Syrian National Army (SNA). These groups have attempted to solidify their control during 2022.

However, due to the conflict effectively developing into a stalemate, Arab countries have increasingly supported Bashar al-Assad, which together with the West's preoccupation with Ukraine, could encourage him to attempt to retake the territory. Such an eventuality would distract from counter-terrorism efforts and could give remnants of IS in Syria the chance to regenerate, increasing the risk it poses.

Russia, a key backer of Assad, has deprioritised its involvement in Syria to focus on Ukraine. This will present Tehran the opportunity to fill this void, increasing the weight of its involvement. Iranian activity in Syria, especially in support of Hezbollah, has been a key concern of Israel, which have previously conducted airstrikes against Iranian interests in the country.

As recently as 1 January 2023, Israel struck Damascus International Airport, killing two and putting the facility temporarily out of action. Increased Iranian activity would likely see Israeli interventions in Syria increase, as well a continuation of Israeli attacks to disrupt Iran's nuclear programme and tit-for-tat attacks on shipping in the region.

While many areas of the MENA region saw conflicts de-escalate, the Israel-Palestine conflict intensified during 2022. Israeli security forces, having blamed the Palestinian Islamic Jihad (PIJ) for a series of attacks that killed 19 Israelis between March and May, targeted leaders of group before launching so-called 'Operation Breaking Dawn' on 5 August, ostensibly due to PIJ threats of retaliation.

Israel conducted some 147 airstrikes in Gaza during the three-day operation, while militants fired around 1,100 missiles at Israel.⁵ Up to 49 Palestinians were killed, but no Israelis.

PIJ reportedly targeted Tel Aviv's main airport and an Israeli gas rig, failing to strike either, but causing some flight disruption. In December 2022, the UN's envoy reported a sharp increase in violence had been reported throughout the last year, with the 50 Palestinians and more than 20 Israelis killed being the highest figures in years.⁶

The new Israeli government is expected to maintain a firmer stance with the Palestinian Authority, which is likely to further escalating tensions and continue the cycle of violence. We can therefore expect further violence in 2023, with a further escalatory conflict between Israel and Gaza a possibility.

Libya: Post-conflict governance or renewed civil war?

Libya continues to be the most likely theatre of high intensity armed conflict in North Africa. While fighting has ebbed since 2021, the country remains divided and there is a credible risk of a slide back into civil war.

The UN-brokered peace deal is tenuous, with many powerful political stakeholders still able to call upon large contingents of armed personnel to back their bids to assume dominance. This was illustrated on 26-27 August, when fighting erupted in Tripoli after militia loyal to Abdul Hamid al-Dbeibeh, the prime minister of Libya under the Government of National Unity (GNU), uncovered an assassination plot against him by supporters of Fathi Bashagha, leader of the parallel Government of National Stability (GNS) in Tobruk.

At least 32 people were killed and 159 injured over two days of violence which saw Dbeibeh-aligned forces prevail. Further exacerbating tensions, eastern strongman Khalifa Haftar, who commands the Libyan National Army and has previously attempted to seize the capital, stated in November that he is ready to wage another war "to liberate the country".

Elections were initially slated for December 2021, but have yet to be realised. Major rifts have been reinforced by constitutional and political challenges over who exactly is able to stand for the premiership.

⁵ "Fresh Israel-Palestinian Islamic Jihad truce prevents 'full-scale war'", United Nations News, August 8, 2022, <https://news.un.org/en/story/2022/08/1124212>

⁶ "UN envoy reports 'sharp increase' in violence this year in Israel-Palestine conflict", United Nations News, December 19, 2022, [https://news.un.org/en/story/2022/12/1131852#:~:text=Twitter%20Print%20Email,-UN%20envoy%20reports%20'sharp%20increase"%20in%20violence%20this,year%20in%20Israel%20Palestine%20conflict&text=More%20than%20150%20Palestinians%20and,the%20Security%20Council%20on%20Monday](https://news.un.org/en/story/2022/12/1131852#:~:text=Twitter%20Print%20Email,-UN%20envoy%20reports%20'sharp%20increase).

Should a true national unity government fail to materialise in 2023, or if one political bloc manages to secure overall control of the organs of state, it is likely armed supporters of Dbeibeh, Haftar, or Bashagha will renew hostilities. Precedent is on their side: attempted coups and armed putsches have become a feature of the country’s political landscape over the past decade.

The decline of Islamic State

Due to sustained counter-terrorism operations, the threat posed by IS in Iraq decreased markedly in 2022. Renewed cooperation by Baghdad and Erbil likely contributed to the improved security situation, while additional training and equipment for personnel has improved their success rates in combatting IS cells, reducing the group’s ability to carry out operations.

This reinforces the observable trend of a decrease in IS activity in Iraq over the last few years. IS’ own data claims its cells carried out around 1,100 attacks in 2021, fewer than the 1,405 reported in 2020. This year, IS managed an average of 38 attacks per month, totalling just 456 for the entirety of 2022.⁷

According to US CENTCOM, during 2022, U.S. and coalition forces killed around 220 IS members and captured 159 more, indicating that local troops – federal or Kurdish army units, tribal militias, or Iran-backed paramilitaries – bore the brunt of operations against IS.⁸

However, despite recent improvements in intelligence gathering techniques, Iraqi counter-terrorism taskforces are highly decentralised, with local commands enjoying high autonomy while struggling to coordinate with other units, reducing the efficacy of the nation’s counter-terrorism strategy as a whole.

While IS attacks are down, the threat has not been extinguished, with the group maintaining a low-level insurgency in Iraq and also adjacent areas of Syria. Despite the blows to its efficacy, the group is still a major threat to those choosing to conduct business operations or other activities in Iraq, and will remain a headache for officials in Baghdad and abroad.

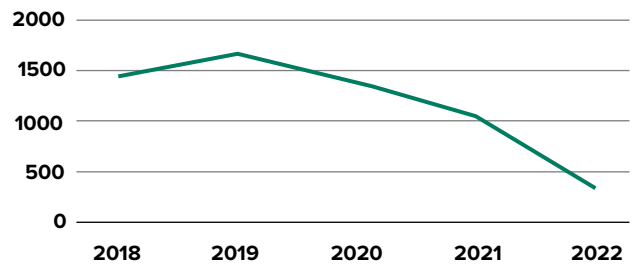
“Worsening climate change will result in continued high levels of internal conflict as communities are pushed out of previously arable/pastoral land, particularly within Iraq and Afghanistan.”

⁷ Cole Bunzel, ‘Explainer: The Jihadi Threat in 2022’, Wilson Center, December 22, 2022, <https://www.wilsoncenter.org/article/explainer-jihadi-threat-2022>

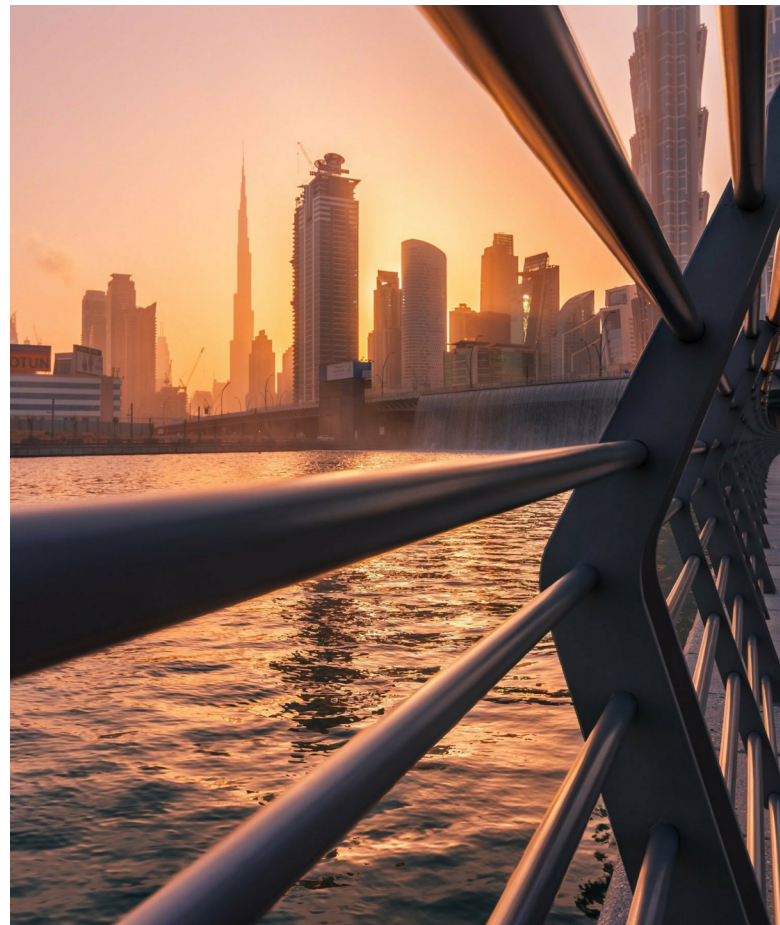
⁸ ‘CENTCOM – Year in review 2022: The fight against ISIS’, U.S. CENTCOM, December 29, 2022, <https://www.centcom.mil/MEDIA/PRESS-RELEASES/Press-Release-View/Article/3255908/centcom-year-in-review-2022-the-fight-against-isis/>

Although Iraq is unlikely to re-emerge as a permissive environment for the group overnight, the volatility of the region could lead to insecurity the group could exploit, such as the aforementioned possibility of an escalation in fighting in northern Syria which would almost certainly harm the US-supported SDF’s counter-IS operations. This could lead to a rise in terror attacks and other threats such as kidnapping.

