

PCS Information-Only Bulletin: Riot and Civil Disorder Risk in the United States

This is not a catastrophe bulletin, catastrophe designation, or any other form of determination about a prospective catastrophe event. Rather, the PCS team offers the commentary below strictly for information purposes only. Think of it as the riot and disorder equivalent to our daily severe weather summaries. Please note that PCS has designated fewer than 15 riot and civil disorder catastrophe events since 1950, and that such events are thus quite rare. As a result, we've decided to offer the commentary below as a contribution to the body of knowledge on potential riot and civil disorder events in the United States. If you have any questions or would generally like to discuss these issues with PCS, please feel free to reach out to us:

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PCS identified and monitored heightened riot and civil disorder risk in the United States throughout 2020. Even though several events occurred following PCS Catastrophe #2033, none resulted in sufficient industrywide insured loss to warrant catastrophe designation. PCS has noted throughout this process that heightened riot and civil disorder risk may persist without actually manifesting in riot and civil disorder, and in a recent interview with Artemis, we went into detail regarding the conditions necessary and why they are difficult to reach (<https://www.artemis.bm/news/us-capitol-riots-insurance-reinsurance-ils/>).

Following the riot at the U.S. Capitol on January 6, 2021, PCS has found that the risk of riot and civil disorder remains, particularly with the coming presidential inauguration on January 20, 2021. While heightened levels of risk seem more prone to de-escalation than catastrophe manifesting, according to PCS internal research, we do note news reports that suggest increased coordination ahead of protests planned around the coming inauguration.

Based on the most recent event (January 6, 2021), PCS has received feedback from insurers covering risks in the United States that federal buildings tend not to be insured. This thinking seems to be carrying forward for riot and civil disorder risks later this month. PCS believes that there are several factors that could result in possible insurance industry impact, despite the notion that government buildings would be the likely targets of riot and civil disorder activity that could begin the weekend prior to the inauguration (specifically starting January 16, 2021).

Specific information gathered by PCS ahead of the pre-inauguration period includes:

- Homeland Security Operational Analysis Center (HSOAC), analyzed in 2020 how states and localities use insurance to protect their property and can help all levels of government identify effective ways to manage rising disaster costs.
- HSOAC compared state and local governments' insurance coverage with the amount of repairs paid for with FEMA public assistance grant funds from January 2008 to June 2018 and found that insurance covered only 28 percent of total repair costs.
- A significant portion of state and local governments that are eligible for Public Assistance (PA) purchase some type of insurance for their buildings, contents, vehicles, and equipment (BCVE).
- The Federal Emergency Management Agency (FEMA) pays for a substantial portion of State level repairs.

- The insurance share varies by the attributes (perils) of the incident causing the damage and of the public entity. For example, the insurance share is lowest for flood and earthquake, and the insurance share for midsized communities is higher than for either smaller or larger ones.
- Insurance share is highest for the smallest jurisdictions and declines considerably as population increases. Insurance share is approximately 48 percent for jurisdictions with populations less than 5,000; 5,000 to 10,000; and 10,000 to 50,000. It then falls steadily to 26 percent for jurisdictions with population greater than or equal to 5 million
- Some entities buy only for facilities that they believe are critical to repair quickly and rely on FEMA to replace the rest. Others buy policies with lower limits or deductibles than they would otherwise.
- **As of January 10, 2021, armed protests are being planned at all 50 state capitols from January 16, 2021, through at least January 20, 2021, and at the U.S. Capitol from January 16, 2021, through January 20, 2021.**
- The FBI received information about an identified armed group intending to travel to Washington, D.C., on January 16, 2021. They have warned that if Congress attempts to remove the president of the United States via the 25th Amendment to the U.S. Constitution, a “huge” uprising will occur.
- **The group is also planning to storm government offices in every state on Inauguration Day January 20, 2021, regardless of whether the states certified electoral votes for President-Elect Biden or President Trump.**
- In other steps to safeguard the U.S. capital, the National Guard was authorized to send up to 15,000 troops to Washington, and tourists were barred from visiting the Washington Monument until January 24, 2021.
- In Wisconsin, Governor Tony Evers authorized the Wisconsin National Guard to support the state’s Capitol Police.
- In Michigan, the state’s Capitol Commission, which oversees the legislature, issued an order to ban the open carrying of weapons inside the Capitol building in Lansing.
- On Monday, workers began boarding up the windows of the state Capitol building in Madison, Wisconsin.
- Massachusetts Gov. Charlie Baker and the leaders of its state Senate and House said they would launch a review of security measures in place at the Capitol in Boston.

