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SUBJECT: AUSTRALIA: TERRORISM INSURANCE ACT
2003: USE OF RISK CODES
SUBJECT AREA(S):
ATTACHMENTS: Appendix 1: Eligible Insurance Contracts
Appendix 2: Australian FIL Codes denoting Australian
exposure
Appendix 3: Qualifying Risk Codes
Appendix 4: Flowchart to determine qualifying risks
ACTION POINTS: **Underwriters and Brokers to note.**
**Application of new risk codes to business incepting
on or after 1 October 2003.**
DEADLINE: **Immediate**

1 Purpose and scope of Bulletin

- 1.1 The risk codes which were introduced in response to the USA's Terrorism Risks Insurance Act – TRIA ("the new terrorism risk codes") must be used for any non-UK terrorism coverage which arises as a result of overseas legislation. The new terrorism risk codes are therefore to be used for business affected by the Australian Terrorism Insurance Act 2003 ("ATIA"). The purpose of this Market Bulletin is to detail the manner of the usage of the new terrorism risk codes, and reflects the advice regarding the USA's Act given to the market in Market Bulletin Y3014 on 17 March 2003.
- 1.2 Previous communication to the market on ATIA has been via Market Bulletin Y2945, issued on 17 December 2002, a presentation in the Old Library on 12 May 2003 and Market Bulletin Y3081, issued on 26 June 2003.

2 Operation of ATIA

- 2.1. The ATIA has the effect of dividing eligible insurance contracts into two types. For the purposes of this Bulletin, the two types are defined as follows:

Type A: Protected Contracts

Contracts which meet the definition of an ‘eligible insurance contract’ (see Appendix 1 – **please note ATIA’s recent extension of the definition of ‘eligible property’**) **and** which are in force on 1 July 2003 or which incept on or after 1 July 2003 but before 1 October 2003.

Insurers under such contracts who, as a result of ATIA, become insurers of terrorism, are given a statutory indemnity by the Australian Federal Government in respect of that exposure **irrespective of whether or not such insurers elect to opt into the ATIA Scheme**, operated by the Australian Reinsurance Pool Corporation (“ARPC”).

Type B: Other Eligible Insurance Contracts

Contracts which meet the definition of an ‘eligible insurance contract’ **and** which incept on 1 October 2003 or after.

Insurers under such contracts who, as a result of ATIA, become exposed to terrorism are able to access the reinsurance protection established by ATIA **only** if they opt into the reinsurance arrangement with ARPC **and** provided a terrorism exclusion clause remains in the insurance contract (see section 3.9 for further information on a terrorism exclusion clause).

3 Application of the New Terrorism Risk Codes to ATIA Business

- 3.1. As with TRIA business in the US, identification of ATIA business will be achieved via a combination of FIL and risk coding. Thus, a policy with a risk code of 6T which has an Australian FIL code would be identifiable as a non-marine property terrorism risk falling within the scope of ATIA. A list of FIL codes denoting Australian exposure for business likely to qualify under ATIA is included for information at Appendix 2 to this Bulletin. Also, Appendix 4 provides a flowchart to assist the market in determining when a risk qualifies as being within the scope of ATIA.
- 3.2. Where a risk meets the definition of a Type B ‘eligible insurance contract’ as defined at Section 2.1 above, regardless of whether a syndicate has opted in or out of the ARPC Scheme, the new terrorism risk codes must be used as part of the risk-coding process.
- 3.3. Those syndicates who have chosen to opt out of the ARPC Scheme will still assume terrorism exposure under ATIA on an eligible risk, but will not be able to benefit from any reinsurance recovery protection offered under the ARPC Scheme. Such syndicates must therefore bear the loss themselves or recover from their own reinsurance programme.

- 3.4. The new terrorism risk codes are mandatory on **all** eligible insurance (not reinsurance) business, regardless of how minimal the ATIA exposure may be. This applies to open market risks and bulk accounted facilities i.e. binding authorities.

