

ARBITRATION CLAUSE

Any dispute between the parties arising out of or in connection with this Policy, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in accordance with the rules of the [].

The place of the arbitration shall be [] and the language of the arbitration shall be []. The seat of the arbitration shall be [].

Each party shall appoint one arbitrator and the two arbitrators so appointed should appoint a third arbitrator. Alternatively, the parties may agree to refer the dispute to a sole arbitrator appointed by them jointly or by [].

AVN 97 21.2.06

This clause is published by AICG, but it is expressly not intended to be binding on any market participant. AICG makes no recommendation as to its use in particular policies and recognises that all underwriters are free to offer different policy wordings to their policyholders

Explanatory Note

AICG considered draft arbitration and mediation clauses prepared by the Royal Aeronautical Society, Air Law Group, which intends to launch a service for the aviation insurance market. AICG decided not to publish the clause as an AVN clause, first because the service has not yet been established and second because there are other services available to underwriters in this field. However, it was felt that a clause providing a process for the reference of disputes to arbitration would be useful to the market.

In addition to the RAeS scheme, there are a number of other services including the Centre for Effective Dispute Resolution (CEDR), the Insurance and Re-insurance Arbitration Society (ARIAS), and in France, CEFAREA which is dedicated to insurance or re-insurance disputes, and an international court of aviation and space arbitration.