Figure 2: Islamic State Attacks in Iraq by Year (2018-2022)



Source: Combatting Terrorism Centre at West Point, 2019, <https://ctc.westpoint.edu/the-islamic-state-at-low-ebb-in-iraq-the-insurgent-tide-recedes-again/>; Meir Amit Intelligence and Terrorism Information Centre, 2022, https://www.terrorism-info.org.il/app/uploads/2022/01/E_008_22.pdf; Rudaw, 2023, <https://www.rudaw.net/english/middleeast/iraq/10012023>



Protests

The persistent lack of political and social cohesion, as well as worsening socio-economic conditions in many states, has fomented numerous bouts of unrest across the region in 2022. The year saw further political turmoil in Iraq due to the precarious configuration of Iraqi body politic.

Several disputes between various factions over the composition of the governing body caused the Coordination Framework bloc, a group of parties headed by Nouri al-Maliki and backed by Iran, to further their seats to 130.⁹ This, alongside the election of Mohammed Shia' al-Sudani as Iraqi Prime Minister, led to supporters of prominent Shia cleric Moqtada al-Sadr storming the Green Zone and the Iraqi parliament on 27 July.

Only a month later, Sadr resigned, leading to a deadlier bout of unrest and armed clashes. Consequently, 15 died and a national curfew was imposed. This event highlighted the inherent fragility in the fabric of Iraqi society.

Further unfulfillment of electoral promises, rising federalism, and regional autonomy combined with growing unemployment means whilst Iraq finished 2022 with relative stability, the country progresses into the coming year with the propensity for further civil unrest.¹⁰

In November, COP27 placed the international spotlight on Egypt, whose government – amid widespread calls for anti-government protests – launched a crackdown, detaining hundreds, including journalists, lawyers, opposition party members, and activists.¹¹

Like much of the wider region, Egypt felt the effects of the Russian/Ukraine conflict due to its reliance on Russian and Ukrainian grain. The government had to spend more of its shrinking foreign currency reserves to avert a major crisis.

The timing of this could not have been worse for Egypt, whose structural fragilities have been exposed by the global economic downturn. These factors, alongside the growing impact of climate change, which has made the MENA region the most water-stressed region in the world, mean there are several potential facets which could trigger further civil unrest in Egypt and many other MENA states in the coming year.

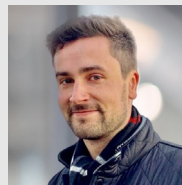
During 2022, Iran witnessed its most significant disruption to national security since the 1979 Islamic Revolution. Mahsa Amini, a 22-year-old Iranian woman, died in custody on 16 September after being detained and beaten by the Guidance Patrol morality police, prompting major protests across the country. Initially decrying the repressive tactics of the Guidance Patrol, the demonstrations grew into a broader, women-led anti-government movement.

From the start of the unrest up to 6 December, human rights groups claim more than 450 people have been killed, with the protests spreading to all of Iran's 31 provinces, 160 cities, and 143 major universities.¹²

The political challenge to the regime of Ayatollah Ali Khamenei has been immense, as the high-profile nature of Amini's death and the violent crackdown on protesters by security forces drew international condemnation and domestic dissent.

The movement is ongoing, and it is likely early 2023 will see further protests and a continuation of the domestic threat to the Iranian regime. Despite rumours in December the morality police had been dissolved, the reporting was unconfirmed, and Tehran denied such a decision had been enacted.

However, should pressure continue to mount, it is possible the regime may seek to take some small or token measures to appease protesters (such as dissolving or restricting the morality police) while simultaneously fighting to not make major concessions for fear of setting a precedent for conceding ground to anti-regime movements.



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⁹ Mustafa Saadoun, 'Understanding Iraq's Coordination Framework', Al Monitor, August 13, 2022, <https://www.al-monitor.com/originals/2022/08/understanding-iraqs-coordination-framework>

¹⁰ 'Iraq Unemployment Rate', Trading Economics, 2022, <https://tradingeconomics.com/iraq/unemployment-rate#:~:text=Unemployment%20Rate%20in%20Iraq%20is,macro%20models%20and%20analysts%20expectations>

¹¹ 'Egypt: Arrests over calls for protests during COP27 expose reality of human rights crisis', Amnesty International, November 6, 2022, <https://www.amnesty.org/en/latest/news/2022/11/egypt-arrests-over-calls-for-protests-during-cop27-expose-reality-of-human-rights-crisis/>

¹² James M. Lindsay, 'Ten Most Significant World Events in 2022', Council on Foreign Relations, December 16, 2022, <https://www.cfr.org/blog/ten-most-significant-world-events-2022>



North America

Overview

Political violence continues to be a hot topic in North America as a result of geopolitical tensions and unrest seen in the past few years. Within the lens of political violence perils, civil unrest has been a focus for risk managers, looking at how to proactively train for, manage and mitigate future events, having seen the disorder and chaos across the U.S. in 2020.

Coverage for civil unrest has historically been blindly accepted as being covered within property forms, and the details around coverage scope and exclusions have often not been scrutinised. However, the events of 2020 have brought this topic back into sharp focus.

For many risk managers looking at standalone civil unrest coverage, they have often structured this as a political violence sublimit to a terrorism programme, providing greater coverage certainty afforded by a specialty market with appetite for the risk.

The conflict in Ukraine has had far-reaching consequences, and countless organisations in North America have direct or indirect exposure to the unfolding events within Europe. Multifaceted, complex, and vulnerable supply chains have concentrated risk managers' minds on the perils of globalisation, and contingent losses from Ukraine are still to be fully realized.

For now, those businesses purchasing a political violence policy or sublimit will be relieved they have the coverage,

and we expect to see a continued increase in interest for this coverage. Given the rise in active assailant events this is also high on most risk managers' agendas, and we have responded to a large increase in engagement and take-up for this coverage.

The active assailant market is also continuing to evolve and mature. Since the product as a standalone coverage was created around 10 years ago, insurers have continued to increase appetite and broaden forms.

As take-up of this product rises, so too have losses and claim settlements. The result has been a market that continues to provide solutions while looking to meet organisations' needs in a measured way that's wary of simply replacing traditional general liability programmes while still in this evolutionary mode.

Significant claims in 2023 could threaten insurer appetite and capacity, especially given current reinsurer scrutiny on the terrorism and political violence market.

2022 represented the second highest year (after 2021) for mass shooting/active assailant¹ incidents in the U.S. There was a total of 648 recorded incidents – a 6.1% decrease compared to 2021's 689 incidents.²

However, the number of mass murders³ in 2022 displayed a 30% increase compared to 2021. Moreover, figures for 2022 highlight an increase in the frequency of mass shootings, where until November there were at least four mass shootings recorded every week.⁴

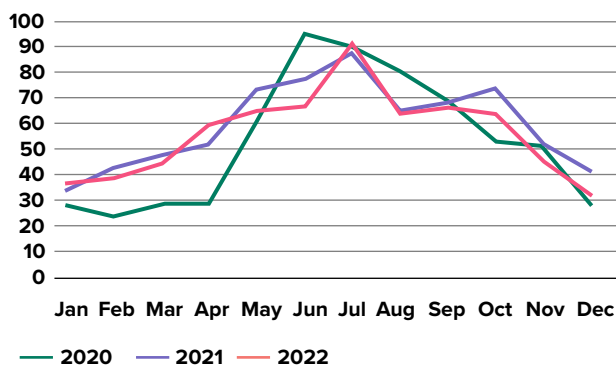
¹ Gun Violence Archive, 2022, definition of a 'Mass shooting': Where at least four people are killed/injured by an active assailant (not including the assailant).

² Gun Violence Archive, 2022, <https://www.gunviolencearchive.org/past-tolls>

³ Gun Violence Archive, 2022, definition of a 'Mass murder': Where at least four people are killed (not including the assailant).

