

**OECD**  
**Terrorism Insurance in 2012**  
**The Future of Terrorism Risk and Insurance Markets**

**5 December, 2012, Paris**

**„Terrorism and operating losses across borders:  
interdependencies and suppliers default”**

**EXTREMUS**  
Versicherungs-AG

**Dirk Harbrücker**

# Agenda

- ❖ Coverage offered by EXTREMUS
- ❖ Exclusion of suppliers contingency losses
- ❖ Domestic inclusions
- ❖ Business Interruption losses across border
- ❖ Coverage across border
- ❖ Conclusion

# Coverage offered by EXTREMUS

## Property and Business Interruption for risks situated in Germany

Interdependencies covered within contract

(property damage on any location of the insured designated in insurance contract)

i. e. interdependency to/from third parties excluded

# Exclusion of suppliers contingency losses

## Exclusions

- BI losses without prior property damage insurable according to the original conditions.
- Suppliers/customers contingency losses other than interdependency losses as provided for in the ATB.
- Losses caused by the failure of public power/energy supplies (remote effects losses).
- Loss of and/or damage or alteration to data (data legible by machine) unless the destruction, damage or alteration of the data was caused by property damage.

## Inclusions

**Suppliers/customers contingency losses limit EUR 10mio for suppliers and direct customers**

Terrorism property loss on property/premises site which is/are an operating location of a company maintaining on-going business relations with the policyholder by supply or direct purchase of products (suppliers/customers).

## Inclusions

### Loss of profit losses limit EUR 10mio due to failure of external supply services/utilities

Terrorism property loss occurring in external, private or public supply service company and leading to failure and loss of profit loss for policyholder.

External supply services are restricted to

- electricity
- gas
- steam and water
- telecommunications

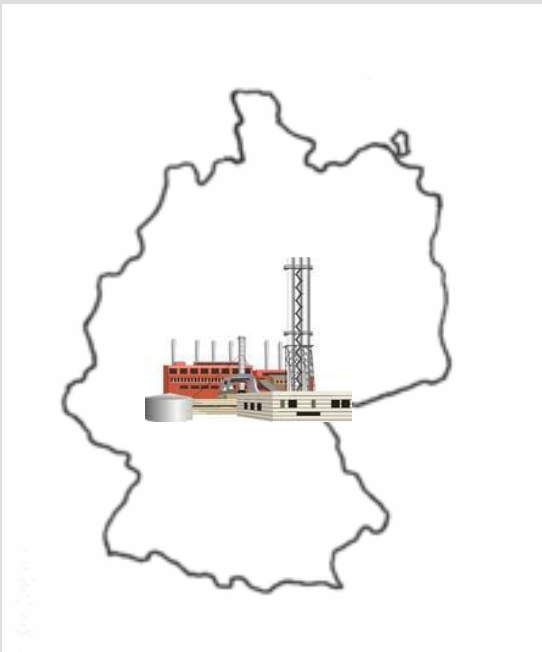
## Inclusions

### Loss of profit losses limit EUR 10mio due to access restrictions

Terrorism property loss or damage resulting directly in official or military order being issued to restrict access to the insured location(s) of policyholder.

