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HOCS

Sent by: Sharon
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11/12/2003 11:32
Please respond to
HOCS

To: hocs@ofmdfmni.gov.uk
Subject: URGENT Whitehall Correspondence. Reference Number:
GM/238/2003

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HEAD OF THE CIVIL SERVICE

URGENT

Whitehall Correspondence

Reference Number: GM/238/2003

Letter From: Sir Kevin Tebbit
To: Sir Michael Jay
Date of Letter: 08/12/2003

JD: NDMa HCS

Subject: Security of UK Civilian Seconded in Iraq

Referred To: NIGEL HAMILTON on 11/12/2003

For Information Only

Action Taken:

Signed:

Date:

Sharon McCombe (Private Office)

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Iraq - file

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PERMANENT UNDER-SECRETARY OF STATE

D/PUS/2/45(516)

8 December 2003

[Dear Michael,]

SECURITY OF UK CIVILIAN SECONDEES IN IRAQ

Having seen your paper of 11 November on this topic, I thought it might be helpful if I wrote briefly to explain the MOD's stance on indemnifying staff on operational deployments who die in circumstances not covered by their life assurance and personal accident policies.

Civilians who are deployed to operational areas are understandably fearful that existing life assurance policies (and, perhaps, especially so when those policies support endowment-based mortgages) might fail to cover death in theatre. Research has shown that the fear is more apparent than real. Life assurance policies are long-term contracts based on information supplied by the policyholder at the time the policy is taken out. Deployments should not affect the validity of such policies. On the other hand, personal accident policies are annually renewable and are subject to a continuous requirement to notify the insurance company of any change in the risk to the policyholder. Such policies are also generally subject to 'War Risks Exclusions'. While death resulting from a terrorist act, for example, might not be covered, advice provided by our insurance brokers indicates that a claim arising from death due to natural causes or a 'normal' accident would be covered even where this occurred in a 'war zone'.

Therefore, in the unlikely event that an insurance company were to reject a claim made by a civilian member of staff solely due to his/her deployment to an operational area, we took the decision to indemnify MOD civil servants to the extent of the benefit that would have ordinarily been payable under the policy. In respect of personal accident insurance, this indemnity is limited to £50,000.

We might ask why the MOD has taken a different position on this than the FCO and DFID. The answer, I suspect, lies simply in the way in which business has evolved and the impact on the Department as a whole. The incidence and variety of military/operational deployments has increased markedly in recent years and, with that increase, so has our reliance on civil servants to carry out vital supporting roles to our Armed Forces. Given that we depend almost exclusively on volunteers, and given our duty to protect the interests of

those volunteers, we felt it was right to move to put in place measures designed to provide reassurance and, if the worst happened, substantive financial support if needed.

I am copying this letter to Chris Fox, Rosalind Wright, David Green, Mervyn King and to Wednesday morning colleagues.

[Yours ever,]

Kevin

_____.

Sir Michael Jay KCMG
Permanent Secretary
Foreign & Commonwealth Office
King Charles Street
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