

# WAR & NCBR 2025

Guidance and Instructions  
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# 1 Introduction

Lloyd's published [bulletin Y4972](#) on 1<sup>st</sup> March 2016, setting out revised underwriting and reporting requirements for War and Nuclear/Chemical/Biological/Radiological classes.

This document describes the processes whereby syndicates should submit business-plans for War/NCBR, provide forecast exposures in the 2025 Syndicate Business Forecast, and report in-force exposures alongside the 2025 RDS return.

For the applicable definitions of War and NCBR, please see the Market Bulletin.

**Lloyd's will use this information to:**

- **maintain a comprehensive view of all syndicates permitted to underwrite War/NCBR**
- **understand syndicates' aggregate exposures to War/NCBR in defined countries and regions**
- **understand the market's overall aggregate exposures in the defined countries and regions**
- **consider approaches to exposure-based measuring of catastrophe risk for these classes**

## 1.1 Requirement

### 1.1.1 Business planning

**Syndicates are required to gain Lloyd's express permission to underwrite War and/or NCBR, except in the specific circumstances described in the Market Bulletin.**

The means of gaining Lloyd's permission is through the usual business planning process. Syndicates must provide forecast War/NCBR exposure information by defined country and region, split by class of business.

Rather than include this data in the SBF form itself, there is a supplementary template.

The return is compulsory. All syndicates should submit the template, indicating a Nil Return where permission to underwrite War/NCBR is not being sought.

### 1.1.2 Forecast reporting

A completed 'War & NCBR Data Template' should be returned along with the rest of the syndicate's CPG submission. The deadlines are dependent on the 'Phase' of submission that has been agreed with the syndicate.

The return should be uploaded via Secure Share to the folder Secure Share/Catastrophe Risk Returns/2025 CPG. Please do not attach the template to Form 990 in the SBF or LCR.

### 1.1.3 In-force reporting

Syndicates must submit in-force War/NCBR aggregate exposures alongside the 2025 Realistic Disaster Scenarios return.

The forecast War/NCBR aggregate exposures are not strictly limits, and exceedances during 2025 should not be thought of as 'breaches'. That said, Lloyd's may investigate material reported exceedances.

## 2 Class of Business types and War aggregates

### 2.1 Accident & Health

#### 2.1.1 PA and Life

For any PA & Life risks which have not had a full War or NCBR exclusion applied, Lloyd's wishes to capture the gross aggregation based on the defined territories. Where a policy has a per person limit or coverage available (i.e. an unlimited sideways exposure) then a realistic estimate of the number of people involved in an event should be made.

#### 2.1.2 Contingency

For any Contingency risks which have not had a full war or NCBR exclusion applied, Lloyd's wishes to capture the gross aggregation based on the defined territories.

#### 2.1.3 Other Accident & Health

Please indicate if there is any exposure by selecting Y or N.

### 2.2 Aviation

#### 2.2.1 Aviation Hull & Spares

For any Aviation hull and spares risks which do not have a full war or NCBR exclusion applied, Lloyd's wishes to capture syndicates' maximum Aviation war and NCBR aggregates at any one airport based on the defined regions. Given the fluidity of aircraft arrivals and departures this should be based on the maximum or peak exposures for number of aircraft that will be at that location for each policy at any one time.

Insurance and reinsurance policies (including treaty) that provide coverage for war and NCBR should be included in the aggregate calculation.

#### 2.2.2 Other Aviation

Please indicate if there is any exposure by selecting Y or N.

### 2.3 Casualty & Casualty Treaty

#### 2.3.1 FinPro Casualty, Other Casualty & Casualty Treaty other than exceptions below

Express approval from Lloyd's is not required for these classes of business. Syndicates should ensure that they include exposure from these classes in their own assessment of accumulations for all FinPro Casualty, Other Casualty and Casualty Treaty classes of business.

#### 2.3.2 BBB / Crime

For any BBB/Crime risks which have not had a full war or NCBR exclusion applied, Lloyd's wishes to capture the gross aggregation based on the defined territories.

#### 2.3.3 Workers Compensation

For any Workers Compensation risks which have not had a full war or NCBR exclusion applied, Lloyd's wishes to capture the gross aggregation based on the defined territories. Where a policy has a per person limit or coverage available (i.e. an unlimited sideways exposure) then a realistic estimate of the number of people involved in an event should be made.