Business Excluded from ATIA

- 3.5. The Terrorism Insurance Regulations 2003 issued by the Australian government on 25 June 2003 list, under Schedule 1, those contracts which are excluded from ATIA: a copy of the Regulations is available via the following link:
<http://scaleplus.law.gov.au/html/pastereg/3/1800/pdf/2003No162.pdf>
- 3.6. Unlike TRIA in the US, ATIA applies only to a relatively narrow range of business. This means that not all of the new terrorism risk codes will be relevant to ATIA business. It has been established that ATIA shall apply only to ‘eligible insurance contracts’ falling within those risk codes detailed in Appendix 3 to this Bulletin.
- 3.7. The decision as to how the new terrorism risk codes should be used has been based on whether or not the perils covered under a policy relate to a class of business that is within the scope of the ATIA. **Please note:** Whilst every endeavour has been made to highlight those risk codes which fall within the scope of the ATIA, Managing Agents must look at the nature and type of risk and not be restricted to certain risk codes alone. Managing Agents are therefore **advised not to rely solely on risk codes** as the means of determining whether or not a risk is an ‘eligible insurance contract’.
- 3.8. The new terrorism risk codes must **not** be used on Australian **reinsurance** business, including the reinsurance of ATIA business. Such business should continue to be coded using the appropriate risk codes published prior to US TRIA.
- 3.9. **It should be noted that where an insurance contract is silent on the issue of terrorism (i.e. there is no terrorism exclusion clause within the insurance contract) ATIA does not assume that it had been the insurers intention to include a terrorism exclusion clause. Thus any contract which is silent on the issue of terrorism will not be covered by ATIA and an insurer would not be able to reinsure such liabilities with the ARPC. This is the case even where, but for its silence on terrorism, a policy would be considered to be an “eligible insurance contract”. Such policies should not, therefore, be processed using the new terrorism risk codes.**

4. Treatment of Policies which Expressly Cover Terrorism

- 4.1. Unlike TRIA in the US, ATIA does not require an insured proactively to purchase terrorism cover. Instead, ATIA operates to negate any existing exclusion of terrorism where a loss or liability covered by the policy qualifies as an ‘eligible terrorism loss’. By definition, therefore, policies which expressly cover terrorism alone do not contain a terrorism exclusion and are therefore not covered by ATIA.
- 4.2. Certain classes of business at Lloyd’s are theoretically broad enough to incorporate coverage of terrorism even though this may not be expressly stated e.g. all risk coverages. However, it remains the case that, as discussed above, unless policies contain an express exclusion of terrorism, they will not be covered by ATIA.

Multi Peril Policies which include Terrorism Coverage

4.3. Item 38 of Schedule 1 to the Regulations operates to exclude only those contracts where terrorism is the “only” risk covered. Some Lloyd’s policies cover terrorism in conjunction with other perils via separate slip or policy sections:

- i) Where a policy contains a section which covers terrorism, and another section which excludes terrorism, then Item 38 does not apply. (This is because such a policy cannot be said to cover “only” terrorism. Thus, if such a policy meets all other requirements for “eligible insurance contracts”, any section which excludes terrorism will fall within the scope of ATIA.)

Any section which does not have a terrorism exclusion would not, therefore, fall within the scope of ATIA, even if this section is capable of paying a loss caused by a terrorism event as defined by ATIA.

- ii) A policy containing a section which covers terrorism (and which does not therefore exclude terrorism), where all other sections are silent on terrorism, would not fall within the scope of ATIA because, as discussed above, ATIA operates by writing back express terrorism exclusions.

Limited Terrorism Exclusions

4.4. ATIA operates to write back only that terrorism coverage which is excluded. For example, if a terrorism exclusion applies only to acts by a named group, then ATIA will only write back terrorism losses caught by that group. Thus, coverage of terrorism losses which are not perpetrated by that group will not be written back, even if the policy is an ‘eligible insurance contract’ and even if the perpetrators’ actions are in due course defined as a ‘declared terrorism incident’ under ATIA. The underwriter will, therefore, only have the benefit of reinsurance provided by the ARPC for losses caused by acts perpetrated by the group named in any specific exclusion.

“Stand alone” Terrorism Coverage

4.5. The slip must show:

- the relevant new terrorism risk code(s) to identify the business for reporting; as well as
- the “TO” risk code to denote all other overseas terrorism coverage.

In these cases, there is no need to set up another slip section with a non-terrorism main peril risk code.

Please note: underwriters should use “TO” to risk-code applicable terrorism risks which fall outside the scope of ATIA **solely because they are excluded by virtue of Schedule 1 to the Regulation and/or because they do not contain a terrorism exclusion. The fact that a syndicate has opted-out of the ARPC does not mean that its policies are outside the scope of ATIA.** ‘Eligible insurance contracts’ under ATIA are defined by reference to the coverage provided, not by the insurer’s relationship with the ARPC.

