

Meeting	Aviation Insurance Clauses Group (AICG)
Time and Date	9:45am, Thursday 23 May 2024
Venue	Microsoft Teams Conference Call / IUA Offices

PRESENT:

Jill Epps	LMA
Julie Damant	IUA
Nick Hughes	Appointed Expert
Tom Hughes (Secretariat)	IUA
Christopher Jones (Secretariat)	IUA
Roland Küsters	Munich Re
Michelle Myler-Falla	LMA
Nicolette Rodrigues	IUA
Graham Spencer-Brown	Chair
Adam Tozzi	IUA
Ruth Wahner	Hannover Re

1. Apologies for absence

- 1.1 Apologies had been received from Nick Medniuk (IUA), Tina Collier (IUA), Tony Powles (IUA), Gary Hendries (Swiss Re), Dele Fajimolu (LMA) and Aurélie Andre (France Assureurs).

2. Minutes of the previous meeting – 25 April 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 was now being presented for publication to consultation, subject to a limited number of specific queries raised for AICG views, discussed as follows:

Definitions

- Members noted the definition of “Authorised Pilot” which means “the pilot stated in the Policy Schedule who is the person who is controlling, piloting or flying the Unmanned Aerial System who is properly trained and qualified to do so and holds all the required certification”. It was questioned whether “properly trained and qualified” was subjective. Members suggested that the CAA’s approach to defining drone users should be considered. One member had suggested using “Authorised Unmanned Aircraft Pilot” to draw a distinction with traditional pilot definitions. It was agreed that this would be appropriate but that reference to training should be removed and replaced with “certification”.

Section 1

- It was questioned whether the exclusion for “mysterious disappearance, unexplained loss or

shortage of any Insured Property” was necessary in respect of Section 1. Members agreed that the exclusion could be removed.

Section 2

- Members questioned whether exclusions c) and e) were necessary in respect of Section 2, noting that they were broader than what would typically be expected under AVN60A. It was agreed that the exclusions should be removed.

General Conditions

- It was suggested that Condition 3, “manufacturers recommendations”, would sufficiently capture requirements relating to the storage, use and maintenance of lithium-ion battery. Members agreed that the condition should be redrafted as follows:

The Insured shall comply with

- i. manufacturers recommendations; and
- ii. all air navigation and airworthiness orders and requirements issued by any competent authority

affecting the safe storage, maintenance and operation of the Unmanned Aircraft System.

- It was questioned whether the pro-rata premium return scale featured within the General Conditions (as per AVN1D) should be replaced by the scale used within AVN115. Members agreed that the table used remained most appropriate.

Optional Conditions

- It was suggested and agreed that a range of conditions could be published for potential use alongside the model wording by practitioners, as follows:
 - Additions and Deletions
 - Unauthorised Use
 - Breach of Air Navigation Regulations
 - Civil use of Ministry of Defence Airfields
 - Data Recognition Limited Coverage Extension
 - Supplementary Payments
 - Medical and Related Expenses
 - Trespassers Costs
 - Extended Coverage Endorsement (Aviation Liabilities)

- 4.2 Members agreed that subject to the above changes to the wording it would be appropriate to issue the wording to consultation. Prior to doing so it would be necessary to draft the set of additional conditions which could be published alongside the wording. The AICG Chair and Secretariat would progress the consultation draft accordingly.

PFAS Exclusion Clause

- 4.3 Members noted the circulated draft memo from AICG to the Parent Associations (IUA and LMA). Members were asked to review the key questions which would be asked of the Associations, as follows:

1. Should the AICG produce a model AVN clause to address PFAS?
2. If yes, what are your thoughts on the following drafting options for AICG to pursue? –
 - a) Specific total exclusion clause for PFAS
 - b) Limited PFAS exclusion clause that writes back coverage as in AVN46B – “unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation”. This clause could include a sub-limit for the coverage written back.
 - c) Clause as per a) or b) above except replacing “PFAS” with reference to a list of “Substances of very high concern under REACH” (see reference on OECD website here).
- 4.4 Members agreed that the questions were appropriate and the Secretariat would finalise the communication with the Chair and ensure it was issued.
- 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 27 June 2024.