

Was It Terrorism? Designation of Boston Bombings Could Hurt Businesses

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The exact legal definition of the horrible acts that took place in Boston could have a significant impact on area businesses. Many businesses in the immediate vicinity were damaged during the blasts, while several blocks of hotels, restaurants and offices were closed for days during the investigation.

Most of these small businesses have insurance. However, many do not have specific [insurance coverage for terrorism](#) with their insurance providers. If the Marathon bombings are defined as terrorism, it could make receiving reimbursement much more difficult.

President Obama initially called the tragedy an act of terrorism in statements to the media following the bombings. However, the offices of the Treasury, the Secretary of State, and the Attorney General must make the legal designation jointly.

In the wake of 9/11, Congress passed the Terrorism Risk Insurance Act of 2002. It was aimed to “ensure the continued financial capacity of insurers to provide coverage for risks from terrorism.” Under sec. 102 of the TRIA, an “act of terrorism” is defined as follows:

1) ACT OF TERRORISM

(A) CERTIFICATION: The term ‘act of terrorism’ means any act that is certified by the Secretary, in concurrence with the Secretary of State, and the Attorney General of the United States—

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to—

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside the United States in the case of—

(I) an air carrier or vessel described in paragraph (5)(B); or

(II) The premises of a United States mission; and

(iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

Notably, when the statute was reauthorized in 2007, the “acting on behalf of any foreign person or foreign interest” language was removed. While the Obama Administration is still evaluating how to [classify the Marathon bombings for insurance purposes](#), this would arguably make it easier for the Boston bombing to fit the definition.