#### 2.3.4 Cyber

Please indicate if there is any exposure by selecting Y or N.

## 2.4 Marine and Energy

Syndicates should include land-based exposures and Onshore Energy exposures within the War on Land and Terrorism part of the return (see 2.5.1 and 2.5.2 below).

Syndicates should include Cargo (in transit) exposures now coded as CW, within the Marine part of the return (see 2.5.1 below).

For Aviation War reinsurance exposures see 2.2.1 above.

### 2.4.1 Marine

Lloyd's assumes that War coverage is provided. Please indicate if this is not the case by selecting N. If the RACE clause is deleted, please provide an approximate percentage of policies where this is the case.

### 2.4.2 Offshore Energy

Lloyd's assumes that War coverage is provided. Please indicate if this is not the case by selecting N. If the RACE clause is deleted, please provide an approximate % of policies where this is the case.

### 2.4.3 Onshore Energy

Please indicate if there is any exposure by selecting Y or N.

## 2.5 War on Land, Terrorism, Property (D&F), other Specialty & Property Treaty

### 2.5.1 War on Land

For any Property D&F risks, which have not had a full war or NCBR exclusion applied, Lloyd's wishes to capture the gross aggregation based on the defined regions. Where exposures are created purely due to "fire following" coverages, these should be ignored and not included in the exposure. Only exposures which see fundamental coverage being either not excluded or actively added back are to be included within the total exposure declared for the region

Syndicates should include land-based exposures and Onshore Energy exposures within this part of the return. Cargo (in transit) exposures now coded as CW should be reported within the Marine part of the return.

### 2.5.2 Terrorism

For any Property D&F risks which have not had a full war or NBCR exclusion applied, Lloyd's wishes to capture the gross aggregation based on the defined regions. As with War on Land, "fire following" exposures should not be included within the return

Syndicates should include land-based exposures and Onshore Energy exposures within this part of the return.

### 2.5.3 Political Risks

For any Political Risks policies which have not had a full war exclusion applied, Lloyd's wishes to capture the largest gross aggregation by exposed country in the defined territory. Please provide the country name in the template where indicated.

For any Political Risks policies which have not had a full NCBR exclusion applied Lloyd's wishes to capture the gross aggregation based on the defined regions.

### 2.5.4 Other Property (D&F), other Specialty and Property Treaty

Please indicate if there is an exposure by selecting Y or N.

If the only exposure in the treaty is as a result of providing reinsurance for a fire following clause on the original policy, then please answer N.

Syndicates should ensure that they include exposure on a fire following basis in their own assessment of accumulations for all Property (D&F), Other Specialty and Property Treaty classes of business.



## 3 Regional War & NCBR Aggregation

Regional and Country War & NCBR risk aggregation submissions suggest that several aggregation methodologies are being used to provide War & NCBR regional aggregation data. This section outlines how Lloyd's Portfolio Risk Management believes regional War & NCBR aggregation should be approached.

### 3.1 Regions

Regional War & NCBR exposures should be aggregated using the following country 'groupings' (also available in the return template).

#### **AFRICA**

Algeria	Angola	Benin
Botswana	Bouvet Island	British Indian Ocean Territory
Burkina Faso	Burundi	Cameroon
Cape Verde	Central African Republic	Chad
Comoros	Congo	Congo (Democratic Republic)
Côte D'Ivoire	Djibouti	Egypt
Equatorial Guinea	Eritrea	Ethiopia
French Southern Territories	Gabon	Gambia
Ghana	Guinea	Guinea-Bissau
Heard & McDonald Islands	Kenya	Lesotho
Liberia	Libya	Madagascar
Malawi	Mali	Mauritania
Mauritius	Mayotte	Morocco
Mozambique	Namibia	Niger
Nigeria	Reunion	Rwanda
St. Helena/Ascension/Tristan Da Cunha		Sao Tome & Principe
Senegal	Seychelles	Sierra Leone
Somalia	South Africa	South Sudan
Sudan	Swaziland	Tanzania
Togo	Tunisia	Uganda
Western Sahara	Zambia	Zimbabwe

#### **ASIA**

Afghanistan	Bangladesh	Bhutan
China	Hong Kong	India
Iran	Japan	Kazakhstan
Korea (Democratic People's Republic of)		Korea (Republic of)
Kyrgyzstan	Macao	Maldives
Mongolia	Nepal	Northern Mariana Islands
Pakistan	Sri Lanka	Taiwan
Tajikistan	Turkmenistan	Uzbekistan

