



### **PRODUCT NEED AND USE:**

Cedant may not want to retain the exposure posed by losses which could occur from war or any act thereof. By purchasing reinsurance, the Cedant can limit such losses or even carve-out this class of risk as a whole.

### **SUBJECT INSURANCE:**

Most insurance contracts carry a standard exclusion for war. There are two ways in which cover can be extended to war risk:

1. Stand-alone contract covering war risk only; this is appropriate for individuals traveling to a country with "hot war" conditions for a specific period of time.
2. Removal of war risk exclusion in the existing policy(ies) (e.g. Business Travel, Basic AD&D etc.); this is appropriate for firms which carry out their activities internationally, and so expose their employees to potential war risks on a casual and unplanned basis.

### **REINSURANCE DESIGN/OPTIONS/STANDARDS:**

- Reinsurance can be purchased on a quota share or excess basis.
- Ability to quote both individual and group situations.
- Underwriting service and quotation usually within a 24 hour standard.

### **INFORMATION REQUIREMENTS:**

1. Number of lives exposed
2. Sums insured per life
3. Destination
4. Length of stay
5. Occupational hazards

### **UNDERWRITING NOTES:**

Full information is required in order to price a war risk cover provided on a stand-alone basis.

To remove the exclusion, it is usual to charge a minimum and deposit premium adjustable at the end of the period based on the reported exposure. However, travel exposure in some identified "hot" zones must be reported prior to departure and charged for separately.

### **RATING NOTES:**

- Rates are provided for different lengths of stay.
- Group discounts are available depending on size of group.
- Monthly war risk listing is provided.
- **Typical exclusions:**
  - War whether declared or not in country of residence
  - Any loss as the sole result of the utilization of Nuclear, Chemical or Biological weapons of mass destruction howsoever these may be distributed or combined.
- Coverage in "hot" zones will stipulate that "rates are subject to review as the situation changes." A minimum of 1 week notice of a rate change is guaranteed in these areas.

### **SPECIMEN WORDING:**

AD&D, resulting from war, riots, rebellions, civil commotions, explosions of war weapons, terrorist activity, murder or assault or any attempt thereat, excluding murder or assault by family members of the insured person or insured dependent.

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