

Meeting	Aviation Insurance Clauses Group (AICG)
Time and Date	9:45am, Thursday 11 July 2024
Venue	Microsoft Teams Conference Call / IUA Offices

PRESENT:

Julie Damant	IUA
Gary Hendries	Swiss Re
Tom Hughes (Secretariat)	IUA
Christopher Jones (Secretariat)	IUA
Roland Küsters	Munich Re
Nick Medniuk	Chubb
Michelle Myler-Falla	LMA
Nicolette Rodrigues	IUA
Graham Spencer-Brown	Chair
Adam Tozzi	IUA
Jette Varnals	IUA
Ruth Wahner	Hannover Re

1. Apologies for absence

- 1.1 Apologies had been received from Jill Epps (LMA), Tina Collier (IUA), Nick Hughes (Appointed Expert), Tony Powles (IUA), Dele Fajimolu (LMA) and Aurélie Andre (France Assureurs).

2. Minutes of the previous meeting – 23 May 2024

- 2.1 The minutes of the previous meeting were agreed to be a true and accurate representation.

3. Matters arising

- 3.1 There were no specific items raised for discussion.

4. Current work items:

Model Drone Wording

- 4.1 The Secretariat confirmed that the AICG Drone Wording Working Group had convened to continue its work on a draft wording, the latest version of which had been circulated with the agenda. This version included the various comments received during the CD67 consultation process, with some specific queries raised by the Working Group for AICG views, discussed as follows:

Consumer Version:

- 4.2 Members agreed that a consumer version of the model drone wording should be considered following publication of the model drone wording (CD67). Members discussed whether it would be appropriate to highlight that the wording was for use in respect of commercial operators, noting that there were specific wording considerations necessary in respect of consumers under FCA 'Consumer Duty' rules. It was suggested that even single operator uses could be considered 'commercial' within the CAA's definitions. As such, some confusion could arise relating to the meaning of 'consumer' and 'commercial' versions of the wording. Members agreed that the approach taken to AVN1D and AVN1E should be adopted; as such, reference to commercial operators would be removed from the draft wording, but reference to 'consumer version' would be included in the consumer wording upon drafting.

Aviation Autonomy:

- 4.3 Members considered whether the wording would be appropriate for use in respect of newer forms of aircraft, such as electric vertical take-off and landing (eVTOL). It was discussed that the drone wording would be a useful starting point to insure an eVTOL. However, specific amendments would be necessary for uses that involved the carriage of people.

Battery usage:

- 4.4 Members had agreed that Condition 3, “manufacturers recommendations”, would sufficiently capture requirements relating to the storage, use and maintenance of lithium-ion battery. It was highlighted that JH2024-011A Lithium Battery Clause (designed for yacht insurance) included specific requirements relating to battery storage, use and maintenance, which had been noted by the Working Group.

Additions and Deletions:

- 4.5 Members discussed whether it would be appropriate for AVN19A Additions and Deletions (combined) language to be utilised within the Schedule, replacing the current draft language in use. It was agreed that due to the broad risk profile of UAVs it would be appropriate to require insurers agreement to all additions, deletions and changes in agreed values of Unmanned Aircraft. In broadening the draft language in line with AVN19A the approach taken would also be broader than that within AVN1D. Therefore, members agreed to retain the language as drafted rather than to utilise the AVN19A approach.

Deductibles:

- 4.6 Members agreed that for Section 2 it would be appropriate to retain the option to include a deductible ‘in respect of property damage’. This would be relevant, for example, if a UAV hit and broke a glass window.

Purpose of Use:

- 4.7 Following the CD67 comment received in respect of Purpose of Use, the Working Group had agreed that a definition of commercial use should be included within the wording. It had also been agreed that including standard uses and special uses may be beneficial (in line with AVN1D), with underwriters specifically agreeing to Unmanned Aircraft uses in every case. The AICG discussed that due to the varied uses of Unmanned Aircraft it would not be appropriate to list standard and special uses. Therefore, reference to ‘{Response}’ would be utilised, allowing flexibility in the approach taken by the parties when utilising the clause.

Bodily Injury Definition:

- 4.8 Members discussed the need to address psychological injury which could arise following the use of an Unmanned Aircraft. It was suggested that there would be benefit in clarifying when psychological injury would be covered within the wording. In line with AVN124 Data Event Clause, the definition was amended to ‘means only physical corporeal injury, fatal or otherwise, and for the avoidance of doubt mental anguish, fright or shock shall be deemed Bodily Injury solely when accompanied by and arising directly therefrom’.

PFAS Exclusion Clause

- 4.9 The Secretariat confirmed that the IUA was working with its members to take legal advice on the interaction between PFAS and AVN46B. It had been agreed that seeking advice on a range of questions would support the AICG in any potential drafting on PFAS or pollution more broadly.

Members would be notified of developments as they arose.

5. Potential new work items:

5.1 There were no specific items raised for discussion.

6. Any Other Business

6.1 There were no further items raised for discussion.

Next Meeting: The next meeting was scheduled for 22 August 2024.