**MIDDLE EAST**

Armenia	Azerbaijan	Bahrain
Cyprus	Georgia	Iraq
Israel	Jordan	Kuwait
Lebanon	Oman	Palestinian Territory (Occupied)
Qatar	Saudi Arabia	Syrian Arab Republic
Turkey	United Arab Emirates	Yemen

**EUROPE (except EAST)**

Albania	Andorra	Austria
Belgium	Bosnia & Herzegovina	Croatia
Denmark	Estonia	Faroe Islands
Finland	France	Germany
Gibraltar	Greece	Holy See (Vatican City State)
Iceland	Ireland	Italy
Latvia	Liechtenstein	Lithuania
Luxembourg	Macedonia	Malta
Monaco	Montenegro	Netherlands
Norway	Portugal	San Marino
Serbia	Slovenia	Spain
Svalbard and Jan Mayen	Sweden	Switzerland
United Kingdom		

**EURASIA**

Belarus	Bulgaria	Czech Republic
Hungary	Moldova	Poland
Romania	Russian Federation	Slovakia
Ukraine		

**SOUTH & CENTRAL AMERICA**

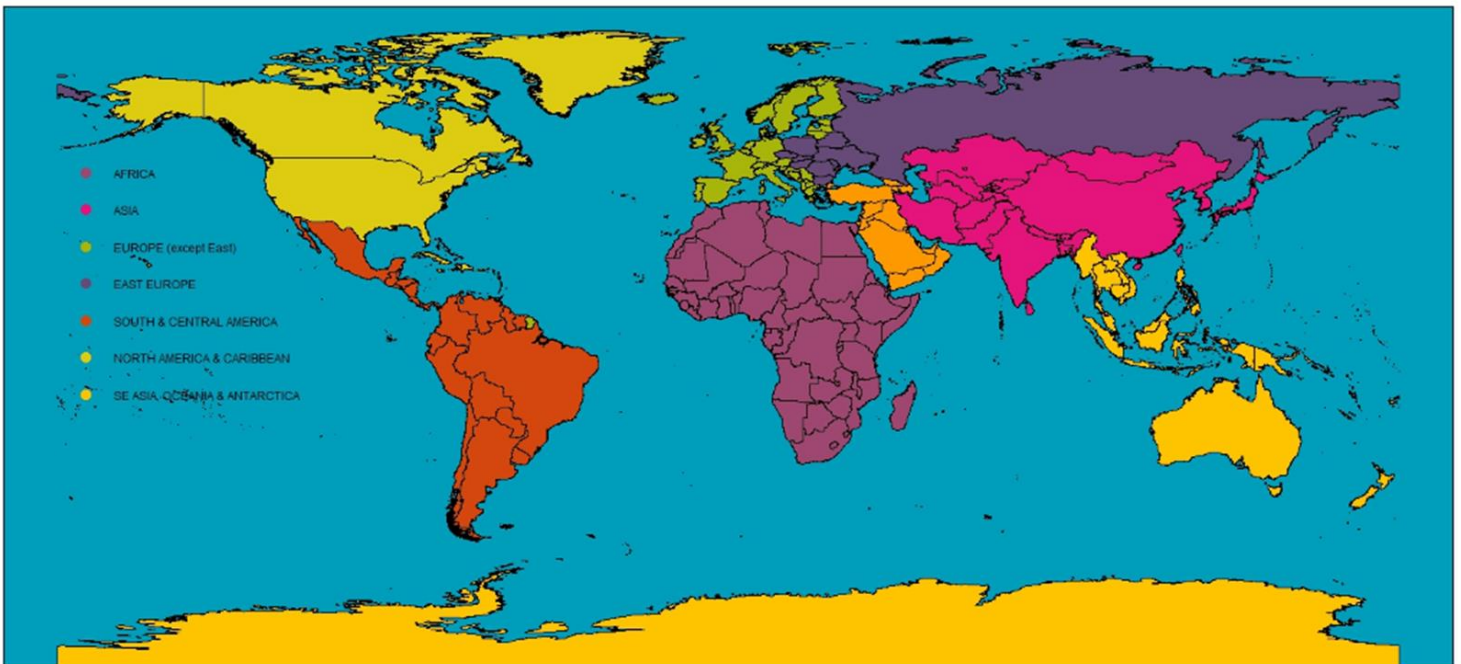
Argentina	Belize	Bolivia
Brazil	Chile	Colombia
Costa Rica	Ecuador	El Salvador
Falkland Islands	French Guiana	Guatemala
Guyana	Honduras	Mexico
Nicaragua	Panama	Paraguay
Peru	South Georgia/South Sandwich Islands	
Suriname	Uruguay	Venezuela

