

## TT Club to cover nuclear and bio-terrorism risk

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TT CLUB is to offer cover for nuclear and bio-chemical terrorism risks including so-called dirty bombs from the start of next year.

The move comes in response to demand from within the industry, the specialist insurance provider said today.

Many experts point out that terrorist groups are known to have experimented with dirty bombs, in which radiological material is packed around a conventional improvised explosive device to provide a deadly 'kicker'.

The idea is to disperse radioactivity over a wide area, probably in a densely populated area. Business life could be disrupted for months, as costly and time-consuming clean-up operations take place.

Given the ready availability of radiological materials and the ease of constructing a dirty bomb, some analysts believe that deployment is only a matter of time.

TT club cover will include physical loss, direct and indirect business interruption and liabilities. In addition, it will be applicable both in incidents involving actual damage, and in those where a device is discovered causing significant trade disruption but no physical damage.

Limit options will provide cover up to a maximum of \$25m for any one incident per member. Indirect business interruption losses will be available for limits up to a maximum of \$5m per member for any one incident.

A pool aggregate limit for all claims in any one year of \$100m is expected to be achieved.

TT Club underwriting director Brian Wood commented: "The club is always looking for options to improve the way in which its members' risk exposure can be managed and this pooling arrangement is a good example of finding a mutual solution to a common concern."

Premiums will be priced according to potential exposure and the size of limit chosen by the insured, he added.

In the event that there is no claim to the pool in any one year a 25% continuity credit will be offered to members who renew.

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