⁴ Gun Violence Archive 2022, <https://www.gunviolencearchive.org/past-tolls>

Figure 1: US Mass Shooting/Active Assailant Incidents 2020-2022



Source: Gun Violence Archive,
<https://www.gunviolencearchive.org/past-tolls>

This serves to illustrate the level of risk mass shootings/active assailant incidents pose to businesses and individuals alike in North America. In Canada, gun violence – including mass shooting/active assailant incidents – and gun crime has steadily increased since 2017, despite legislative efforts to tighten gun ownership/operation laws.

Civil unrest in North America remained at similar levels to those observed during 2021. Notably, in the U.S. there were large-scale protests over abortion rights and in Canada the ‘Freedom Convoy’ protests took centre stage.⁵ In the near future, the cost-of-living crisis perpetuated by the Russia-Ukraine conflict, coupled with the increasing polarisation of North American politics, has the potential to increase the risk of further large-scale protests in both the U.S. and Canada.

The latest Global Terrorism Index (GTI) report, which quantitatively measures the impact of terrorism in 163 countries, revealed the US recorded its lowest score since 2012. It also showed politically-motivated terror incidents have surpassed those motivated by religious ideology, in line with global trends.⁶ According to the report, the U.S. scored 4.9, whilst Canada scored 3.8, with 0 representing no impact from terrorism.

The threat of political violence/extremism in the U.S. and Canada remains the primary threat with regards to terrorism in North America, due to increasing political divisions, as well as the continued support and militarisation of extreme right-wing (ERW) groups. These factors mean risks associated with political violence in North America cannot be ruled out.

The sustained threat of mass shooting/active assailant incidents

According to *Gun Violence Archive*, by the end of 2022, 21,011 gun-related deaths were recorded alongside 38,562 gun-related injuries in the U.S. The summer months continue to produce spikes of mass shooting/active assailant incident rates; July witnessed the highest of any month in 2022, with 89 incidents. Moreover, the latter half of 2022 saw a 16.3% increase in mass shooting incidents compared to the previous six months, similar to trends seen in previous years.

The source indicates from a geographical perspective, the bulk of mass shootings/active assailant incidents in the U.S. occurred in the Southwest, Southeast, and Midwest. In Alabama, Georgia, Indiana, and Ohio, the removal of conceal and carry restrictions were approved.

Subsequently, in Georgia, 86% of mass shooting incidents in 2022 occurred post-legislative change, with high percentages also noted in Indiana (80%) and Ohio (89%), highlighting a correlation between less restrictive carry laws and the incidence of mass shooting/active assailant events.⁷

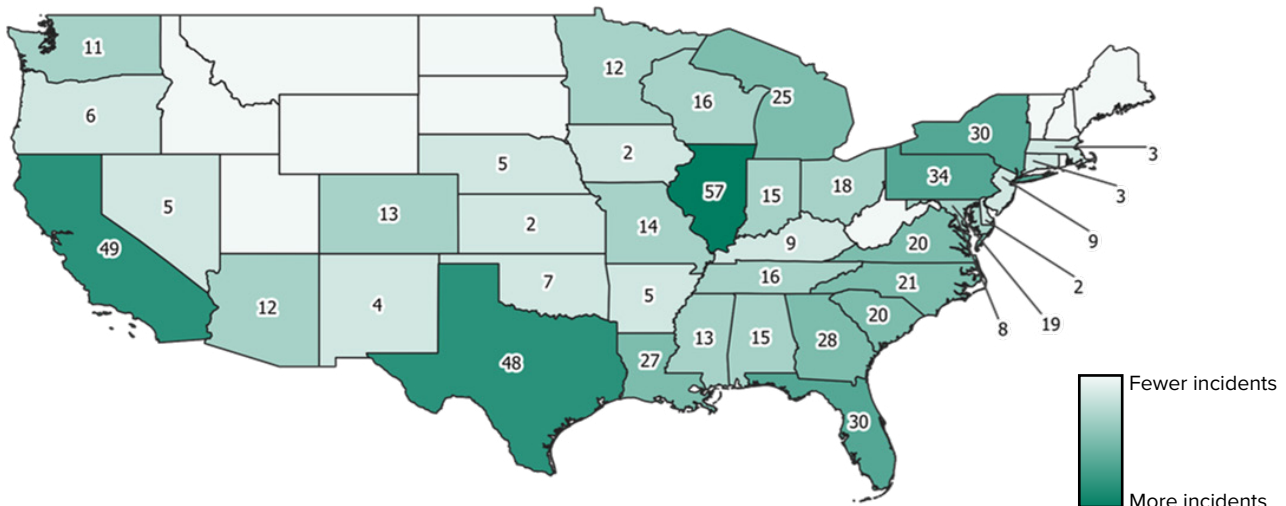


⁵ Paul Soucy, “Trucker convoy leaves Kingston heading for weekend rally in Ottawa”, *Global News*, January 28, 2022, <https://globalnews.ca/news/8578086/trucker-convoy-leaves-kingston-weekend-rally-ottawa/>

⁶ Global Terrorism Index, 2022, <https://www.visionofhumanity.org/maps/global-terrorism-index/#/>

⁷ Gun Violence, 2022, <https://www.gunviolencearchive.org/>. Accessed January 17, 2023.

Figure 2: Mass shootings in the United States 2022



Source: Gun Violence Archive, <https://www.gunviolencearchive.org/reports/mass-shooting?year=2022>

The highest profile incident was the mass shooting at Robb Elementary school in Uvalde, Texas in May, where 19 children and two teachers were killed by 18-year-old Salvador Ramos. In November, at least five people were killed and 18 injured when an active assailant targeted an LGBTQIA+ venue in Colorado Springs.

In a separate incident during the same month, a workplace mass shooting took place at a Walmart in Chesapeake, Virginia, when a store employee shot and killed six colleagues. The breadth of targets, as well as the tactics, techniques, and procedures (TTPs) used, once again highlights the wide-ranging and often indiscriminate nature of gun violence in the U.S. and the threat it poses to businesses and individuals.

Whilst predominantly a US-centric issue, gun violence has the potential of becoming a more serious threat in Canada. Nevertheless, the heavily-mandated gun laws in Canada have stifled the flow of firearms, both internally and externally. However, as seen in Mexico, Canada's proximity to the world's largest firearm producing nation, in tandem with the enormous borders separating it from its neighbour, means acquiring firearms in Canada remains affordable and relatively achievable.

In Canada, gun violence – including mass shooting/active assailant incidents – and gun crime has steadily increased since 2017, despite legislative efforts to tighten gun ownership/operation laws.

A recent mass shooting incident involved a gunman who killed five people at a condominium in Toronto in December, following a dispute between the shooter and board members of the building.

In September, ten people were killed and 18 injured in a mass stabbing event involving two individuals, across 13 different locations in Saskatchewan province in southern

Canada. The incident highlights how active assailant situations are not explicitly committed using firearms and can also be accomplished using other weapons and means.

Civil unrest remains largely subdued in 2022

In the U.S., socio-political issues prompted some large-scale protests nationwide. The most widespread cause for unrest was the Supreme Court's controversial overturning of the 1973 Roe vs Wade ruling in June which had guaranteed abortion access to women.

The overturn instigated thousands of demonstrators, from both sides, to travel to Washington DC and demonstrate, either in condemnation or support, of the Supreme Court's actions.

In Canada, the 'Freedom Convoy' born out of the anti-COVID-19 vaccination protest movement was held in Ottawa where hundreds of vehicles, mainly trucks, occupied central Ottawa for 23 days over the government's COVID-19 mandates.

Elsewhere in Canada, Freedom Convoys occupying the Ambassador Bridge linking Canada to the U.S. caused severe disruption to automotive supply chains, highlighting the impact of these types of demonstrations to businesses.

Political turbulence on the rise in the U.S.

The fallout from former President Donald Trump's election loss in 2020 has continued to stoke political divisions in the U.S. well into 2022 and increase the risk of further politically motivated unrest. In August, polling revealed 60% of Americans foresee a rise in political violence in the next few years, while 66% believed political divisions have worsened since 2021.⁸

The confines of a bipartisan political system, coupled with divisive rhetoric from leading politicians, has continued to deepen the divisions in U.S. society and this shows little sign of abating. Indeed, in the short term, Trump's loyal supporters will remain emboldened by the ongoing legal/political pressure he is facing, in turn perpetuating the political split.

This is highlighted by the reported 3,000% increase in the use of the term 'civil war' on Twitter the night the FBI raided Donald Trump's Mar-a-Lago residence in Florida in August.⁹

Domestic terrorism

In recent years, the threat of domestic terrorism in North America has overtaken the threat of transnational terrorism largely conducted by Islamist extremist groups.¹⁰ White supremacist and ERW groups in both the U.S. and Canada pose a significant threat to both the political and security landscapes.

