



PRODUCT NEED AND USE:

Cedants may require reinsurance on a Business Travel plan where high limits are provided or when in combination with other policies such as Basic and Voluntary AD&D, the total amount of insurance exceeds their maximum retention per person. In some other cases, reinsurance can be sought to lay off a share of the risk on a travel policy with some hazardous exposure or even just to lay off this class of risk as a whole.

SUBJECT INSURANCE:

Business Travel Accident insurance is provided on two bases:

1. 24 Hour Business and Pleasure
2. Business Travel Only, which covers the insured from the time he/she leaves for such a trip until he/she returns

REINSURANCE DESIGN/OPTIONS/STANDARDS:

Typically, reinsurance is purchased on:

- A quota share,
- Excess per life basis, or
- An excess per occurrence basis

INFORMATION REQUIREMENTS:

1. Type of coverage: Business Travel Only (BTO), 24 Hour
2. Number of lives exposed
3. Business activities and occupation of the Insureds
4. Sums insured per life
5. Frequency of travel
6. Mode of transportation
7. Aggregate limit
8. Are there foreign residents, employees? If so, number, locations, and periods of residence
9. Special hazards: war risk cover, owned/leased/chartered aircraft exposure

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UNDERWRITING NOTES:

Business activities and occupation of the Insured:

They are often a good indication of the employees' travel habits. For example, an aircraft manufacturer and a gas pipeline company are totally different risks compared to a law firm. Similarly, the executives and sales representatives present a different exposure than the clerical staff or blue-collar workers.

Frequency of travel:

We distinguish two kinds of travelers. Those who travel less than 50 days a year and those who travel more than 50 days a year.

Mode of transportation:

Clients can generally provide us with the portion of business travel made by automobile as opposed to that made by common carrier. Again, the business activities of a firm often indicate what kind of travel the employees make. For example, the regular use of cars by the agents of an insurance company.

Aggregate limit:

Be aware of any concentration of insured traveling together. For instance, is there a company policy preventing the accumulation of executives on a plane? Such information is important to determine the appropriate aggregate limit.

Special hazards:

Insureds can be exposed to high risks while on a trip. Think of a scientist on a radioactive site or a reporter in a war zone. More likely, employees might travel aboard the company owned aircraft. Business travel policies usually exclude these exposures. If coverage is requested, make sure to gather all the information and rate separately.

SPECIMEN WORDING:

Business Travel Only:

24 Hour, while traveling on the business of the policy holder, excluding everyday travel to and from work. The trip shall commence when the insured leaves his/her residence or place of regular employment, whichever last occurs, and shall continue until he/she returns to his/her residence or place of regular employment, whichever first occurs.

Business Travel including Commutation:

24 Hour while traveling on the business of the policyholder, including everyday travel to and from work.