LLOYD'S

EM 613 v1.0

# WAR & NCBR 2027

Guidance and Instructions
July 2026

Classification: Unclassified

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# 1 Introduction

Lloyd's published bulletin Y4972 on 1st 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 2027 Syndicate Business Forecast, and report in-force exposures alongside the 2026 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/2027 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 2026 Realistic Disaster Scenarios return.

The forecast War/NCBR aggregate exposures are not strict limits, and exceedances during 2027 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

Explicit 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 Cargo exposures (previously coded as QL) and Onshore Energy exposures within the War on Land and Terrorism returns (see 2.5.1 and 2.5.2 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 Property D&F, Property Treaty and Other Specialty Classes with War on Land and/or Terrorism Coverages

### 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 Cargo exposures (previously coded as QL) and Onshore Energy exposures within this part of the return.

### 2.5.2 Terrorism

For any Property D&F risks covering terrorism 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 Cargo exposures (previously coded as QL) 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**

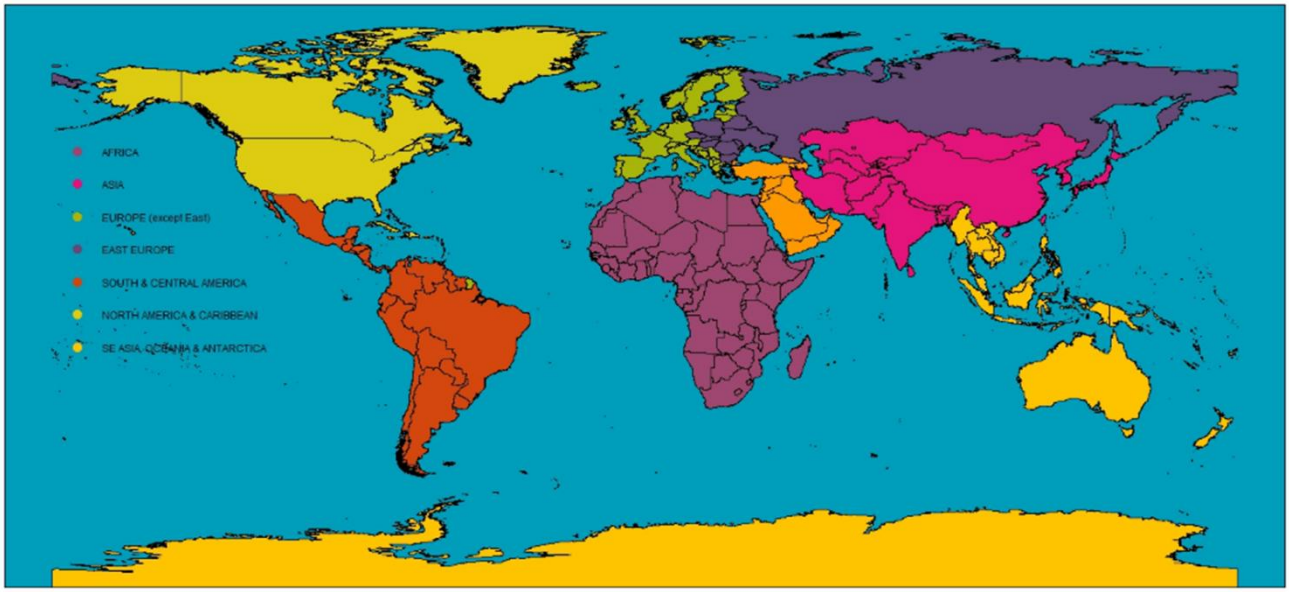
| | | |
|---|---|---|
| Argentina | Belize | Bolivia |
| Brazil | Chile | Colombia |
| Costa Rica | Ecuador | El Salvador |
| Falkland Islands | French Guiana | Guatemala |
| Guyana | Honduras | Mexico |
| Nicaragua | Panama | Paraguay |
| Peru | South Georgia/South Sandwich Islands | |
| Suriname | 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 | |
| Malaysia | Marshall Islands | Micronesia |
| Myanmar | Nauru | Netherland Antilles |
| New Caledonia | New Zealand | Niue |
| Norfolk Islands | Palau | Papua New Guinea |
| Philippines | Pitcairn | Samoa |
| Singapore | Solomon Islands | Thailand |
| Timor-Leste | Tokelau | Tonga |
| Tuvalu | Vanuatu | Vietnam |
| Wallis & Futuna | | |



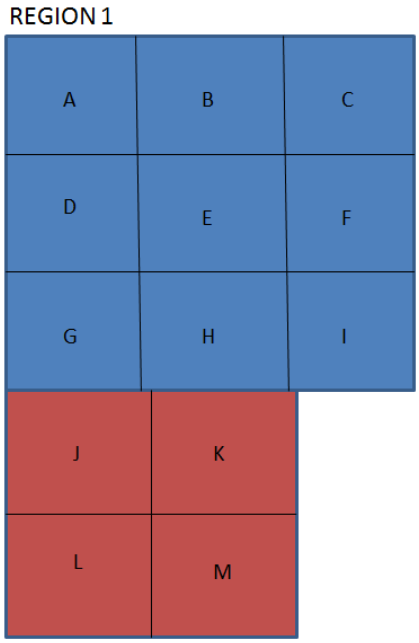
## 3.2 Methodology

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.

| 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 |




***Exposures applied so that an exposure only applied once per region, even if in multiple countries within a region***

REGION 1

| Contract Exposure | Applicable Exposure |
|---|---|
| Worldwide | 10 |
| Multiple Country | 7 + 4 + 5 + 6 |
| Single Country | 2 + 1 + 5 + 3 + 2 + 1 + 4 + 2 |
| AGGREGATE | 52 |

REGION 2

| Contract Exposure | Applicable Exposure |
|---|---|
| Worldwide | 10 |
| Multiple Country | 6 + 3 |
| Single Country | 1 + 3 + 2 |
| AGGREGATE | 25 |

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.

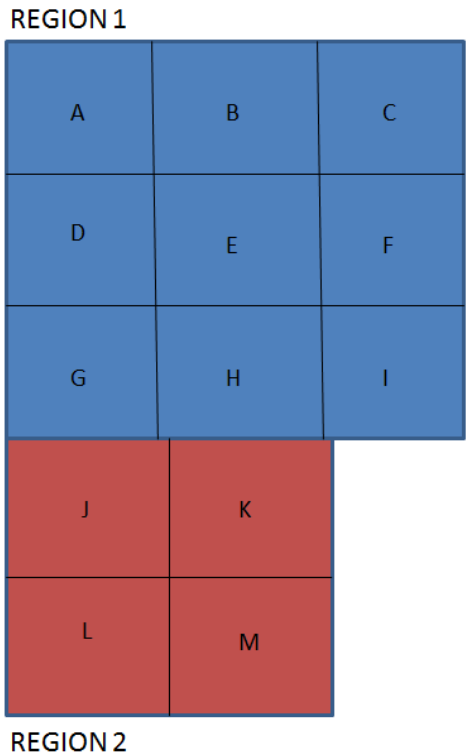
## 4.2 Methodology

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 |




***Exposures applied so that all exposure attributable to a country is applied***

| 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 |

Figure 2