In December, the non-profit organisation Project on Government Oversight (POGO) reviewed a leaked membership list of the ERW group Oath Keepers, and found at least 300 members described themselves as former or current employees of the Department of Homeland Security (DHS), raising significant concerns of extremism within the DHS.¹¹

Other groups, such as the Three Percenters, Patriot Front and The Base, remain active in the U.S. and could attempt to capitalise on any future political instability by exacerbating any unrest or political violence that may arise in the years to come.

In the U.S., the main political and security issues that emerged by the end of 2022 are likely to continue throughout 2023. This could see the frequency and impact of incidents such as mass shooting/active assailant events and politically significant happenings increase in 2023.

Such a proposition is likely as ongoing divisive behaviours and narratives facilitate the growth and zealotry of socio-political movements on both ends of the political spectrum. Any resulting political instability will typically lead to growing security instability, although the bulk of security incidents in 2023 are likely to remain localised and not national in nature. Nevertheless, the risks to businesses, their assets, and employees will remain prevalent across the North America region.

Despite a lack of major political events in 2023, gubernatorial elections in Kentucky, Louisiana, and Mississippi could provide flashpoints for further localised political unrest.

Similarly, unforeseen and politically controversial events or government decisions in the upcoming year could also trigger public demonstrations of civil unrest. In Canada, whilst the problems faced by the U.S. do not characteristically generate similar levels of traction, there remain the foundations for similar instabilities to occur.



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⁸ Taylor Orth, "Two in five Americans say a civil war is at least somewhat likely in the next decade", YouGov, August 25, 2022, <https://today.yougov.com/topics/politics/articles-reports/2022/08/26/two-in-five-americans-civil-war-somewhat-likely>

⁹ Ken Bessinger, Sheera Frenkel, "After Mar-a-Lago Search, Talk of 'Civil War' Is Flaring Online", New York Times, October 5, 2022, <https://www.nytimes.com/2022/10/05/us/politics/civil-war-social-media-trump.html>

¹⁰ Seth G. Jones, Catrina Dosssee and Nicholas Harrington, 'The Escalating Terrorism Problem in the United States', CSIS, June 17, 2020, <https://www.csis.org/analysis/escalating-terrorism-problem-united-states>

¹¹ Alex Woodward, "Hundreds of people on leaked Oath Keepers member list worked for Homeland Security, report finds" Independent, December 13 2022, <https://www.independent.co.uk/news/world/americas/us-politics/dhs-oath-keepers-member-list-b2244528.html>

Focus: Maritime

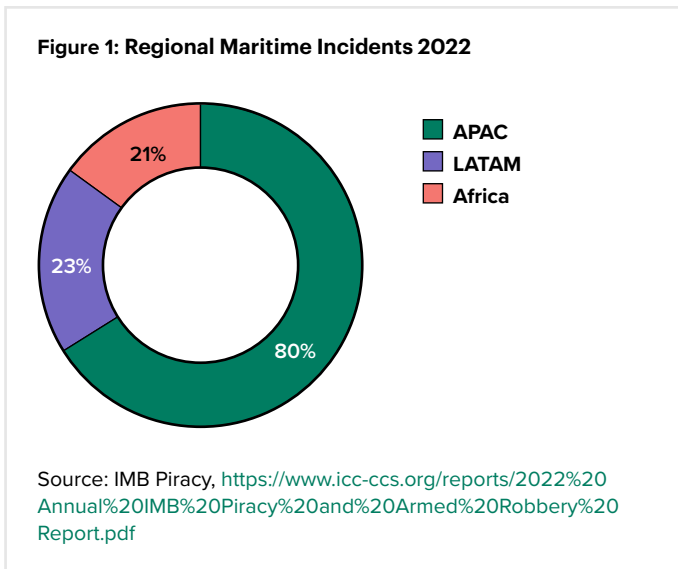
Overview

Global maritime incidents decreased in 2022 to levels not witnessed in decades. At least 115 incidents of piracy or sea robberies were reported to monitoring authorities in 2022, which is a decrease of 17 compared to 2021.¹ Poor economic conditions, further lifting of COVID-19 restrictions, and increasing commercial maritime traffic, remain the primary contributors to the prevalence of offshore incidents.

Coastlines and waters off the Asia Pacific region remained the highest affected region for maritime incidents, accounting for 67% of reported cases,² with the Singapore Strait (SS) being the most highly targeted stretch of water in the world.

Whilst the Gulf of Guinea (GoG) tallied 17%, it has been responsible for 100% of offshore piracy incidents (hijacks and attacks) in 2022.³

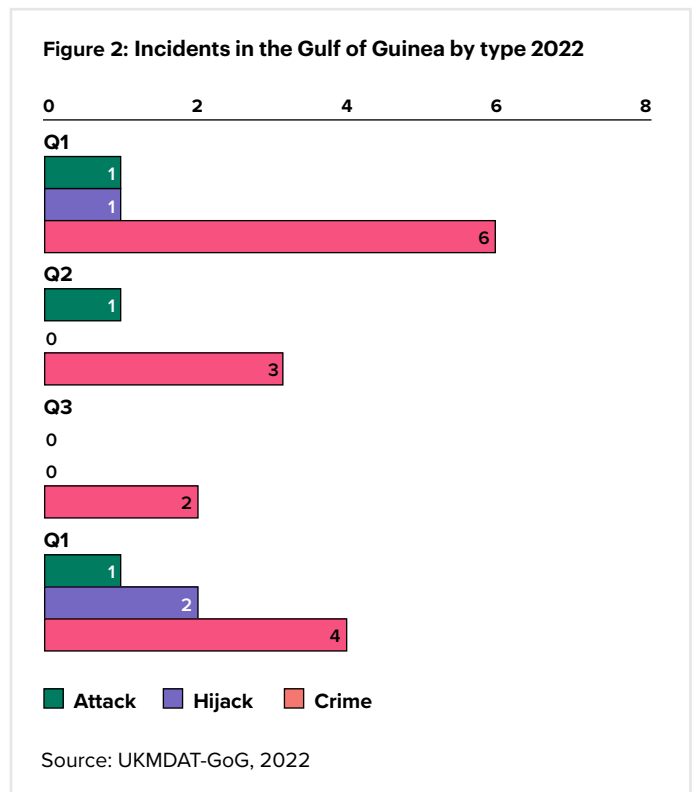
In LatAm, the anchorage at Callao, Peru was the second most targeted location globally, seeing 11% of all incidents.⁴ Typically, the most commonly targeted vessels in LatAm, as well as the Indian Sub-Continent (ISC), were berthed or anchored vessels, whilst perpetrators in South-East Asia (SEA) and the GoG predominantly targeted berthed or anchored vessels.



Gulf of Guinea (GoG)

Despite being surpassed by South-East Asia as the global hotspot for maritime incidents in 2022, the GoG retained its position as the epicentre of piracy attacks, with four hijackings being reported along with three attacks on commercial vessels transiting the Gulf.

In 2021, GoG saw only one recorded hijacking, rising to two in the past year.⁵ This increase has predominantly been driven by the resurgence of piracy activity in the region in December 2022, which witnessed two hijacking/attack events.⁶ The only previous hijacking incident in 2022 occurred in January, leaving 11-months without incident.



¹“Piracy and armed robbery against ships”, IMB Piracy, January 2023, pg.7,

<https://www.icc-ccs.org/reports/2022%20Annual%20IMB%20Piracy%20and%20Armed%20Robbery%20Report.pdf>

² “Armed robbery against ships”, IMB Piracy, pg.8

³ “Armed robbery against ships”, IMB Piracy, pg.30-50

⁴ “Armed robbery against ships”, IMB Piracy, pg. 11

⁵ “Armed robbery against ships”, IMB Piracy, pg.8

⁶ MDAT- GOG, 2022. <https://gog-mdat.org/map>



While piracy incidents have risen, they are still significantly lower in comparison to pre-2020 levels. Joint maritime security initiatives by littoral states have been the primary contributor to the limited number of incidents. In 2022, the government of Nigeria and a coalition of global shipping stakeholders launched a new strategy to end piracy, armed robbery, and kidnapping in the GoG, adding to the already present Nigerian Naval missions and Deep Blue Project. The continued investment in counter-piracy projects will likely further suppress piracy activity in the area.