5. Contracts with more than one risk code where one qualifies under ATIA

- 5.1. For risks split across more than one risk code, the ATIA terrorism-related premium should be similarly split across the appropriate new terrorism risk codes.
- 5.2. In these cases, a new terrorism risk code to parallel each existing non-terrorism risk code must be established on the slip. For example, a slip already coded with sections EF and ET needs to have parallel risk codes of 1E and 3E set up, and relevant applicable premiums identified.
- 5.3. If some of the non-terrorism risk codes are within the same new terrorism risk code group, then a single new terrorism risk code should be used for that group. For example, a slip coded with sections for PD and DC needs a new terrorism risk code of 6T (paralleling PD and DC). **The syndicate references for the new terrorism codes must be clearly set out on the slip.** If different references are required for the PD and DC terrorism sections, then this will require two slip sections, both coded 6T.
- 5.4. **The above coding approach is necessary so that Lloyd’s has the ability to analyse in detail the business written under the new terrorism risk codes for RDS and risk management purposes.**
- 5.5. Xchanging Ins-sure Services have been instructed to ensure that the use of the new codes as detailed above is adhered to. Xchanging Ins-sure Services will check risks presented by brokers and in case of any doubt over the applicable references, a query will be raised.

6. Impact of Risk-Coding upon Retention and ARPC Premium

- 6.1. For risks split across more than one risk code, where part of the risk would be within the scope of ATIA and the remainder would be excluded (for example a liability policy which includes a separate medical malpractice section) each risk code should be shown as a separate slip section so that the retention calculation is based only on that portion of the risk which is within the scope of ATIA.
- 6.2. Where a separate risk code and slip section are not established to identify business outside the scope of ATIA then the impact will be that:
 - i) Lloyd’s will be unable to distinguish that proportion of premium which relates to coverage falling within the scope of ATIA. Lloyd’s retention calculation would in such circumstances be based on the full premium and not a proportion of the full premium.

- ii) In the event of a declared terrorist incident, only that part of the risk falling within the scope of ATIA will be able to benefit from the reinsurance coverage offered by the ARPC, even if the premium was calculated on the basis of the premium charged for the whole risk.

Further information on the retention calculation will follow in a later Market Bulletin.

7. **Business to be ceded to the ARPC Scheme**

Syndicates will be required to keep their own records of individual risks which qualify for a reinsurance premium payable to the ARPC. Further details on the reporting requirements will follow in a later Market Bulletin.

8. **Forthcoming Advice on ATIA**

Market Bulletin Y3081 dated 26 June 2003 advised of the following outstanding issues that still needed to be resolved:

- The details of the reinsurance contract
- Syndicates' ability to opt into or out of the ARPC Scheme
- Reporting and reinsurance premium payment obligations to ARPC
- Annual retention calculation

These issues are reaching a conclusion with the ARPC and a further Market Bulletin will be issued shortly in which syndicate's obligations will be outlined.

A further Old Library presentation on ATIA is being planned and further advice on the date and time will follow in due course.

9. **Further information**

The Terrorism Insurance Act 2003 and its Regulations can be obtained using the following links:

Terrorism Insurance Act 2003:

<http://scaleplus.law.gov.au/html/pasteact/3/3598/pdf/0432003.pdf>

Terrorism Insurance Regulations 2003:

<http://scaleplus.law.gov.au/html/pastereg/3/1800/pdf/2003No162.pdf>

If you have any queries about the above please contact any of the following:

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ELIGIBLE INSURANCE CONTRACTS

A contract of insurance is an eligible insurance contract to the extent that it provides insurance cover for one or more of the following:

- (a) loss of, or damage to, eligible property that is owned by the insured;
- (b) business interruption and consequential loss arising from:
 - (i) loss of, or damage to, eligible property that is owned or occupied by the insured; or
 - (ii) inability to use eligible property, or part of eligible property, that is owned or occupied by the insured.
- (c) liability of the insured that arises out of the insured being the owner or occupier of eligible property.

Eligible Property

Eligible property is qualified by the need for the property to be owned by an insured or owned or occupied by an insured. The term ‘owned’ is further defined as follows:

“Owned” in relation to eligible property, includes:

- (a) owning the property together with another person or other persons; and
- (b) having an insurable interest in the property

The term ‘eligible property’ only refers to property that is located in Australia. The type of property that falls within this term must be either:

- (a) buildings (including fixtures or other structures or works on, in or under land;
- (b) tangible property that is located in, or on, property to which paragraph (a) applies;
- (c) any other property prescribed by the regulations.

Infrastructure such as roads, tunnels, dams, pipelines are examples of eligible property.

The Terrorism Insurance Regulations 2003 extend the definition of ‘eligible property’ to include tangible property that is on, in or under the seabed.

