

(Manager to the Indian Market Terrorism Risk Insurance Pool)

Ref.: TPOOL/CIR/2/2021-22

30th November 2021

To,

ALL NON-LIFE INSURANCE COMPANIES IN INDIA

Re: Indian Market Terrorism Risk Insurance Pool: Terrorism Premium Applicable for Add on Covers issued with the underlying Policy

This is in reference to email received from one of the member companies regarding applicability of Terrorism Premium for add on covers under the ambit of Indian Market Terrorism Risk Insurance Pool. It has been pointed that on various instances no Terrorism Premium is charged towards Add on Covers which are issued along with the main policy. This matter was further discussed during meeting of Pool Members dated 11.11.2021.

Reference is invited to Circular TPOOL/CIR/3/2013-14 and TPOOL/CIR/7/2013-14 wherein it has been clarified that "applicable terrorism rate should be added to the policy rate and charged on the sum insured for add-on covers."

It is hereby reiterated that if any of the following add on covers are opted by the insured with the main policy, appropriate terrorism premium has to be applied mandatorily on the sum insured for the add on covers as well:

- Architect, surveyors, and consultant engineers' fees (in excess of 3%)
- Removal of debris (in excess of 1% of claim amount)
- Deterioration of stock in cold storage premises
- Omission to Insured additions, alterations, or extensions
- Temporary removal of stock
- Loss of Rent
- Start-up Expenses
- Alternate Accommodation

You are hereby requested to inform your operating offices accordingly and ensure compliance of the same.



(Hygina Pinto)

Assistant General Manager



भारतीय साधारण बीमा निगम
(भारत सरकार की कंपनी)

General Insurance Corporation of India

(Government of India Company)

CIN NO.: L67200MH1972GOI016133 IRDA REGN No.: 112

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एक कदम स्वच्छता की ओर

(Manager to the Indian Market Terrorism Risk Insurance Pool)

Ref: TPOOL/CIR/3/2013-14

12th April, 2013

To

ALL NON-LIFE INSURANCE COMPANIES IN INDIA

Re: Indian Market Terrorism Risk Insurance Pool –
Terrorism Risk Cover and Rating for Add-On Covers under Fire Policies

Reference is invited to TAC circular ref. FT/12/2004 dt 29/6/2004 reproduced below-

*"It is clarified that rates for add on perils namely, earthquake, **terrorism**, spontaneous combustion and forest fire are to be added (wherever such perils are opted) to the **policy rate** for providing add on covers like architects, surveyors and consulting engineers fees, removal of debris, deterioration of stocks in cold storage premises, start up expenses etc.*

Insurers are requested to note the above clarification and advise their operating offices suitably."

It has been reported by some Insurers that the add-on covers provided under the fire policy are automatically extended to the terrorism cover also. But the insurers are following different practices in application of terrorism rate for add-on covers, sometimes even not charging any additional premium.

The issue was deliberated by the members of the Terrorism Risk Insurance Pool and it was agreed that the Companies should strictly adhere to the TAC circular as above and charge terrorism rate for add-on covers. The applicable terrorism rate should be added to the policy rate and charged on the sum insured for add-on covers.

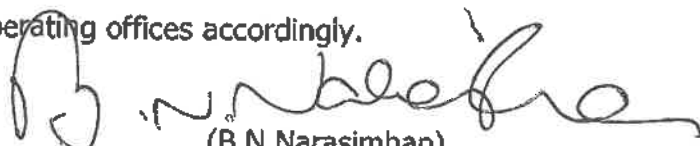
The add-on covers applicable to terrorism would be only the following six covers that were listed under the erstwhile tariff namely-

- (1) Architects, Surveyors and Consulting Engineers Fees (in excess of 3% of claim amount)
- (2) Removal of Debris (in excess of 1% of claim amount)
- (3) Deterioration of Stocks in Cold Storage premises
- (4) Omission to insure additions, alterations or extensions
- (5) Temporary removal of stock
- (6) Loss of rent

Any add-on covers filed by insurers subsequently other than the above should not be applicable to terrorism peril.

Insurers are also advised that the limit of indemnity for terrorism risk, including the claim on add-on covers, should not exceed the Pool capacity of INR 1000 crores per location.

Please take note of the above and instruct your operating offices accordingly.