In addition to incidents of hijacking and attacks, occurrences of maritime crime have been incurred by vessels within the GoG. 18 such incidents were reported in 2022, which is a slight decrease from the 23 recorded in 2021, and is likely owed to the success of anti-piracy missions further out to sea, forcing criminals to conduct smaller-scale operations against vessels in proximity to the shore.⁷

Further analysis of the data indicates a seasonal trend with maritime incidence. Of the 21 GoG incidents reported in 2022, only six happened between April and October – during the region’s rainy season.⁸ Stormy conditions which accompany the rainy season increase the precarity to illicit maritime actors, given the most commonly used vessels are lightweight skiffs. The aforementioned resurgence of violent incidents in December 2022 highlights that while pirate activity is significantly reduced, actors in the region retain the capabilities to commit piracy attacks.

Two of the December attacks took place within 48 hours of each other inside the EEZ of Equatorial Guinea, suggesting a piracy cell may have been formed or restored in that specific region in late-2022.⁹

⁷ “Armed robbery against ships”, IMB Piracy, pg.25

⁸ “Armed robbery against ships”, IMB Piracy, pg.45-48

⁹ “Armed robbery against ships”, IMB Piracy, pg.48,50.

¹⁰ “Armed robbery against ships”, IMB Piracy, pg.10

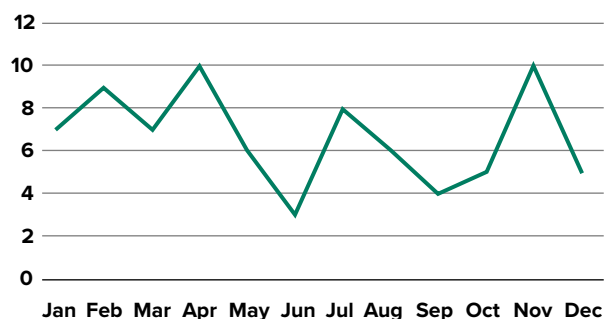
Asia-Pacific (APAC)

Throughout 2022, the APAC region was the focal point of maritime incidents worldwide; in total at least 80 incidents, exclusively maritime crime, were reported in the region, compared to 82 in 2021.¹⁰

While sea robberies were a common occurrence in the region, no cases of piracy were reported for a second year in a row. Highlighting the absence of hijackings, the Philippine Coast Guard (PCG), after co-operation with regional states to secure the Sulu-Celebes Seas, recommended downgrading the threat for crew abductions for ransom in the Sulu-Celebes Seas’ from ‘potentially high’ to ‘moderate’ in 2022.

Although progress has been made in stabilising the Sulu-Celebes Sea, thus significantly mitigating the threat of piracy in the APAC region, few developments have seemingly been made to reduce the frequency of maritime robberies in the region.

Figure 3: 2022 APAC Maritime crime incidents by month



Source: IMB Piracy, <https://www.icc-ccs.org/reports/2022%20Annual%20IMB%20Piracy%20and%20Armed%20Robbery%20Report.pdf>



LatAm

LatAm has witnessed one of the sharpest declines in global maritime incident rates in the past year, with a 36% decline in reported cases in 2022 when compared to 2021.¹³

As is the case with APAC, recorded incidents in LatAm were exclusively categorised as maritime crime and almost all were conducted against berthed or anchored vessels, with the one exception having occurred in Haiti whilst a cargo ship was drifting near Port Lafiteau.

While maritime incidents decreased across the region in 2022, the number of events where hostages were taken increased from four in 2021 to seven in 2022.¹⁴ All the hostage-taking incidents were short-term events and concluded after perpetrators had pilfered items on the respective ships and fled, indicating hostages were not taken with the intention of ransoming them.

Six LatAm countries – Brazil, Haiti, Guyana, Mexico, Peru, and Venezuela – recorded incidents of maritime theft in 2022, with Peru incurring 52% (12) of the region's cases.¹⁵ All 12 incidents took place at Callao anchorage/ port, which was the most targeted port globally in 2022. Callao having such a high frequency of incidents in comparison to the rest of LatAm, suggests a local criminal organisation has adopted maritime robbery as a sustained illegal practice for financial gain. The regular frequency with no prolonged intervals, and similarities in the modus operandi of the reported incidents further suggest a single organised crime group may be responsible for most of the robberies.

Aside from Peru, no other LatAm port registered over four incidents in 2022, with Macapa Anchorage in Brazil the next most targeted.¹⁶

The rest of the incidents in LatAm were infrequent, which insinuates these robberies were opportunistic in nature rather than a scheme regularly employed by criminal organisations. Not included in the 2022 maritime crime statistics are robberies targeting offshore drilling platforms in the Gulf of Mexico and the Bay of Campeche. At least 13 robberies at oil extraction sites were reported to local media or the Mexican Navy in 2022,¹⁷ but instances are historically severely underreported, therefore the actual number of incidents is believed to be far greater.

The geographical scope of incidents was scattered throughout APAC with ten being reported in India and Bangladesh, and the overwhelming majority reported in South-East Asian waters, most acutely within the SS, which saw 38 reported incidents – 48% of the total for the entirety of APAC.¹¹

Robberies within the SS were predominantly conducted by small groups of lightly armed assailants who boarded underway vessels. This modus operandi is in contrast to thefts in the Indian Sub-Continent in 2022, which usually involved a larger group of more than five perpetrators armed with firearms or knives targeting anchored ships.

In 2022, littoral states of the SS reiterated their commitment to dissuading maritime criminal actors in the Straits of Malacca and Singapore (SOMS) by means of further security collaboration.

Of the 80 reported incidents to occur in the APAC region, 45% targeted bulk carriers, while 27.5% of sea robberies involved a variety of tanker ships.¹²

Other types of vessels targeted included 15 tugboats and barges, two car carriers, four container ships, and one fishing vessel. Although overall incident rates slightly decreased in 2022, APAC remained top of global maritime incident standings, and the increase of incidents in the SS specifically indicates criminal actors continue to operate with some freedom in the waterway, as such it will likely remain a major hotspot for maritime incidents.

¹¹ "Armed robbery against ships", IMB Piracy, pg.10

¹² "Armed robbery against ships", IMB Piracy, pg.13-14

¹³ "Armed robbery against ships", IMB Piracy, pg.26

¹⁴ "Armed robbery against ships", IMB Piracy, pg.30-50

¹⁵ "Armed robbery against ships", IMB Piracy, pg.26

¹⁶ "Armed robbery against ships", IMB Piracy, pg.11

¹⁷ "Pirate problems under-reported in the GoM", Offshore, August 17, 2022,

<https://www.offshore-mag.com/regional-reports/us-gulf-of-mexico/article/14281480/pirate-problem-in-the-gom>

Europe

The Russia/Ukraine crisis beginning in February 2022 had a drastic impact on commercial shipping operations within Europe. The Joint War Committee listed the Sea of Azov and all Black Sea waters within Ukraine and Russia's EEZ as areas of high risk.¹⁸

According to the International Chamber of Shipping (ICS), there were more than 200 stranded merchant vessels at the outbreak of the conflict, along with roughly 1,000 seafarers who were onboard at the time. By the end of 2022, at least 331 crew members remained stranded in Ukrainian ports.¹⁹

The reduction in crew members and ships stranded at the end of 2022 in comparison to the outbreak was primarily facilitated by the Black Sea Grain Initiative (BSGI) transit corridor which became operational on 1 August 2022.

The transit corridor provided and continues to provide a safe passage for merchant vessels. The BSGI has been vital in allowing the safe transportation of Ukrainian grain, necessary following a global food shortage caused by Ukrainian cereals being unable to be distributed worldwide.

While the creation and operation of the BSGI was undoubtedly a positive for commercial shipping prospects in the Black Sea, the precarity of the BSGI, highlighted by Russia's temporary suspension of its participation in the deal from 29 October to 2 November, denoted by the end of 2022, means the risk to commercial shipping in the region has not subsided and could change at short notice.

The most prominent risk to merchant vessels docked in Ukrainian ports and anchored in the Black Sea remains potential collateral damage as a result of missile attacks. At least 11 commercial vessels were struck in 2022. However, the last recorded incident occurred in April 2022. In the 17 incidents, a total of two seafarers were reported to have been killed.²⁰

“While piracy incidents have risen, they are still significantly lower in comparison to pre-2020 levels.”