However, the effect of this extension is constrained by the fact that the Act only applies to property and events in Australia.

For this purpose, Australia will include the Territory of Christmas Island, the Territory of Cocos (Keeling Islands) and Norfolk Island.

Under the Australian Acts Interpretation act, the term "Australia" includes the coastal sea which is the area of the sea within 12 nautical miles of the Australian coastline.

Issues have been raised as to whether or not the legislation is intended to cover offshore oil and gas rigs and their attendant facilities notwithstanding that they are outside the 12 nautical miles limit. This matter is under further consideration by the Commonwealth Government.

APPENDIX 2

AUSTRALIAN FIL CODES DENOTING AUSTRALIAN EXPOSURE

This table should be read in conjunction with the definition of an Australian risk as described in the Australian Procedures Manual.

4-Character FIL Code	2-Character Market/Tax Code	Original Currency	Description
AAA1	AA	Where both sum insured currency and closing premium currency are A\$★	Australian insurance, as defined, which attract income tax, but not fire brigade charges.
AAF1	AF	Where both sum insured currency and closing premium currency are A\$★	Australian insurance, as defined, which do not attract income tax or fire brigade charges.
AAG1	AG	Where both sum insured currency and closing premium currency are A\$★	Australian insurance as defined, which attract income tax and fire brigade charges
AAN1	XH	Where either sum insured currency or closing premium currency is not A\$	Australian situs insurance, as defined, which do not attract income tax or fire brigade charges.
AAP1	XL	Where either sum insured currency or closing premium currency is not A\$	Australian situs insurance, as defined, which attract income tax, but not fire brigade charges but
AAQ1	XQ	Where either sum insured currency or closing premium currency is not A\$	Australian situs insurance, as defined, which attract income tax and fire brigade charges

1. These codes are all for direct insurance business and non-personal lines business, which may qualify under ATIA.
2. The two-character Market/Tax Codes are not unique to the four-character codes shown. The four character codes should be used to identify qualifying Australian exposures in syndicates' accounts.
3. In order for Xchanging Ins-sure Services to code premiums correctly, underwriters and brokers must ensure that Australian exposure is clearly identified on the slip and premium allocated accordingly. Failure to do this will mean that the business cannot be given an accurate FIL code. Ins-sure will not query for the absence of Australian exposure.

* subject to qualification regarding mixed currency policies i.e. where not a separate section or not in US\$.

QUALIFYING RISK CODES

Whilst it is not possible to give advice on every type of risk written the Market Bulletin aims to give guidance on the application of the qualifying risks to business written under the Lloyd's risk codes.

There is no direct correlation between business covered under the Act and Lloyd's risk coding structure. However, the table below does give some guidance for particular classes of business. The following key has been used:

- Where none of the business, within a particular risk code, comes within the scope of the Act then column 4 gives a 'No' and a link to the section of the Act or the Item number of Schedule 1 to the Regulations where this is excluded.
- Where all of the business, within a particular risk code, comes within the scope of the Act then column 4 gives a 'Yes', based on the assumption that there is a terrorism exclusion within the policy.
- Where certain elements of business within a risk code may be covered, which will depend on the exact coverage being given in each case, then column 4 shows a 'Yes*'. In these instances there will be occasions when the type of risk is outside the scope of the Act and other occasions where it will be inside the scope of the Act.

<u>NEW TERRORISM RISK CODE</u>	<u>RISK CODE</u>	<u>DESCRIPTION</u>	<u>WITHIN SCOPE OF ATIA?</u>
1T	DX	OTHER ACCIDENT & HEALTH	No (see section 7(2) of ATIA)
	K	OTHER ACCIDENT & HEALTH	No (see Item 3 of Schedule 1)
	KA	OTHER ACCIDENT & HEALTH	No (see Item 3 of Schedule 1)
	KC	OTHER ACCIDENT & HEALTH	No (see Item 3 of Schedule 1)
	KD	OTHER ACCIDENT & HEALTH	No (see Item 3 of Schedule 1)
	KK	OTHER ACCIDENT & HEALTH	No (see Item 3 of Schedule 1)
	KL	OTHER ACCIDENT & HEALTH	No (see section 7(2) of ATIA)
	KM	OTHER ACCIDENT & HEALTH	No (see Item 3 of Schedule 1)
	KX	OTHER ACCIDENT & HEALTH	No (see section 7(2) of ATIA)
	TL	OTHER ACCIDENT & HEALTH	No (see Item 3 of Schedule 1)
2T	1	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	2	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	3	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	4	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	5	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	6	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	7	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	8	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	9	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)

