

Summary of MIB Members' consultation and vote on terrorism liabilities

26 June 2018

1 MIB issued the consultation to members in February 2018:

<https://www.mib.org.uk/media/398358/mib-members-consultation-terrorism-liabilities.pdf>

Members were asked:

- 1) For their views on whether they would support a change to the Articles to exclude from the liability of the Article 75 insurer, claims arising from the use of a vehicle as part of an act of terrorism for events on or after 01 January 2019.
- 2) If they answered yes to Question 1, would they prefer the Articles to reflect that MIB would only be responsible for claims over and above a particular level and, if so, the preferred level over and above which MIB would be responsible for paying claims?
- 3) For any further views or comments on the matters discussed in the consultation paper.

2 In April 2018 MIB published the response to the consultation:

<https://www.mib.org.uk/media/411959/mib-members-response-to-consultation-terrorism-liabilities-100418.pdf>

90% of the membership by voting rights responded to the consultation.

Regarding whether members would support a change to the Articles to exclude from the liability of the Article 75 insurer, claims arising from the use of a vehicle as part of an act of terrorism for events on or after 1 January 2019, responses were:

- Percentage of votes for: 83%
- Percentage of votes against: 7%
- No response received: 10%
- Views differed on whether MIB should be responsible from the ground up or only over a level. In total around 42% by voting rights believed that protection should be from the ground up.

3 Vote issued to members 21 June 2108:

A written resolution was issued to members on 21 June 2018 proposing new Articles of Association of the Company to exclude from the liability of the Article 75 insurer, claims arising from the use of a vehicle as part of an act of terrorism for events on or after 1 January 2019.

- The outcome of the resolution will affect all members.
- The ballot is open for 28 days. Responses must be received by MIB by the end of 19 July 2018.
- Members only vote if they are in favour of adopting the new Articles. Members who are not in favour of adopting the new Articles should not vote.
- The change will be approved if 75% of the membership (by voting rights) vote in favour.
- Exclusion from the ground up is included in the new Articles.
- The possibility of reinsuring some of the liability will be explored after the results of the vote if the proposed new Articles are accepted.