¹⁸ Maritime Executive, February 15, 2022. <https://www.maritime-executive.com/index.php/article/amidst-ukraine-tensions-parts-of-the-black-sea-added-to-war-risk-list#:~:text=The%20Joint%20War%20Committee%2C%20the%20marine%20insurance%20advisory,by%20Russian%20naval%20drills%20in%20waters%20near%20Crimea>

¹⁹ Elisabeth Braw, “Foreign Seafarers Are Stranded in Ukraine for Christmas”, Foreign Policy, December 27, 2022, <https://foreignpolicy.com/2022/12/27/seafarers-stranded-ukraine-christmas-russia-war/>

²⁰ Bridget Diakun, “Ukraine war: No attacks on civilian vessels since June”, Lloyds List, August 23, 2022, <https://lloydslist.maritimeintelligence.informa.com/LL1142026/Ukraine-war-No-attacks-on-civilian-vessels-since-June>

²¹ “Houthis seize ‘hostile’ vessel off Yemen that Saudis say carried medical equipment”, Reuters, January 3, 2022, <https://www.reuters.com/markets/commodities/ukmto-says-it-received-reports-vessel-attacked-off-yemen-2022-01-03/>

Further increasing this risk to commercial vessels was the discovery of adrift sea mines in areas outside the Joint Warfare Centre (JWC) ‘Listed Areas’ in the Black Sea. Since the outbreak of the conflict, Turkey, Romania, Bulgaria, and Ukraine have destroyed roughly 40 mines in the western waters of the Black Sea. As the conflict has progressed, naval warfare has become less prominent, partly due to the establishment of the BSGI, and Russia's focus on ground and aerial operations.

The security risks to commercial shipping interests in the Black Sea in 2023, will be inherently linked to developments in the Ukraine conflict and Russia's participation in the BSGI. Littoral Black Sea neighbours, particularly Turkey, will also have a prominent role in ensuring the future security of the Black Sea for commercial vessels. This in part due to Ankara's right to limit transit through the Bosphorus and Dardanelles straits, as well as its role in mediating the BSGI.

Arabian Peninsula

The past year witnessed the maritime security environment in the waters surrounding the Arabian Peninsula transform from experiencing frequent maritime incidents to an absence of events by the end of the year. There are numerous contributing factors for this decrease in risk level, most notably the six-month ceasefire between Yemeni coalition forces and Houthi militants which was active between 2 April and 2 October.

The temporary ceasefire agreement nullified the threat of attack by Iranian-backed Houthis, who had previously seized several vessels passing through waters close to their areas of control, as well as used various weapons systems to target specific vessels. Indeed, on 2 January, Houthi militants seized a UAE-flagged vessel transiting the Bab-Al-Mandab Strait and the Red Sea.²¹

As a result of the Saudi coalition's participation in the Yemen conflict, Houthi militias deployed waterborne improvised explosive devices (WBIEDs) as a method of attack against Saudi hydrocarbon tankers in the Red Sea. Houthi seizures and maritime attacks remained subsided following the agreement of the six-month ceasefire, as both sides avoided major military escalations until the end of 2022, while Omani-facilitated Saudi-Houthi talks continued on.

Progress during these bilateral relations could likely determine the future maritime security environment for the region's nearby waters, at the least.



While maritime incidents relating to fallout from the Yemen conflict decreased in 2022, regional geo-political tensions persisted in creating a volatile security environment. These tensions significantly came to fruition in May 2022 when Iran's Islamic Revolutionary Guard Corps (IRGC) seized two Greek oil tankers, the Delta Poseidon and Prudent Warrior, as they transited international waters 22nm off Iran.²²

Aside from these two cases, in 2022, IRGC's seizure operations were limited to targeting criminal vessels attempting to transport illegally acquired Iranian oil, with no further cases of seizures of rival states' commercial vessels reported. Despite the reduction in maritime incidents in the region, on 30 August, the U.S. Maritime Administration (MARAD) issued an advisory stating 'regional conflict, military activity, and political tensions pose threats to merchant vessels operating in the above listed geographic areas'.²³ This advisory is in effect until 26 February 2023.

The threat of geo-political tensions spilling over to commercial maritime shipping in the region is likely to remain heightened as the regional situation remains fraught.

Incidence of Somali piracy remained nullified in 2022, despite sporadic unverified reports of unidentified skiffs approaching merchant vessels transiting the northern Gulf of Aden. Reflecting this sustained period of zero incidents – no attacks on vessels have been recorded since 2019 and no successful piracy incidents since 2017 – it was announced in August the shipping industry's Indian Ocean High-Risk Area (HRA) for piracy would be removed at 00:01 UTC on 1 January 2023.²⁴

This trend is not expected to change in 2023, however, deteriorating onshore conditions could compel Somali civilians to return to piracy as a method of income.

²² "Iran seizes two Greek tankers amid row over U.S oil grab", Reuters, May 27, 2022,

<https://www.reuters.com/world/middle-east/iran-summons-swiss-envoy-over-us-seizure-iranian-oil-isna-2022-05-27/>

²³ MSCI Advisory, "2022-008-Persian Gulf, Strait of Hormuz, Gulf of Oman, Arabian Sea, Gulf of Aden, Bab al Mandeb Strait, Red Sea, and Western Indian Ocean-Threat to Commercial Vessels", MARAD, 2022,

<https://www.maritime.dot.gov/msci/2022-008-persian-gulf-strait-hormuz-gulf-oman-arabian-sea-gulf-aden-bab-al-mandeb-strait-red>

²⁴ "Removal of the Indian Ocean High Risk Area", BSM, November 3, 2022,

<https://www.bs-shipmanagement.com/media-centre/bsm-insight/removal-of-the-indian-ocean-high-risk-area/>



Sub-Saharan Africa

Introduction

Sub-Saharan Africa (SSA) is rife with economic difficulties, resource scarcity, social exclusion, ethnic tensions, and poor effective governance. These issues, particularly prevalent in SSA's rural areas, have helped facilitate a surge in militancy, much of which has been perpetrated by Islamic extremist groups. Indeed, many of the 6,255 Islamic militant-linked violent events recorded in 2022 were carried out by groups such as Boko Haram, the Islamic State, and Al-Qaeda-affiliated Jamaat Nusrat al-Islam wal-Muslimin (JNIM).

Concerningly, this number was 21% higher compared to the year before.¹ As events of 2022 have shown, this omnipresent risk does not only afflict local populations but also drastically increases the fragility of many nations and regional institutions in the region.

These risks have had far-reaching impacts on organisations with exposures in the region. 2022 saw the continuation of incidents of kidnap, unlawful detention, and a series of coup d'état's that threatened the region's political stability.

Similarly, civil unrest remains a key issue for businesses. Indeed, the spate of civil unrest in South Africa in 2021 had a significant effect on local insurers offering political violence coverage, pushing much of the business back into Lloyds, where there is significantly more capacity and expertise.

Organisations are also continuing to claim for personal accident insurance, with businesses increasingly turning to their insurance-linked service providers for medical support, due to the poor quality of local healthcare facilities.

Overall, risk levels are expected to remain consistent with 2022. As 2023 progresses, it would be wise for risk managers to monitor the 2023 electoral processes and outcomes in Nigeria, Zimbabwe, and the DRC, as well as the rising food insecurity across much of the region.

As the food insecurity crisis worsens, local tensions, civil unrest, and levels of crime are likely to rise concurrently. We are highly likely to see similar levels of investment by Chinese, Turkish, Israeli, and Lebanese bodies in Sub-Saharan Africa.

Cycle of terrorism and political insecurity persists in the Sahel

The Sahel region alone experienced 2,612 attacks by Islamic militants, causing 7,052 deaths, constituting nearly half of all such deaths in the entirety of Africa.²

Driven by a fragmentation of groups like Boko Haram, which facilitated the emergence of the Islamic State (IS), Macina Liberation Front (FLM), and many other smaller groups, Islamic extremism has permeated from Mali to Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, and Niger. 2022 saw a continuation of this trend, with Islamic militant groups now spreading even deeper into SSA to Ghana, Togo, and Senegal.

Mali became an epicentre of Islamic militant violence in 2013, following a shift in operational focus by groups like Al-Qaeda, and later IS, after their setbacks in the Middle East.

At the behest of the Malian government at the time, France sent thousands of troops in Operation Serval to stop Al-Qaeda affiliated fighters (who had already seized the northern two-thirds of Mali) from advancing on the capital, Bamako.

¹ Africa Center for Strategic Studies, "Sahel and Somalia Drive Rise in Africa's Militant Islamist Group Violence", Africa Center, August 9, 2022, <https://africacenter.org/spotlight/sahel-and-somalia-drive-uninterrupted-rise-in-african-militant-islamist-group-violence-over-past-decade/>

² Africa Center for Strategic Studies, "Militant Islamist Group Violence"

This operation was quickly succeeded by Operation Barkhane in 2014, which was aimed at preventing the spread of violence to neighbouring Burkina Faso, Niger, and the wider Sahel. Despite the efforts of France and other partners in Operation Barkhane, violence and terror continued to further diffuse throughout Mali and the Sahel. Consequently, a military junta seized power in Mali in 2020 and France’s deteriorating relationship with the new administration – which was replaced by another coup in 2021 – alongside growing unpopularity with the operation, caused France to conclude Operation Barkhane and withdraw from Mali in 2022.