<u>NEW TERRORISM RISK CODE</u>	<u>RISK CODE</u>	<u>DESCRIPTION</u>	<u>WITHIN SCOPE OF ATIA?</u>
2T (cont'd)	AO	AIRCRAFT (ALL PERILS)	Yes*
	AP	AIRCRAFT (ALL PERILS)	Yes*
	AR	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	AW	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	AX	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	CX	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	H	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	HX	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	L	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	LX	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	PX	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	RX	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	SC	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	SL	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	SO	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	SX	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	X1	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	XY	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	XZ	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)
	Y1	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	Y2	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	Y3	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	Y4	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	Y5	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	Y6	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
	Y7	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)
Y8	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)	
Y9	AIRCRAFT (ALL PERILS)	No (see Item 23 of Schedule 1)	
ZX	AIRCRAFT (ALL PERILS)	No (see section 7(2) of ATIA)	
3T	B	OCEAN MARINE	Yes*
	G	OCEAN MARINE	Yes*
	GC	OCEAN MARINE	No (see Item 19 of Schedule 1)
	GX	OCEAN MARINE	No (see section 7(2) of ATIA)
	O	OCEAN MARINE	No (see Item 19 of Schedule 1)
	OX	OCEAN MARINE	No (see section 7(2) of ATIA)
	SR	OCEAN MARINE	No (see section 7(2) of ATIA)
	T	OCEAN MARINE	No (see Item 19 of Schedule 1)
	TX	OCEAN MARINE	No (see section 7(2) of ATIA)
	W	OCEAN MARINE	No (see Item 19 of Schedule 1)
	WX	OCEAN MARINE	No (see section 7(2) of ATIA)
	X2	OCEAN MARINE	No (see section 7(2) of ATIA)
	X5	OCEAN MARINE	No (see section 7(2) of ATIA)
	XE	OCEAN MARINE	No (see section 7(2) of ATIA)
XT	OCEAN MARINE	No (see section 7(2) of ATIA)	
4T	BS	PECUNIARY LOSS	No (risk outside Australia)

<u>NEW TERRORISM RISK CODE</u>	<u>RISK CODE</u>	<u>DESCRIPTION</u>	<u>WITHIN SCOPE OF ATIA?</u>
4T (cont'd)	CF	PECUNIARY LOSS	No (see Items 11 and 15 of Schedule 1)
	CN	PECUNIARY LOSS	No (see section 7(2) of ATIA)
	CP	PECUNIARY LOSS	No (see Items 11 and 15 of Schedule 1)
	CR	PECUNIARY LOSS	No (see Items 15 and 27 of Schedule 1)
	FC	PECUNIARY LOSS	No (see Item 19 of Schedule 1)
	FG	PECUNIARY LOSS	No (see Items 11 and 27 of Schedule 1)
	FM	PECUNIARY LOSS	No (see Item 11 of Schedule 1)
	FS	PECUNIARY LOSS	No (see Item 27 of Schedule 1)
	LE	PECUNIARY LOSS	Yes*
	P	PECUNIARY LOSS	Yes*
	PB	PECUNIARY LOSS	Yes
	PC	PECUNIARY LOSS	Yes*
	PE	PECUNIARY LOSS	No (see section 7(1) of ATIA)
	PF	PECUNIARY LOSS	No (see section 7(1) of ATIA)
	PN	PECUNIARY LOSS	Yes*
	PO	PECUNIARY LOSS	No (see section 7(1) of ATIA)
	PP	PECUNIARY LOSS	No (see section 7(2) of ATIA)
	PQ	PECUNIARY LOSS	No (see section 7(1) of ATIA)
	PR	PECUNIARY LOSS	Yes*
	PS	PECUNIARY LOSS	No (see section 7(2) of ATIA)
PU	PECUNIARY LOSS	No (see Items 11, 15, 19 and 27 of Schedule 1)	
PW	PECUNIARY LOSS	No (see section 7(1) of ATIA)	
PZ	PECUNIARY LOSS	No (see section 7(1) of ATIA)	
SB	PECUNIARY LOSS	No (see section 7(2) of ATIA)	
WA	PECUNIARY LOSS	No (see section 7(1) of ATIA)	
WS	PECUNIARY LOSS	No (see section 7(2) of ATIA)	
5T	MA	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	MB	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	MC	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	MD	AUTO PHYSICAL DAMAGE	No (see Regulation 18)
	ME	AUTO PHYSICAL DAMAGE	No (see Regulation 18)
	MF	AUTO PHYSICAL DAMAGE	No (see Regulation 18)
	MG	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	MH	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	MI	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	MK	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	ML	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	MM	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	MN	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
	MP	AUTO PHYSICAL DAMAGE	No (risk outside Australia)
XM	AUTO PHYSICAL DAMAGE	No (see section 7(2) of ATIA)	