# Business Interruption losses across border

**Insured in Germany**



**Subsidiary in EU**

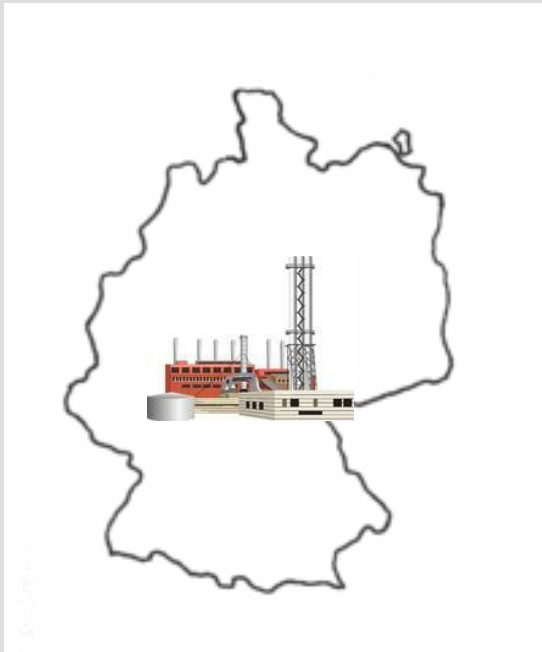


← Delivery of parts



# Business Interruption losses across border

Insured in Germany



Business Interruption

Subsidiary in EU



Property Damage  
after terrorist attack

←  
No delivery of parts



## Coverage across border

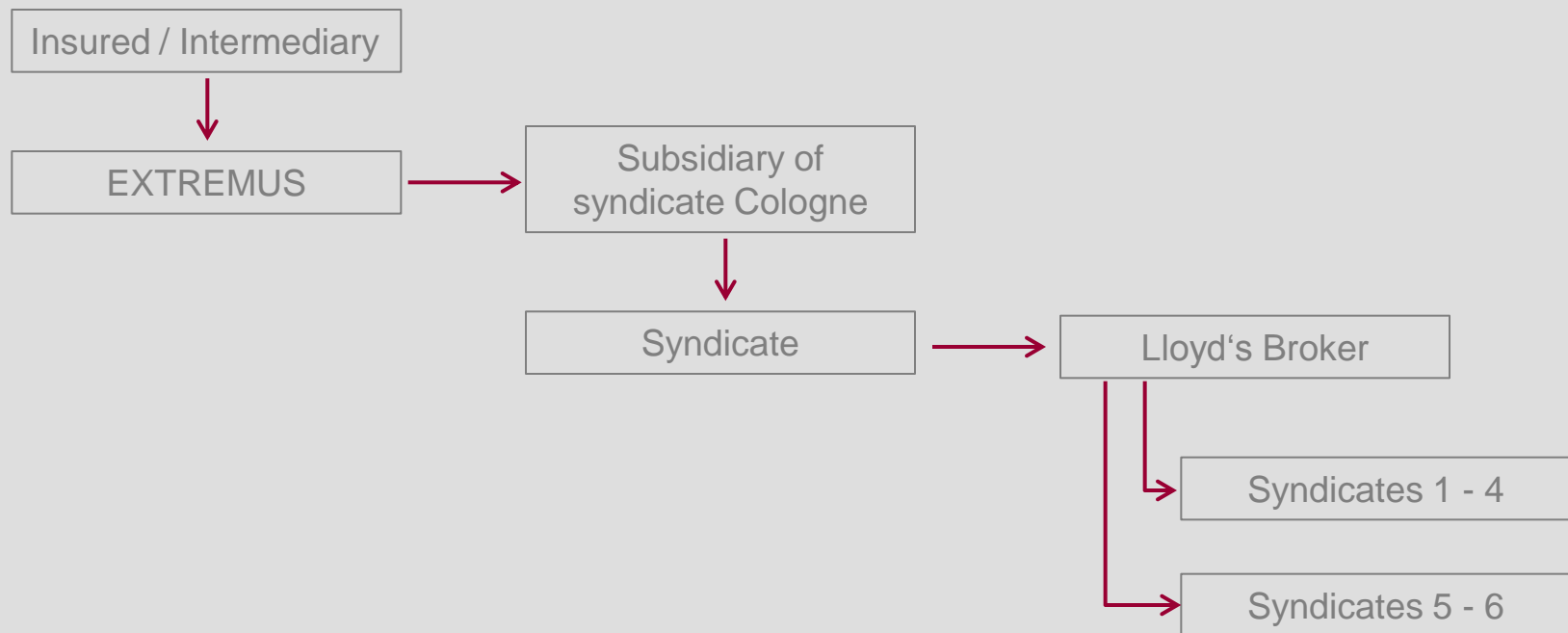
National budget law does not allow Government(s) to cover losses abroad in national terrorism scheme(s):

→ Therefore no possibility for coverage by EXTREMUS.

# Coverage across border

## Facility for non German locations

Based on ATB (General conditions) EXTREMUS acts as agent



## Coverage across border for

1.non domestic locations of insured

2.bridging of coverage with original insured for (financial) losses materializing in parents' balance sheet.

# Coverage across border

## Advantages

- German conditions (ATB) adapted to international locations
- separate limits under EXTREMUS and facility

## Disadvantage

- two policies, higher premium for insured (?)

# Conclusion

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Interdependency losses and/or suppliers default across border:

→ Coverage by national schemes only in cooperation with private market.