This move was seen as a major setback in the international endeavour to stem the expansion of Islamic militancy in the Sahel and also led to the withdrawal of troops sent from Benin, Germany, Sweden, Côte d’Ivoire, and the U.K.

Similarly, the proliferation of violent Islamic insurgents and terrorist groups in the region has had serious political ramifications for Burkina Faso. As a result of the growing level of violence and conflict in Burkina Faso, the country experienced two separate coup d’états in 2022.

Both coups followed serious attacks by Islamic groups which were then used by the military juntas to justify their overthrowing of the previous administrations. On January 24, 2022, President Roch Kabore was deposed in a coup led by the military leader Paul-Henri Damiba.

However, Damiba was unable to improve the situation in Burkina Faso leading to himself being deposed by current leader, Captain Ibrahim Traore. Traore has since dissolved the government and suspended the constitution, promising to turn the tide against the insurgency.

In the face of spiralling violence and social disarray, both Mali and Burkina Faso have turned to the same actor in the hope of restoring a semblance of security within their borders.

Both countries joined the Central African Republic and Mozambique in hiring mercenaries from the infamous Russia-based Wagner Group. Often paid for in cash, or via lucrative mining concessions, Wagner operatives have frequently been accused of torture, killing of civilians, and other abuses. Since Wagner Group arrived in December 2021, over 2,000 civilians have been killed, compared to 500 in the year before.³

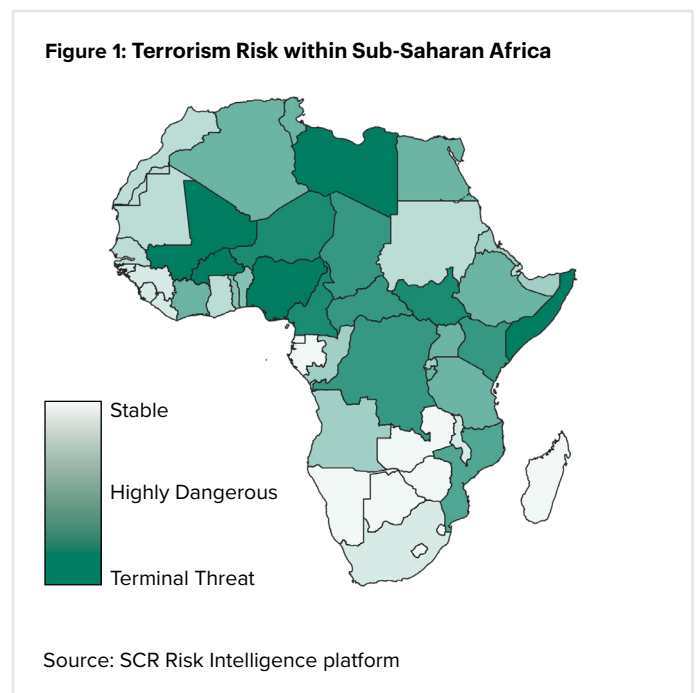
The rise in attacks by Jihadist groups demonstrates Wagner’s ability to improve the situation is questionable. The period between June and September saw more than 90 attacks against military personnel and civilians by a group affiliated with al-Qaeda, compared to the six attacks the previous year.⁴

Wagner Group’s brutal means of fighting the insurgency in countries like Mali will do little to improve the overall security situation and if anything, will likely create fresh grievances. This could compel more of the local populace to join militant groups, perpetuating the perennial cycles of violence in the region.

However, with local governments and populations unhappy with Western assistance over the past years, Wagner Group may continue to play a more prominent role in the Sahel.

As a result of the growing political instability and high levels of insecurity, there is a prevailing belief that the SSA has the potential to be the next region where an ‘Islamic caliphate’ is attempted. June 2022 saw IS call for individuals to move to Africa to support their cause.

Unlike Iraq and Syria, once home to the first Islamic caliphate, SSA currently has little external assistance from the international community in their fight against this growing threat. Borders in SSA are highly permeable, allowing terrorist groups and other criminals to traverse the region with relative ease. 2023 will likely see the diffusion of these groups continue, bringing with it violence, death, and insecurity.



³ Sam Mednick, “Violence soars in Mali in the year after Russians arrive”, ABC News, January 14, 2023, <https://abcnews.go.com/International/wireStory/violence-soars-mali-year-after-russians-arrive-96433767#:~:text=More%20than%202%2C000%20civilians%20have%20been%20killed%20since,Group%2C%20according%20to%20the%20data%20compiled%20by%20ACLED>.

⁴ “Mali: Extremism and Terrorism”, Counter Extremism, 2022, <https://www.counterextremism.com/countries/mali-extremism-and-terrorism>

Signs of security gains in the Lake Chad Basin

Although violence committed by terrorist groups across SSA as a whole is on the increase, there are signs efforts to counter terrorist activity in the Lake Chad Basin region are having a tangible effect.

The number of violent events attributed to Boko Haram, once the most pronounced threat to Nigeria and its neighbours around Lake Chad, dropped by 25% in 2022 (AKE International, 2022). This reduction can be partly explained by the killing of Abubakar Shekau by rival group Islamic State West Africa Province (ISWAP). However, this fall is seemingly part of a wider pattern also being experienced by other Islamic groups operating in the Lake Chad region, as ISWAP-linked activity also underwent a 38% reduction, with 474 attacks logged, down from 654 the previous year.⁵

The Lake Chad Basin area has long been exploited by militants as a safe haven to destabilise adjacent states, including Cameroon, Chad, Niger, and Nigeria. These Lake Chad countries, plus Benin, cooperatively operate the Multinational Joint Task Force (MJTF). The taskforce has been in operation for many years and has enjoyed some success in the region, such as when its operations stymied the spread of Boko Haram in 2016 – when it appeared the group’s momentum was becoming unassailable.

Whilst Boko Haram and others have undoubtedly remained resilient and able to bounce back from defeats, 2022’s figures suggest the MJTF may finally be having a palpable effect on the ground. The Lake Chad Basin saw a significant 33% decrease in militant Islamic violence. Furthermore, the number of fatalities caused by Islamic militant organisations fell by 27% – a reversal of a trend of increasing fatalities that began in 2017.⁶ These figures make the Lake Chad region an outlier comparative to the wider region.

Although significant, it remains to be seen if military successes can be matched with enduring commitments to secure the region against militant attacks and deny militant groups the ability to exploit areas where weak governance sets conditions for groups such as Boko Haram to thrive. Furthermore, a plot to assassinate President Muhammadu Buhari of Nigeria at the end of December – in which a car-bomb missed him by only 30 minutes – highlights the continued ability of militants in the region to conduct relatively sophisticated attacks against secure targets. It also serves as a reminder that statistics do not show the full reality of terrorist threats.

Renewed conflict in the DRC

Since May 2022, the Democratic Republic of Congo (DRC) has experienced further conflict in its eastern region of North Kivu. The M23 rebel group, defeated once by the Congolese army in 2013 following a four-year conflict, has made a comeback.

The renewed fighting led to more than 400,000 people being displaced during 2022 and hundreds of civilians dead.⁷

At face value, this would appear to be an internal conflict, however the fighting has implicated a number of other African countries. The UN has stated there is significant evidence that nearby Rwanda is supporting the M23 rebels, while Uganda, which also has troops fighting Islamists in the south of the DRC, has also been accused of supporting the rebel group.

This external support, particularly from Rwanda, has caused major diplomatic tensions in the region, with the DRC threatening to further enlarge the conflict outside of the Congolese borders.

In an effort to bring an end to the conflict, peace talks were held in Angola in late November, and leaders from the regional institution, the East African Community (EAC), agreed a cessation of hostilities. The talks produced the decision to introduce a peace-keeping force to the DRC.

Despite these efforts, fighting initially continued. However, recent weeks have seen M23 forces return parts of the territory they captured to regional forces in respect of the Luanda summit. Promising statements have also been made by M23 spokesmen signalling its desire for further peace talks with the Congolese government.

The microcosm of the conflict in the DRC highlights the fragility and insecurity plaguing much of Sub-Saharan Africa (SSA), with many historical regional grievances, tensions, and players capable of resurfacing after years of dormancy.



Risk levels are expected to remain consistent with 2022. As 2023 progresses, it would be wise for risk managers to monitor the 2023 electoral processes and outcomes in Nigeria, Zimbabwe, and the DRC.



