

Chubb leads a \$50m consortium to help mitigate the increasing risks associated with lithium-ion batteries

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Chubb has launched a Lloyd's consortium providing coverage for risks associated with the transit and storage of lithium batteries.

Lithium-ion batteries have been increasingly used in consumer electronics such as smart phones, laptops and e-cigarettes due to their portability and long lifespan. However, they are also known to catch fire if they overheat and have gained worldwide attention in recent years due to various product safety warnings and recalls.

Identifying that there was a lack of capacity for providing lithium battery transit and stock insurance, Chubb Global Markets (CGM), supported by 11 other Lloyd's syndicates, has launched a Lloyd's consortium providing limits up to \$50m for risks including transit, stock, storage and part orders. Rob Wilson, chief underwriting officer for CGM said:

“the consortium provides brokers and insured's with a single port of call to bind these risks, helping to shore up the lithium battery supply chain as demand continues to grow.”

The Joint Hull's Yacht sub-committee has also reviewed the issues around lithium batteries in electronically driven equipment and prepared a new clause 'Lithium Battery Clause' (JH2023-011) containing a condition precedent as to the storage and charging of the batteries, any repairs or modifications and a recognised risk assessment to be carried out and documented.

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