Additionally, re/insurers, independent adjusters, and other stakeholders in the catastrophe management sector should be aware of the risks around various state capitol buildings. Throughout the riots and other instances of unrest in 2020 (regardless of insurance industry impact), PCS found that:

- Construction factors matter. Downtown and business districts in major cities (such as New York and Chicago) seemed less likely to sustain significant fire damage.
- Meanwhile, smaller cities with suburban-style construction closer to downtown appeared to be at greater risk of fire damage, given the types of construction involved.
- PCS observed that industrywide insured losses are more likely to increase when fire is involved. Following the riots in Chicago’s “Magnificent Mile” in July 2020, PCS found that graffiti and vandalism, broken windows, damaged interiors, and stolen inventory weren’t sufficient to reach the PCS insured loss threshold of US\$25 million, despite the fact that more than 200 businesses were reported to have been affected.
- Per the information provided by PCS above, state capitals (and their capitol buildings) are the likeliest targets for civil unrest. In many states, the state capital city isn’t as large as the largest

commercial or cultural city. Albany, for example, is New York’s capital city, and it’s much smaller than the City of New York. Illinois, Michigan, Pennsylvania, and several other states are similar. See the table below for a complete list of state capitals and recent population estimates.

- Smaller cities may have the suburban-style construction (that’s more susceptible to fire) mentioned above closer to the government buildings identified as targets for potential protest.
- As a result, there is concern that riots could spill over to nearby commercial districts in state capitals, potentially cause insured losses, and then potentially accumulate across several states (based on some of the characteristics we saw in PCS Catastrophe #2033). While it’s difficult to predict how a riot would unfold, we believe this scenario warrants some consideration.

State	Capital	Population of capital: estimated
Alabama	Montgomery	(2018 est.) 198,218
Alaska	Juneau	(2018 est.) 32,113
Arizona	Phoenix	(2018 est.) 1,660,272
Arkansas	Little Rock	(2018 est.) 197,881
California	Sacramento	(2018 est.) 508,529
Colorado	Denver	(2018 est.) 716,492
Connecticut	Hartford	(2018 est.) 122,587
Delaware	Dover	(2018 est.) 38,079
Florida	Tallahassee	(2018 est.) 193,551
Georgia	Atlanta	(2018 est.) 498,044
Hawaii	Honolulu	(2018 est.) 347,397
Idaho	Boise	(2018 est.) 228,790
Illinois	Springfield	(2018 est.) 114,694
Indiana	Indianapolis	(2018 est.) 867,125
Iowa	Des Moines	(2018 est.) 216,853
Kansas	Topeka	(2018 est.) 125,904
Kentucky	Frankfort	(2018 est.) 27,679
Louisiana	Baton Rouge	(2018 est.) 221,599
Maine	Augusta	(2018 est.) 18,681
Maryland	Annapolis	(2018 est.) 39,174

Massachusetts	Boston	(2018 est.) 694,583
Michigan	Lansing	(2018 est.) 118,427
Minnesota	Saint Paul	(2018 est.) 307,695
Mississippi	Jackson	(2018 est.) 164,422
Missouri	Jefferson City	(2018 est.) 42,838
Montana	Helena	(2018 est.) 32,315
Nebraska	Lincoln	(2018 est.) 287,401
Nevada	Carson City	(2018 est.) 55,414
New Hampshire	Concord	(2018 est.) 43,412
New Jersey	Trenton	(2018 est.) 83,974
New Mexico	Santa Fe	(2018 est.) 84,612
New York	Albany	(2018 est.) 97,279
North Carolina	Raleigh	(2018 est.) 469,298
North Dakota	Bismarck	(2018 est.) 73,112
Ohio	Columbus	(2018 est.) 892,533
Oklahoma	Oklahoma City	(2018 est.) 649,021
Oregon	Salem	(2018 est.) 173,442
Pennsylvania	Harrisburg	(2018 est.) 49,229
Rhode Island	Providence	(2018 est.) 179,335
South Carolina	Columbia	(2018 est.) 133,451
South Dakota	Pierre	(2018 est.) 13,980
Tennessee	Nashville	(2018 est.) 669,053
Texas	Austin	(2018 est.) 964,254
Utah	Salt Lake City	(2018 est.) 200,591
Vermont	Montpelier	(2018 est.) 7,436
Virginia	Richmond	(2018 est.) 228,783
Washington	Olympia	(2018 est.) 52,555

West Virginia	Charleston	(2018 est.) 47,215
Wisconsin	Madison	(2017 est.) 255,214
Wyoming	Cheyenne	(2018 est.) 63,957

Declaration Approval – District of Columbia

Declaration: Emergency Declaration – District of Columbia
Requested: Jan 10

Date Approved: Jan 11
Incident: 59th Presidential Inauguration
Incident Period: Jan 11-24

Provides:

- **PA:** Emergency measures, authorized under Title V of the Stafford Act, to save lives and to protect property, public health and safety, or to lessen or avert the threat of a catastrophe in the designated areas.
- Specifically, FEMA is authorized to provide emergency protective measures (Category B), limited to direct federal assistance, under the Public Assistance program at 100 percent federal funding.

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■ PA



National Watch Center