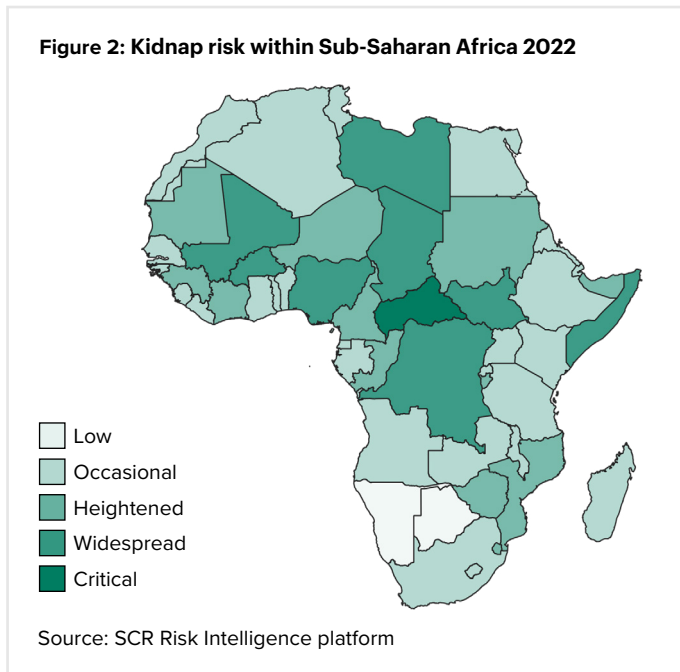
⁵ Africa Center for Strategic Studies, “Militant Islamist Group Violence”

⁶ Africa Center for Strategic Studies, “Militant Islamist Group Violence”.

⁷ Jason Burke, “Renewed fighting in DRC raises fears of chaotic proxy conflict”, The Guardian, December 12, 2022, <https://www.theguardian.com/world/2022/dec/12/renewed-fighting-in-drc-raises-fears-of-chaotic-proxy-conflict>

Kidnap for ransom

SSA has been a dynamic kidnapping environment in 2022, with the region accounting for 37% of globally reported kidnaps, the highest share of any region in the world.⁸ Countries in the Lake Chad Basin region, particularly Nigeria, but also South Africa on the southern tip of Africa, were epicentres of kidnapping for ransom cases in 2022.



South Africa experienced a surge in kidnappings in 2022. In the period from January to March, a 109.2% increase was experienced comparative to the same period in 2021.⁹ Similarly, police reported 4,000 cases of kidnap between July and September alone, more than double the year prior.

These figures have led to claims the number of kidnappings in 2022 were the highest ever in the country's history. This drastic increase was put partly down to the higher level of mobility after the cessation of COVID-19 restrictions, as well as the increased economic difficulties facing many due to the pandemic. Official data indicates in 2022, kidnap for ransom made up only 5% of South Africa's kidnapping cases, although it is likely this number is considerably higher.¹⁰

A far larger proportion of kidnappings were linked to robberies. Indeed, a prominent method in South Africa is 'express' kidnapping, whereby victims are held for several hours so they can withdraw cash to secure their own release, in essence paying their own ransom.

South Africa's increasingly high kidnapping rate is believed to be driven by professional criminal outfits originating from both the country itself and abroad, with criminal organisations from Mozambique and Pakistan gravitating toward the country.

Similarly, victims are now increasingly foreign nationals, with Indians, Pakistanis, Somalis, and Ethiopians all being particularly affected in 2022, demonstrating foreign nationals are likely seen as preferential targets due to their perceived wealth.

The South African Police Minister indicated that tackling the surge in kidnappings will be a top priority for security forces in 2023, yet gave little indication of an overarching strategy.¹¹

While the profile of South Africa as a kidnapping hotspot within the region has increased in 2022, Nigeria has maintained its position as a global hotspot, where cases have also been on an upward trajectory. Officially, 3,000 people were kidnapped last year but due to chronic underreporting of the crime, the actual figure could be almost double this amount.¹²

As is the case in South Africa, the vast majority of incidents are financially motivated criminal kidnaps. However, Islamic terrorist groups such as Boko Haram and IS, which are much more prevalent in the north and northeast, also continue to drive high rates of kidnapping in the country.

Boko Haram has a history of conducting audacious large-scale kidnappings garnering it much attention, and 2022 was no different. In March, Boko Haram insurgents attacked an Abuja-Kaduna train, kidnapping 65 civilians in the process.¹³ The event was met with national outcry and the Nigerian national government spent over half a year negotiating with the group, until they finally secured the release of the last hostages in October.

⁸ "Kidnap for ransom in 2022 and beyond", Control Risks, April 19, 2022, <https://www.controlrisks.com/our-thinking/insights/kidnap-for-ransom-in-2022>

⁹ Martin Boreham, "Kidnapping for business and the business of kidnapping", New African, August 19, 2022, <https://newafricanmagazine.com/28466/>

¹⁰ Laura Grant and Gemma Ritchie, "SA kidnappings surge to over 1 000 a month in 2022", Mail and Guardian, October 10 2022, <https://mg.co.za/news/2022-10-10-sa-kidnappings-surge-to-over-1-000-a-month-in-2022/>

¹¹ "Ransom kidnappings on the rise in South African crimes", The South African, December 28, 2022, <https://www.thesouthafrican.com/news/south-africa/ransom-kidnappings-on-the-rise-in-south-african-crimes-breaking-28-december-2022/>

¹² "Kidnapping, the industry bringing Nigeria to its knees", The East African, September 9, 2022, <https://www.theeastafrican.co.ke/tea/rest-of-africa/kidnapping-the-industry-bringing-nigeria-to-its-knees-3942568>

¹³ "Nigerian military says last hostages from March train attack freed", Reuters, October 6, 2022, <https://www.reuters.com/world/africa/nigerian-military-says-last-hostages-march-train-attack-freed-2022-10-05/>

Kidnappings of this scale simultaneously reveal the level of insecurity bred from failure of governance in Nigeria, as well as the capabilities of groups like Boko Haram.

The endemic problem of kidnapping for ransom in Nigeria was not solely perpetrated by Islamic militant groups. 2022 saw kidnappings for ransom continue to be frequently executed by armed bandit groups.

The distinction between the two actors can often be difficult to establish due to their similar modus operandi. Further complicating matters, bandits have been known to imitate Boko Haram to instil fear into their victims and their families to receive ransom payments quicker. Moreover, the Nigerian government this year classified this group as 'terrorists'.

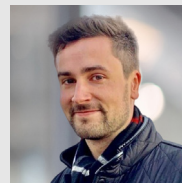
Like Boko Haram, these bandit groups often target villages, highways, and farms and have also been responsible for a number of mass-kidnapping incidents over the last year. For instance, on 21 November, gunmen seized over 100 people from four villages in Zamfara state.

Although the majority of kidnap victims continue to be local nationals, foreigners continue to represent desirable targets for illicit groups in Nigeria, due to their financial and political propaganda value.

In June, seven Chinese nationals were kidnapped from a mining site in Niger State. Underscoring the ability of kidnappers to evade security forces to enact long-term kidnaps, the victims were held until December, when they were freed by security forces.

The past year also saw new responses from the Nigerian government, which passed a law in April making paying for a ransom to free a kidnap victim a punishable offense worthy of 15 years in jail. The bill also made cases where the victim dies under detention by kidnappers punishable by death for the culprits.

The overall impact of this new law remains to be seen, but with a large percentage of kidnappings suspected to go unreported and unpunished in Nigeria, and given that the country's security environment will most likely remain highly permissive to both criminals and terrorists, kidnap for ransom will likely remain a viable revenue stream and political tool for groups involved in the activity for the foreseeable future. Issues such as high levels of inflation are also likely to further increase the risk.



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2023 crisis management checklist:

Six questions to answer now

1. **Do you have an agreed, communicated, and rehearsed crisis management plan within your organisation?** A simple, well-thought through framework against which to make decisions will help ensure the best possible outcome for your organisation.
2. **Do you have access to open market placement strategies?** Over-reliance on limited markets could make negotiations tougher given the hardening market conditions expected in the year ahead on certain classes of business.
3. **Have you conducted a detailed assessment of your current risk exposure using an analytical solution?** This can ensure you are only buying the coverage you need, including the appropriate limits for your industry sector. Better understanding and ability to evaluate your risk exposure will improve confidence in your programme structure and coverage against the backdrop of complexity and volatility.
4. **Are you receiving up-to-date and relevant analysis that you can assess to provide an accurate risk picture?** Spotting patterns and trends, and early warning signs of potentially impactful events, can help reduce brand and reputational damage.
5. **Do you have a thorough understanding of the coverages you have purchased including a multi-line cover plan?** Multi-line cover can avoid gaps in coverage, streamline your claims process, and allow a coordinated crisis response provider strategy.
6. **Are you working to a tight renewal timeline?** Engage early with your broker on any lines of insurance expected to take longer due to the current market conditions and those which require sanctions approvals.



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