### **NORTH AMERICA & CARIBBEAN**

Anguilla	Antigua & Barbuda	Aruba
Bahamas	Barbados	Bermuda
Canada	Cayman Islands	Cuba
Dominica	Dominican Republic	Greenland
Grenada	Guadeloupe	Haiti
Jamaica	Martinique	Montserrat
Puerto Rico	Saint Barthélemy	Saint Kitts & Nevis
Saint Lucia	Saint Martin	Saint Pierre & Miquelon
Saint Vincent & the Grenadines	Trinidad & Tobago	Turks & Caicos Islands
United States	Virgin Islands (British)	Virgin Islands (US)

### **SOUTH EAST ASIA, OCEANIA & ANTARCTICA**

American Samoa	Antarctica	Australia
Brunei Darussalam	Cambodia	Christmas Island
Cocos (Keeling) Islands	Cook Islands	Fiji
French Polynesia	Guam	Indonesia
Kiribati	Lao People's Democratic Republic	Micronesia
Malaysia	Marshall Islands	Netherland Antilles
Myanmar	Nauru	Niue
New Caledonia	New Zealand	Papua New Guinea
Norfolk Islands	Palau	Samoa
Philippines	Pitcairn	Thailand
Singapore	Solomon Islands	Tonga
Timor-Leste	Tokelau	Vietnam
Tuvalu	Vanuatu	
Wallis & Futuna		



### 3.2 Methodology

The following general aggregation methodology should be used to aggregate War & NCBR exposures on a regional basis. This will hopefully decrease the potential for double counting exposures within a given region and provide consistency across the market.

- 1) Any 'Worldwide' exposures should only be counted once within a region
- 2) Any exposures that are limited to a specific group of countries should only be applied once for all those in one region. If they are split across regions then they should be applied once per region where a country within the group occurs
- 3) Exposures specific to one country should be applied to the region within which they occur.

Figure 1 illustrates this methodology. The countries (A to I in region1; J to M in region 2) covered within contracts are indicated, along with the maximum exposure level.

