

S03.02-IS-01-R112-I.4-Insurance premiums

Insurance premiums

- [Typology and cost allocation](#)
 - [Property damage and Business interruption:](#)
 - [Liability insurance:](#)
 - [Transport insurance \(Marine Cargo\)](#)
 - [Crime insurance](#)
 - [Political Risk insurance](#)
 - [Political Violence insurance](#)
 - [Other insurances](#)
 - [Insurance broker fees and commissions](#)
- [Mapping Reference Table](#)

Typology and cost allocation

Property damage and Business interruption:

The insurance covers property damage that results from a sudden and unforeseen event (accident, fire, machinery breakdown, natural catastrophe). The following property is covered: buildings, machinery / equipment, inventories. It is also aimed at compensating the insured for the financial loss and/or indirect cost suffered as the result of the non-availability of the production tool, consequently to a property damage, in order to keep the company in the same financial situation it would have been in, if the property damage had never occurred

The premium is reported under heading [R25460 - Period non-proportional costs of production](#).

For legal entities not having manufacturing plants, heading [R27900 - Miscellaneous production](#) or [R33310 - Administrative costs \(non-functions\)](#) are used depending on the situation

Liability insurance:

This insurance covers damages caused to third parties.

1. « *General & Product liability* » (CGL, Casualty)
2. « *Environmental Impairment Liability* » (EIL, Pollution)
3. « *Directors' & Officers' Liability* » (D&O)
4. « *Employment Practice Liability* » (EPL)
5. « *Pension Trustee Liability* » (PTL)

The origin of a liability claim is mainly due to manufacturing error; the premium thus can be attributable to production costs. A liability claim can also be the result of a disagreement with a third party. It is therefore difficult to clearly distinguish what portion of the premium is related to production costs

The premium is reported under heading [R25460 - Period non-proportional costs of production](#).

For legal entities not having manufacturing plants, heading [R27900 - Miscellaneous production](#) or [R33310 - Administrative costs \(non-functions\)](#) are used depending on the situation

Transport insurance (Marine Cargo)

This insurance covers damages to goods and equipment during transportation.

Though the coverage is not limited to the transport of finished goods, 100% of the premium should be reported shown under heading [R27900 - Miscellaneous production](#)

Crime insurance

This insurance covers fraud and cyber risks events

The premiums are reported under [R27900 - Miscellaneous production](#) or [R33310 - Administrative costs \(non-functions\)](#) depending on their nature

Political Risk insurance

This insurance covers Political Violence, Expropriation, Currency inconvertibility and non-transfer in a set of countries

The premium is reported under [R33310 - Administrative costs \(non-functions\)](#)

Political Violence insurance

This insurance covers Political Violence and Terrorism in all countries not listed in the Political Risk insurance

The premium is reported under heading [R25460 - Period non-proportional costs of production](#)

For legal entities not having manufacturing plants, heading [R27900 - Miscellaneous production](#) or [R33310 - Administrative costs \(non-functions\)](#) are used depending on the situation

Other insurances

Local insurance policies such as Auto, Personnel/Travel, Aviation, etc., if the appropriate information is provided to SBS

The premiums are reported under [R27900 - Miscellaneous production](#) or [R33310 - Administrative costs \(non-functions\)](#) depending on their nature

Insurance broker fees and commissions

Insurance broker fees and commissions are related to the servicing the external brokers provided during one year for all lines of insurance (global and local). They should be accounted for like the insurance premiums (property and liability)

Mapping Reference Table

	BFC heading			
	R25460 - Period non-proportional costs of production	R27900 - Miscellaneous production	R33310 - Administrative costs (non-functions)	
Property damage and Business interruption (including broker fees and commissions)	✓	✓	✓	Depends on the situation
Liability insurance	✓	✓	✓	Depends on the situation
Transport insurance (Marine Cargo)	✗	✓	✗	
Crime insurance	✗	✓	✓	Depends on the situation
Political Risk insurance	✗	✗	✓	
Political Violence insurance	✓	✓	✓	Depends on the situation
Other insurances	✗	✓	✓	