

<b>Meeting</b>	<b>Aviation Insurance Clauses Group (AICG)</b>
<b>Time and Date</b>	<b>9:45am, Thursday 25 April 2024</b>
<b>Venue</b>	<b>Microsoft Teams Conference Call / IUA Offices</b>

**PRESENT:**

Aurélie Andre	France Assureurs
Jill Epps	LMA
Julie Damant	IUA
Dele Fajimolu	LMA
Gary Hendries	Swiss Re
Tom Hughes (Secretariat)	IUA
Christopher Jones (Secretariat)	IUA
Roland Küsters	Munich Re
Nick Medniuk	LMA
Michelle Myler-Falla	LMA
Nicolette Rodrigues	IUA
Graham Spencer-Brown	Chair
Adam Tozzi	IUA
Jette Varnals	IUA

**1. Apologies for absence**

- 1.1 Apologies had been received from Nick Hughes (Appointed Expert), Chris Jones (IUA), Tony Powles (IUA) and Ruth Wahner (Hannover Re).

**2. Minutes of the previous meeting – 28 March 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:**

LMA updates to sanctions clauses in existing wordings e.g. AVN1E

- 4.1 Members were aware that the LMA had recently published a new Consumer Sanctions Suspension Clause (LMA3201). The LMA were looking to adopt the updated language in a range of LMA wordings and had highlighted that AVN1E utilised a brief sanctions suspension clause (LMA5213). As referenced in the tracked change version of AVN1E circulated with the agenda, the LMA had suggested including LMA3201 in the wording. Members noted that LMA would be withdrawing LMA5213. Members acknowledged that AVN1E was designed for use with small private owners' risks.
- 4.2 One member reported that within France Assureurs there was a specific group addressing specialty (non-aviation) legal issues. This group was considering the implications of the French Court decision in *AIG v. Lafarge* in detail. There was still uncertainty as to the application of the case to aviation as a class of business, noting that primarily the impact on non-marine classes had been considered to date.
- 4.3 Members expressed no concerns with the new language, however it was suggested and agreed that there would be benefit in awaiting the outcome of discussions in France before taking the request forward.

### Model Drone Wording

- 4.4 The Secretariat confirmed that the AICG Drone Wording Working Group had convened to develop a first draft and had utilised AVN1D as a base wording.
- 4.5 There were a limited number of specific queries raised for AICG views, discussed as follows:
- Members suggested that retaining the concept of ‘authorised’ operator / pilot would be of value. It would be valuable to compare terminology used with the CAA’s regulations surrounding Unmanned Aircraft.
  - Further thought was necessary to finalise the definition of ‘flight’ noting that different Unmanned Aircraft types took flight in different ways. It may be suitable to use the phrase ‘takes off or attempts to take off’ in order to capture the varying aircraft types.
  - It was agreed that there may be value in considering the inclusion of specific requirements relating to lithium-ion batteries within the wording. Members noted the publication of a recent Joint Hull Committee clause addressing batteries (JH2024-011A).
  - Members agreed that it would be appropriate to develop a consumer version of the commercial wording upon finalisation.
- 4.6 It was agreed that the Working Group would reconvene and present an updated clause to AICG for review at the next meeting. It was intended that the wording be considered for publication during that meeting.

### PFAS Exclusion Clause

- 4.7 The PFAS Working Group had convened for further discussion on a potential AVN PFAS clause. Members of the Working Group had been invited to provide feedback on an example of a limited PFAS clause that featured an AVN46B style write back and the potential to sub-limit exposure. One member had suggested a preference for a total exclusion, pointing out the risk that the example clause may weaken the existing AVN46B in its application to PFAS exposure. It had been suggested that any clause could include a time exclusion to limit claims to within a set period of an incident.
- 4.8 The Working Group had considered the potential to include reference to a publicly available list of substances of very high concern, rather than dealing solely with PFAS. This could improve the longevity of any clause. One concern with this approach was the likely take up of a clause which excluded a broader range of contaminants than PFAS.
- 4.9 It was suggested that the Group consider taking legal advice on the impact of any new clause on the longstanding AVN46B. However, prior to doing so, it was agreed that the Secretariat form a list of key questions with the Chair to be circulated for member views. The questions should also be circulated to the Parent Associations (IUA and LMA).
- 4.10 Considering PFAS risk more broadly, members acknowledged that PFAS had a cumulative effect and was now present in most water sources. This could raise questions about the ease of causation in respect of a specific polluter or pollution event.

## **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 23 May 2024.***