<u>NEW TERRORISM RISK CODE</u>	<u>RISK CODE</u>	<u>DESCRIPTION</u>	<u>WITHIN SCOPE OF ATIA?</u>
6T	AG	PROPERTY	Yes*
	BD	PROPERTY	No (risk outside Australia)
	CA	PROPERTY	Yes
	DC	PROPERTY	Yes*
	F	PROPERTY	Yes
	FA	PROPERTY	Yes*
	FR	PROPERTY	Yes*
	GS	PROPERTY	Yes*
	HA	PROPERTY	No (see section 7(1) of ATIA)
	HP	PROPERTY	No (risk outside Australia)
	JB	PROPERTY	Yes
	LJ	PROPERTY	No (risk outside Australia)
	N	PROPERTY	No (see Item 4 of Schedule 1)
	NB	PROPERTY	No (see Item 34 of Schedule 1)
	NP	PROPERTY	No (see Item 24 of Schedule 1)
	NX	PROPERTY	No (see section 7(2) of ATIA)
	PD	PROPERTY	Yes
	TE	PROPERTY	No (see Item 37 of Schedule 1)
	TO	PROPERTY	No (see Item 38 of Schedule 1)
	TR	PROPERTY	No (see section 7(2) of ATIA)
TU	PROPERTY	No (risk outside Australia)	
WL	PROPERTY	No (see section 6(2) of ATIA and/or Item 37 of Schedule 1)	
	X3	PROPERTY	No (see section 7(2) of ATIA)
	XC	PROPERTY	No (see section 7(2) of ATIA)
	XP	PROPERTY	No (see section 7(2) of ATIA)
	XX	PROPERTY	No (see section 7(2) of ATIA)
7T	BB	OTHER LIABILITY	No (see Items 31 and 32 of Schedule 1)
	DM	OTHER LIABILITY	No (see Item 28 of Schedule 1)
	DO	OTHER LIABILITY	No (see Item 28 of Schedule 1)
	GP	OTHER LIABILITY	No (see Item 10 of Schedule 1)
	NA	OTHER LIABILITY	Yes*
	NC	OTHER LIABILITY	Yes*
	NL	OTHER LIABILITY	No (see Item 24 of Schedule 1)
	PI	OTHER LIABILITY	No (see Item 10 of Schedule 1)
	PL	OTHER LIABILITY	Yes
	PM	OTHER LIABILITY	No (see Item 10 of Schedule 1)
	UA	OTHER LIABILITY	Yes*
	UC	OTHER LIABILITY	Yes*
	WC	OTHER LIABILITY	No (see Item 22 of Schedule 1)
	X4	OTHER LIABILITY	No (see section 7(2) of ATIA)
	XD	OTHER LIABILITY	No (see section 7(2) of ATIA)
XL	OTHER LIABILITY	No (see section 7(2) of ATIA)	
8T	CT	GOODS IN TRANSIT	No (see Item 20 of Schedule 1)
	Q	GOODS IN TRANSIT	No (see Item 20 of Schedule 1)

<u>NEW TERRORISM RISK CODE</u>	<u>RISK CODE</u>	<u>DESCRIPTION</u>	<u>WITHIN SCOPE OF ATIA?</u>
8T (cont'd)	QL	GOODS IN TRANSIT	No (see Item 20 of Schedule 1)
	QX	GOODS IN TRANSIT	No (see section 7(2) of ATIA)
	V	GOODS IN TRANSIT	Yes*
	VL	GOODS IN TRANSIT	Yes*
	VX	GOODS IN TRANSIT	No (see section 7(2) of ATIA)
1E	ET	OCEAN MARINE	Yes*
	EW	OCEAN MARINE	No (see section 6(2) of ATIA and/or Item 37 of Schedule 1)
	EG	OCEAN MARINE	Yes*
2E	EH	OCEAN MARINE	Yes*
3E	EF	PROPERTY	Yes
4E	EA	OTHER LIABILITY	Yes*
	EB	OTHER LIABILITY	Yes*

FLOWCHART TO DETERMINE QUALIFYING RISKS

