

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

**PRESENT:**

Julie Damant	IUA
Jill Epps	LMA
Dele Fajimolu	LMA
Gary Hendries	Swiss Re
Tom Hughes (Secretariat)	IUA
Christopher Jones (Secretariat)	IUA
Sophie Moysan	FFA
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 Nick Medniuk (LMA), Nick Hughes (Appointed Expert) and Tony Powles (IUA).

**2. Membership (Sophie Moysan)**

- 2.1 Members were notified that Sophie Moysan would be retiring from her role and therefore would no longer participate in the AICG. Sophie was thanked for her extensive contributions to the work of the AICG throughout her time on the Group. It was understood that the French insurance association (France Assureurs) would be agreeing a replacement representative to join the AICG on 29 January 2024.

**3. Minutes of the previous meeting – 23 November 2024**

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

**4. Matters arising**

AICG Terms of Reference

- 4.1 Following the discussion at the last meeting, the Secretariat had circulated a proposed updated AICG Terms of Reference. Legal advice had been sought by the Secretariat from the IUA's legal counsel to consider whether references to European competition law remained appropriate post-Brexit. Members provided no objections to the updated Terms of Reference which would now be considered agreed.

**5. Current consultation drafts - None**

- 5.1 There were no current consultation drafts.

**6. Potential new work items**

Model Drone Wording

- 6.1 The Secretariat outlined that the IUA's Aviation Technical Committee had issued a request to AICG to

consider the development of a template wording for drones. Examples had been seen where amended versions of AVN1C had been utilised to insure drones. As such, it was suggested that developing a specific model drone wording may provide value for market participants. Members discussed that there would be some important distinctions from traditional aircraft to address during the drafting process, centring on the fact that the aircraft were unmanned and operated from the ground. Some members were aware of existing drone wordings and agreed to share those with the Secretariat. Jill Epps, Michelle Myler-Falla and Julie Damant agreed to participate in a Working Group to consider and draft a wording.

#### PFAS Exclusion Clause / Non-airline version of AVN46B

- 6.2 Members acknowledged the circulated copy of AVN46B. The Secretariat outlined that the IUA's Aviation Technical Committee had requested the AICG consider drafting a model PFAS exclusion clause. This would operate in a similar manner to the specific asbestos exclusion (2488AGM00003). Alongside this drafting exercise, it was requested that AICG consider the impact of a new pollution exclusion on the interpretation of the existing AVN46B clause. It was noted that Nick Hughes (Appointed Expert) could be approached to provide a view on this question. It was suggested that the new clause would not necessarily overlap with or replicate AVN46B, given that the clause would operate as a broad exclusion, whilst AVN46B wrote back cover 'caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation'.
- 6.3 Concerns around PFAS arose primarily out of potential contamination arising from the use of AFFF firefighting foams, which were known to contain PFAS. Two key issues identified by the ATC relating to PFAS exposure were the substantial clean-up costs and risks of long-tail liability claims related to health issues. One member highlighted that the role of AICG in developing a specific exclusion clause would allow insurers to address potential PFAS risks going forward. However, there may still be existing liabilities arising out of the historic use of PFAS.
- 6.4 Members agreed that a Working Group should be convened to draft the proposed clause and Adam Tozzi, Julie Damant and Jette Varnals volunteered to participate. The Chair would also participate in the Working Group.

### **7. Any Other Business**

#### French Supreme Court Case – Choice of Law

- 7.1 One member discussed that the French Supreme Court had decided that the provisions of the French Insurance Code, which govern the validity of exclusion clauses, were mandatory provisions which applied regardless of the law applicable to the insurance contract. The case in question involved the application of exclusion clauses on a contract governed by a Dutch insurer. This was considered particularly pertinent in light of an earlier French ruling (AIG v Lafarge S.A.) addressing the application of exclusion clauses. That case decided that LMA3100 was overly broad, and should be drafted in a more precise manner and in line with other requirements in France in respect of exclusion clauses. As an example, terms that would be considered overly ambiguous included 'in connection with' and 'arising out of'.
- 7.2 The AICG had not yet undertaken any work following these cases, for example to review existing AVN exclusion clauses. The Secretariat agreed to circulate a case summary to members following the meeting.

#### Membership

- 7.3 The Secretariat highlighted that there remained three places of the allocated six AICG seats afforded to LMA available. Any interested participants should contact the LMA or Secretariat.

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