

# AVIATION INSURANCE CLAUSES GROUP

1 December 2021

Chair: Graham Spencer-Brown  
Secretariat: International Underwriting Association  
8<sup>th</sup> Floor, 1 Minster Court, Mincing Lane  
London, EC3R 7AA  
Tel: 020 7617 5447

To: Bill Smith, Chair, LIIBA Aviation Executive Committee  
Jette Varnals, Chair, IUA Aviation Technical Committee  
Daniel Warburg, Chair, LMA Aviation Committee

[LETTER SENT BY EMAIL AND PUBLISHED ON THE AICG WEBSITE]

Dear Chairs,

## **AICG CONSULTATION DRAFT 62 ('CD62') DIVERSION COSTS AND EXPENSES ENDORSEMENT**

In September 2021, AICG received a request from a market participant to consider drafting a model AVN endorsement to address aircraft diversion. It was acknowledged that there were a broad range of clauses in use in the market in respect of aircraft diversion and suggested that there would be benefit in the publication of a specific AVN clause.

An AICG Working Group was convened to consider the request further and agreed that the proposed clause would be beneficial. The Working Group analysed a broad range of example clauses and utilised elements of those clauses in developing the proposed Diversion Costs and Expenses Extension. The clause outlines four specific types of costs, charges and expenses that could arise from an 'In-Flight Incident', which is defined within the clause. The clause includes the possibility for market participants to state a specific Maximum Sum Insured and Deductible in respect of aircraft diversion.

This clause has been considered by the full AICG membership and the Chair has agreed that it proceed to market consultation forthwith. The draft clause is attached to this letter for convenience and will also shortly be added to the AICG website, accessible via this hyperlink: [AICG Activity](#).

We would welcome comments on the proposed clause – both on the specific drafting and its effect as appropriate. AICG consultation drafts are normally subject to 30-day consultations, however, in light of the busy December period for market participants, the AICG Chair has agreed a 45-day consultation period. As such, please could you provide any comments on the clauses to the AICG Secretariat via the contact details above, addressed to either myself or the AICG Chair, or preferably to [christopher.jones@iua.co.uk](mailto:christopher.jones@iua.co.uk) by close of business on Friday 14 January 2022.

Yours sincerely,



Christopher Jones on behalf of Graham Spencer-Brown  
(Secretary, AICG)

c.c. Josh Hutson Flynn (LMA), Geraldine Wright (LIIBA), Tom Hughes (IUA)

## DIVERSION COSTS AND EXPENSES EXTENSION

Subject to the Maximum Sum Insured and the Deductible specified below, where the pilot in command of the aircraft decides to divert to an unscheduled airport due to an In-flight Incident, Insurers will reimburse the additional costs, charges and expenses necessarily incurred by the Insured for:

- 1) fuel;
- 2) airport use, air traffic control and ground handling;
- 3) transportation of on board passengers and crew members to the airport at which the aircraft was next scheduled to land whether that be the ultimate destination or otherwise;
- 4) sustenance and accommodation for on board passengers and crew members.

### Definition

In-flight Incident shall mean sudden, actual or suspected passenger or crew illness or injury, or any passenger or crew action on board the aircraft affecting the safety or security of the aircraft.

### Maximum Sum Insured

{Response} in the annual aggregate being within and not in addition to the applicable Combined Single Limit.

### Deductible

{Response} each diversion.

All other terms and conditions of this Policy remain unchanged.

AVN\*\*\*

\*\*.\*\*.2021

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