

MARKET BULLETIN

From Franchise Performance Director Franchise Performance (extn 6743)

Date 9 October 2006

Reference Y3885

Subject **War and nuclear perils coverage under Personal Accident policies**

Subject areas

Attachments

Action points For Information

Deadlines None

The purpose of this bulletin is to clarify the position in respect of war and nuclear perils coverage where given under personal accident policies underwritten at Lloyd's.

This bulletin confirms that the Lloyd's Underwriters Non-Marine Association's Market Agreement "Personal Accident Business – Accumulation of War Liability" dated 18 May 1951 is no longer in force. Accordingly, and for the avoidance of doubt, there is currently no requirement to include the major powers war exclusion (NMA2582B) or other equivalent exclusion in respect of personal accident business which includes coverage for war and allied perils. There is also no requirement that such policies should be underwritten in the open market, rather than under binding authorities and reinsurance treaties. However, where a managing agent wishes to provide coverage for nuclear perils in respect of personal accident business, it must be able to properly monitor and control the accumulations arising from those perils and take account of them in the business planning process. Where the agent is not able to do this, a suitable exclusion clause should be used.

It should also be noted that the provisions of the War Risk Waterborne Agreement (1982) requiring notice of cancellation provisions are deemed not to apply to baggage covered under personal accident travel policies.

Rolf Tolle
Franchise Performance Director
Franchise Performance