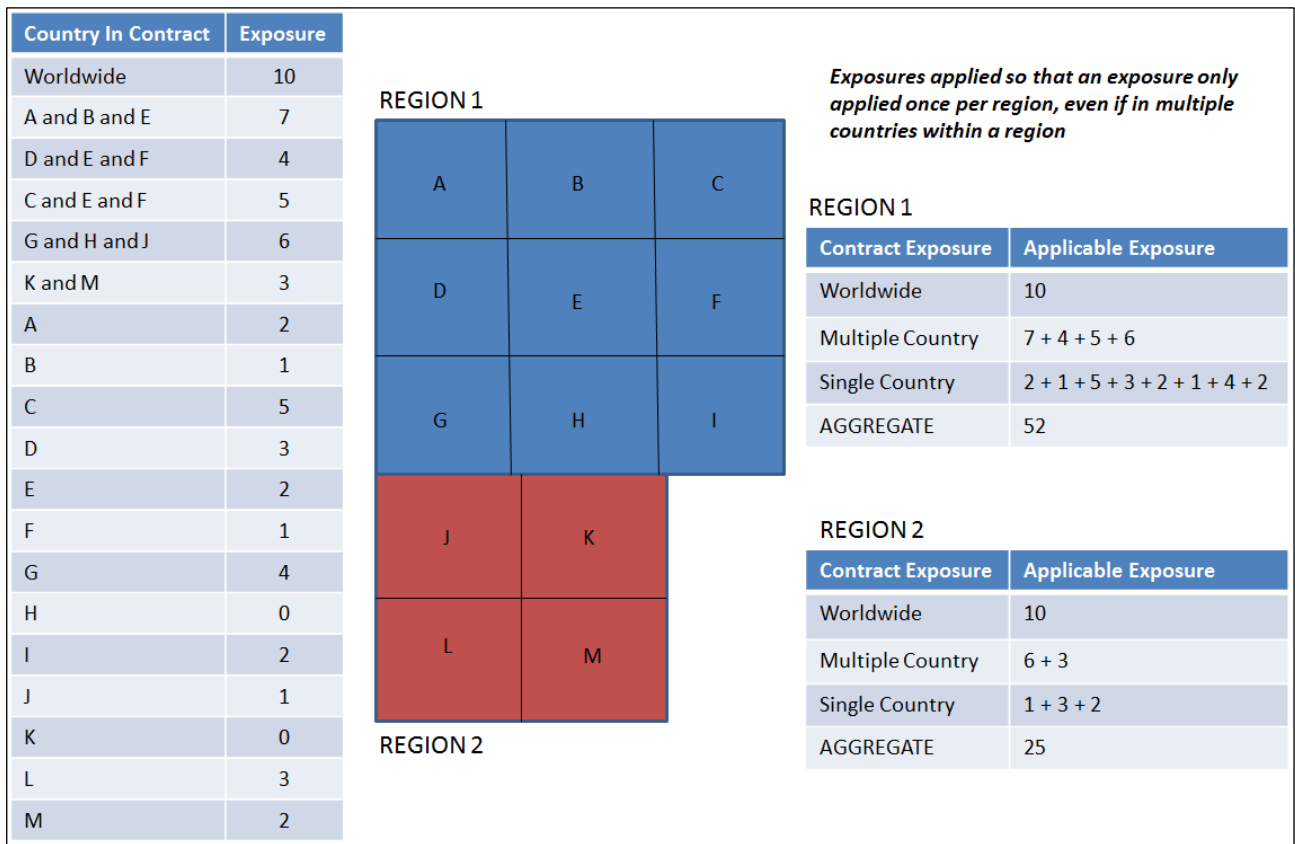


Figure 1

### 3.3 Spatial Exposure Concentration

It may be difficult to determine where risks are spatially if they are for an entity that has international links. In this case a common-sense approach should be applied whereby localities linked to the entity that are likely to have significant exposure, such as headquarters or large manufacture/sales bases, should be included, but where there are just small local offices these should be ignored.

Example: Lloyd's as an entity would have exposures worldwide due to its international status. However, any exposures to war risks would be quite small outside of the United Kingdom as the overseas platforms are relatively small in terms of staff numbers and associated infrastructure. Therefore, any exposures linked to a contract with Lloyd's would be concentrated in Europe.

Example: Volkswagen is an international company that will have major exposures worldwide. Though it will be headquartered in Germany it will require large numbers of staff and infrastructure to build and sell cars in different territories.

## 4 Country War & NCBR Aggregation

Country War & NCBR aggregate data would appear to be aggregated on a consistent basis across the market. This section outlines how Lloyd's Portfolio Risk Management believes country War & NCBR aggregation is being undertaken.

### 4.1 Countries

A list of countries is included on the template provided. However, these are not exhaustive and other countries can be added if necessary.

### 4.2 Methodology

Lloyd's believes the following general aggregation methodology should be used to aggregate War & NCBR exposures on a country basis. This will hopefully provide consistency across the market.

- 1) Any 'Worldwide' exposures should be applied to all countries in the template list
- 2) Any exposures that are limited to a specific group of countries should only be applied to each country individually.
- 3) Exposures specific to one country should be applied to that country.

Figure 2 illustrates this methodology. The countries (A to I in region1; J to M in region 2) covered within contracts are indicated, along with the maximum exposure level.

Country In Contract	Exposure
Worldwide	10
A and B and E	7
D and E and F	4
C and E and F	5
G and H and J	6
K and M	3
A	2
B	1
C	5
D	3
E	2
F	1
G	4
H	0
I	2
J	1
K	0
L	3
M	2

REGION 1		
A	B	C
D	E	F
G	H	I
J	K	
L	M	

<i>Exposures applied so that all exposure attributable to a country is applied</i>		
Country	Exposure	Aggregate
A	10 + 7 + 2	19
B	10 + 7 + 1	18
C	10 + 5 + 5	20
D	10 + 4 + 3	17
E	10 + 4 + 5 + 2	21
F	10 + 4 + 5 + 1	20
G	10 + 4 + 4	18
H	10 + 6	16
I	10 + 2	12
J	10 + 6 + 1	17
K	10 + 3	13
L	10 + 3	13
M	10 + 3 + 2	15

REGION 2		
J	K	
L	M	

Figure 2