

AVIATION INSURANCE CLAUSES GROUP

17 March 2022

Chair: Graham Spencer-Brown
Secretariat: International Underwriting Association
8th 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')
PUBLICATION OF AVN144 – DIVERSION COSTS, CHARGES AND EXPENSES EXTENSION

In Consultation Draft 62, it was outlined that AICG had received a request from a market participant to consider the drafting of a model AVN endorsement to address aircraft diversion. Specifically, it was noted that there were a broad range of clauses in use in the market in respect of aircraft diversion and it was suggested that there would be benefit in the publication of a specific AVN clause.

The AICG agreed that this model clause would be of value and undertook to analyse a broad range of example clauses and utilised elements of those clauses in developing AVN144. The finalised 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 option for market participants to state a specific Maximum Sum Insured and Deductible in respect of aircraft diversion.

This clause has been subject to market consultation and the comments received considered by the AICG in detail. Therefore, the AICG Chair has now agreed that AVN144 be published. The finalised clause is included directly below this letter for information and will also be attached separately to the e-mail publishing this letter. It will also shortly be uploaded to the [AICG website](#).

We would like to reiterate our thanks to those that have responded to the consultation.

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, CHARGES AND EXPENSES EXTENSION

In the event of an In-flight Incident which results in the pilot in command of an aircraft insured hereunder deciding to divert to an airport which was not its scheduled landing place, Insurers will reimburse the additional costs, charges and expenses necessarily incurred by the Insured in respect of that aircraft, up to the Maximum Sum Insured less the Deductible specified below, for:

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

Definition

In-flight Incident shall mean

- a) a medical emergency involving passengers or crew on board the aircraft;
- b)
 - i. actual or suspected damage to the aircraft;
 - ii. any passenger or crew action on board the aircraft; which threatens the safety of the aircraft or any person on board.

Maximum Sum Insured

{Response} in the annual aggregate during the Policy period being within the overall Policy limit and not in addition thereto.

Deductible

{Response} each diversion.

All other terms and conditions of this Policy remain unchanged.

AVN144 17.03.2022