(B N Narasimhan)
Deputy General Manager

(Manager to the Indian Market Terrorism Risk Insurance Pool)

Ref: TPOOL/CIR/7/2013-14

7th March 2014

To,

ALL NON-LIFE INSURANCE COMPANIES IN INDIA

Re: Indian Market Terrorism Risk Insurance Pool

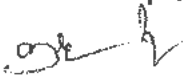
Revision in terms for Terrorism Risk Insurance w.e.f. 1st April 2014 in respect of :

- a) Increase in Pool Capacity & Limit of Liability
- b) Revision in Sum Insured bands and Terrorism Premium rates
- c) Revision in Deductibles
- d) Inclusion of New add on covers

Following the recommendation of the Underwriting Committee of the Terrorism Pool and the subsequent Pool Members meeting on 22nd January 2014, the revised rates were filed with IRDA under the 'File & Use' guidelines and we are pleased to inform you that IRDA has approved the following revised rates and terms, effecting from 1st April 2014 as under:

- a) **Increase in Pool Capacity:** The capacity of the Indian Market Terrorism Risk Insurance Pool per location is increased to Rs.1,500 crores against the current level of INR.1,000 crores.

The revised Limit of liability for ALOP under project insurance policies should not exceed INR 750 crores per location and the combined limit of indemnity for Material Damage and ALOP under project insurance policies not to exceed INR 1,500 crores per location.



b) Revision in Sum Insured Bands and Terrorism premium rates are as under:

Serial No.	Total Sum Insured (TSI) per Location/compound (MD + LOP/ALOP)	Risk Category	Rate per Mille	Loss Limit per location / compound (MD+LOP/ALOP)
1	Upto INR 500 crores	Residential	0.08	TSI
		Non Industrial	0.15	
		Industrial	0.23	
2	Over INR 500 crores and upto INR 1,000 crores	On First INR 500 crores as per (1) above PLUS on balance Sum Insured as under		TSI
		Residential	0.08	
		Non Industrial	0.15	
		Industrial	0.20	
3	Over INR 1,000 crores and upto INR 1,500 crores	On First INR 1,000 crores as per (2) above PLUS on balance Sum Insured as under		TSI
		Residential	0.08	
		Non Industrial	0.12	
		Industrial	0.20	
4	Over INR 1,500 crores and upto INR 2,500 crores	On First INR 1,500 crores as per (3) above PLUS on balance Sum Insured as under		INR. 1,500 crores
		Residential	0.05	
		Non Industrial	0.12	
		Industrial	0.15	
5	Over INR 2,500 crores and upto INR 5,000 crores	On First INR 2,500 crores as per (4) above PLUS on balance Sum Insured as under		INR. 1,500 crores
		Residential	0.05	
		Non Industrial	0.10	
		Industrial	0.10	
6	Over INR 5,000 crores and upto INR 10,000 crores	On First INR 5,000 crores as per (5) above PLUS on balance Sum Insured as under		INR. 1,500 crores
		Residential	0.05	
		Non Industrial	0.08	
		Industrial	0.08	
7	Over INR 10,000 crores	On First INR 10,000 crores as per (6) above PLUS on balance Sum Insured as under		INR. 1,500 crores
		Residential	0.05	
		Non Industrial	0.06	
		Industrial	0.06	

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It may be noted that the above premium rates shall include the cost incurred towards Brokerage / Agency Commission upto 5% on terrorism premium for business procured through Brokers / Agents.

c) Revision in Deductibles are as under :

Nature of Risk	Deductible (as a % of claim/loss amount)	Minimum limit	Maximum limit
Residential	1% of claim amount	INR 10,000/-	INR 5,00,000/- (Rupees Five lacs)
Non Industrial	1% of claim amount	INR 25,000/-	INR 10,00,000/- (Rupees Ten lacs)
Industrial	5% of claim amount	INR 1,00,000/-	INR 2,50,00,000/- (Rupees Two crores Fifty lacs)

d) Inclusion of new "Add on Covers" within INR.1,500 crores :-

The following new Add-on covers are included under Terrorism Pool coverage:

- (1) Start up Expenses
- (2) Alternate Accommodation

The Terrorism Premium rates given above would be applied on the Total Sum Insured for these add-on covers.

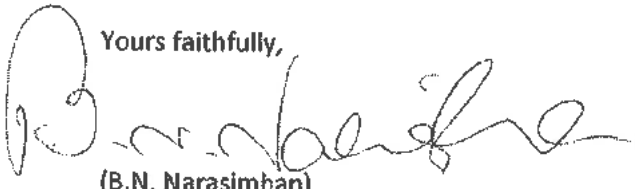
All other terms and conditions of Terrorism Risk Insurance Pool remain unaltered.

The above revisions shall be effective from 1st April 2014.

You are hereby requested to inform your operating offices accordingly and ensure compliance of the revised provisions. The Revised endorsement wordings for Terrorism coverage are also enclosed.

Thanking you,

Yours faithfully,



(B.N. Narasimhan)
Deputy General Manager

Enclosed: as above