

# Terrorism and insurance

What you need to know



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government



THE AMBULANCE SERVICE ASSOCIATION



**DH INFORMATION READER BOX**

<b>Policy</b>	Estates
HR/Workforce Management	Performance
Planning	IM & T
Clinical	Finance
	Partnership Working

<b>Document Purpose</b>	For information
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<b>For Recipient's Use</b>	
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*“...the perception is worse  
than the reality...”*

## Introduction

The purpose of this leaflet is to inform front-line NHS staff in England and Wales about the financial support you or your dependants could expect to receive if you were injured or fatally wounded in the course of your duties, as a result of an act of terrorism.

## What are the facts?

The following table presents information on:

- financial products or schemes that **will** pay out if the cause of injury or fatality is an act of terrorism; and
- financial products or schemes that **will not** pay out if the cause of injury or fatality is an act of terrorism.

Outcome for NHS staff	Injury	Death
<b>Covered</b>		
NHS Pension Scheme	<ul style="list-style-type: none"> <li>• The scheme is not affected by terrorism – payments would be made as normal, subject to normal scheme rules.</li> <li>• The scheme offers early and ill-health retirement packages.</li> </ul>	<ul style="list-style-type: none"> <li>• The scheme is not affected by terrorism – payments would be made as normal.</li> <li>• The scheme will pay widows, widowers or civil partners a lump sum, plus a pension.</li> <li>• The scheme also includes an allowance for dependent children.</li> </ul>
NHS Injury Benefits Scheme	<ul style="list-style-type: none"> <li>• The scheme is not affected by terrorism – payments would be made as normal, subject to scheme rules.</li> <li>• For temporary injuries, the scheme tops up the income of members, ensuring that they receive 85% of pensionable pay.</li> <li>• For permanent injury (pending a decision by a panel of medical advisers), the scheme tops up the income of members to ensure that they receive up to a maximum of 85% of pensionable pay <b>for life</b>.</li> </ul>	<ul style="list-style-type: none"> <li>• The scheme is not affected by terrorism – payments would be made on behalf of NHS staff as normal, subject to scheme rules.</li> <li>• The scheme will pay a death benefit to dependants.</li> </ul>
(Private) Life insurance	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Life insurance is not affected by terrorism – payments should be made as normal.</li> </ul>

Outcome for NHS staff	Injury	Death
Not covered		
<p>Creditor insurance products (including mortgage, income protection and critical illness cover)</p>	<ul style="list-style-type: none"> <li>• Creditor insurance products do carry exclusions for acts of terrorism.</li> <li>• If a member of staff suffers injury, these products will not pay out.</li> <li>• These policies are not mandatory. It is a member of staff's personal decision to hold a policy of this type.</li> <li>• These exclusions are not universal. Staff are advised to consult their broker if they hold policies of this type.</li> </ul>	<ul style="list-style-type: none"> <li>• Creditor insurance products do carry exclusions for acts of terrorism.</li> <li>• If a member of staff is fatally wounded, these products will not pay out.</li> <li>• These policies are not mandatory. It is a member of staff's personal decision to hold a policy of this type.</li> <li>• These exclusions are not universal. Staff are advised to consult their broker if they hold policies of this type.</li> </ul>
<p>Personal accident cover</p>	<ul style="list-style-type: none"> <li>• Non-mandatory personal accident cover products do carry exclusions for acts of terrorism.</li> <li>• If a member of staff suffers injury, these products will not pay out.</li> <li>• These policies are not mandatory. It is a member of staff's personal decision to hold a policy of this type.</li> <li>• These exclusions are not universal. Staff are advised to consult their broker if they hold policies of this type.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-mandatory personal accident cover products do carry exclusions for acts of terrorism.</li> <li>• If a member of staff is fatally wounded, these products will not pay out.</li> <li>• These policies are not mandatory. It is a member of staff's personal decision to hold a policy of this type.</li> <li>• These exclusions are not universal. Staff are advised to consult their broker if they hold policies of this type.</li> </ul>

## What does this mean for me?

Life insurance products are not affected by terrorism exclusions and payments should be made as normal.

Creditor and personal accident cover insurance products that carry terrorism exclusions are not mandatory. It is a member of staff's personal decision to hold these types of policies. Discussions with the Association of British Insurers has highlighted that the general take-up of these policies across the UK is relatively low. It is, therefore, highly unlikely that the majority of NHS staff would be affected.

In addition, the exclusions that affect the personal accident cover and creditor insurance products are not universal and the Department of Health and the Welsh Assembly Government advise front-line NHS staff who hold such policies to consult their insurance providers to better understand their position.

The NHS Pension Scheme is not affected by terrorism, and payments (including ill-health retirement packages, death benefits for dependants and childcare allowances) will be made as normal.

The NHS Injury Benefits Scheme is not affected by terrorism, and payments will be made to NHS staff as normal for injury or disease (physical or psychiatric) that is wholly or mainly attributable to their actual NHS duties.

For temporary injuries, the Injury Benefits Scheme tops up the income of members, ensuring that they receive 85% of pensionable pay.

For permanent injury (pending a decision by a panel of medical advisers), the scheme tops up a member's income to ensure that they receive up to a maximum of 85% of pensionable pay **for life**.

The scheme also offers death benefits for dependants.

Staff do **not** need to be a member of the NHS Pension Scheme to receive payments from the NHS Injury Benefits Scheme.

## What are the Department of Health and the Welsh Assembly Government doing?

The Department of Health and the Welsh Assembly Government are working to support front-line NHS staff who play a vital role in the response to terrorist incidents.

Much of this work is aimed at reducing the risks to staff of injury or death in the course of their duties during a terrorist incident. This support ranges from guidance on roles and responsibilities during a major incident, to better training packages and the provision of improved personal protective equipment for front-line staff.

The circumstances in which any policy exclusions for terrorism would be triggered should, therefore, be relatively rare. In addition, the impact of any exclusion is potentially reduced by the:

- payments that remain available under the NHS Pension and Injury Benefits schemes; and
- relatively low numbers of NHS staff in England and Wales who hold the creditor insurance and personal accident cover policies that may carry exclusions.

The Department of Health and Welsh Assembly Government are actively pursuing a range of options with stakeholders to ensure that healthcare staff who are injured or fatally wounded in the course of their duties as a result of an act of terrorism do not suffer financial loss because of insurance cover shortfalls.

## Where can I get more information?

More in-depth information on insurance products and NHS benefit schemes is available at the following websites:

- Association of British Insurers: [www.abi.org.uk](http://www.abi.org.uk)
- NHS Pensions Agency (for information relating to NHS pensions and the Injury Benefits Scheme): [www.nhspa.gov.uk](http://www.nhspa.gov.uk)

For members of staff who hold creditor insurance and/or personal accident cover policies, the Department of Health and Welsh Assembly Government advise staff to consult their broker for further information.

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