

AVIATION INSURANCE CLAUSES GROUP

1 June 2021

Chair: Graham Spencer-Brown
Secretariat: International Underwriting Association
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Tel: 020 7617 5447

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

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

Dear Chairs,

AICG CONSULTATION DRAFT 60 ('CD60') Air Traffic Control Liability Endorsements

In May 2021, AICG received a request from a market participant to consider drafting AVN endorsements to attach to aviation policy forms to cater for Air Traffic Control risks and ensure that the relevant wordings were updated in a uniform and correct way – currently this appears to be done on an ad-hoc, bespoke and sometimes inconsistent basis.

An AICG Working Group was convened to consider the request further and agreed that the proposed clauses would be beneficial. Two endorsements were consequently drafted, to attach to [AVN104 \(Airport Liability Insurance\)](#) and [AVN126 \(Aviation Premises, Hangarkeepers and Products Liability Insurance Policy\)](#). These have been considered by the full AICG membership and the Chair has agreed that these proceed to market consultation forthwith. The draft clauses are 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 clauses – both on the specific drafting and their effect as appropriate. As AICG consultation drafts are normally subject to 30-day consultations, 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 by close of business on Thursday 1 July 2021.

Yours sincerely,



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

c.c. Neil Roberts LMA
Geraldine Wright LIIBA

AIR TRAFFIC CONTROL LIABILITY ENDORSEMENT

The coverage provided by this Policy is extended to include liability arising out of the operation of an airfield control tower and/or the provision of air traffic control services at the Airport(s) specified in Item 5 of the Schedule and subject to the Geographical Limits specified in Item 6 of the Schedule.

Consequently:

- (i) General Exclusion 11 of this Policy is deleted.
- (ii) General Exclusion 3 of this Policy is amended to read as follows:
 - 3. Property Damage to property owned, rented, leased or occupied by or in the care, custody or control of the Insured other than Property Damage to
 - (a) aircraft not owned, rented or leased by the Insured, whilst such aircraft are on the ground and in the care, custody or control of the Insured for the purpose of storage, servicing, handling or maintenance
 - (b) vehicles not owned, rented or leased by the Insured while such vehicles are at the Airport(s) specified in Item 5 of the Schedule
 - (c) baggage and/or cargo not owned by the Insured while such baggage and/or cargo is in the care, custody or control of the Insured
 - (d) aircraft not owned, rented or leased by the Insured whilst under the Insured's air traffic control.
- (iii) General Exclusion 5 of this Policy is amended to read as follows:
 - 5. Liability arising out of the possession, use, consumption or handling of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured, after such goods or products have ceased to be in the possession or under the control of the Insured, after such goods or products have ceased to be in the possession or under the control of the Insured. This exclusion does not apply to
 - (a) goods or products which form part of or are used in connection with aircraft
 - (b) the supply, by the Insured, of food or drink at the Airport(s) specified in Item 5 of the Schedule
 - (c) the operation of an airfield control tower or the provision of air traffic control services at the Airport(s) specified in Item 5 of the Schedule.
- (iv) The definition of "Products Liability" is amended to read as follows:

PRODUCTS LIABILITY

The term "Products Liability" means Bodily Injury and/or Property Damage arising out of the possession, use, consumption or handling of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured, after such goods or products have ceased to be in the possession or under the control of the Insured.

However liability arising out of

- (a) the supply by the Insured of food or drink
- (b) the operation of an airfield control tower or the provision of air traffic control services

at the Airport(s) specified in Item 5 of the Schedule shall not be considered Products Liability.

All other policy terms, conditions, limitations and exclusions remain unchanged.

AVN..... DATE

(To be used with AVN104)

AICG Consultation Draft 60

AIR TRAFFIC CONTROL LIABILITY ENDORSEMENT

The Coverage provided by Section 1 of this Policy is extended to include liability arising out of the operations of an airfield control tower and/or provision of air traffic control services at the following Airport(s): {Response} and subject to the Geographical Limits specified in Item 7. of the Policy Schedule.

Consequently:

1. General Exclusion 1. (d) of this Policy is deleted.
2. Exclusion (a) of Section 1 of this Policy is amended to read as follows:
 - (a) Property Damage to property owned, rented, leased or occupied by; whilst in the care, custody or control of; whilst being handled, serviced or maintained by the Insured. This exclusion does not apply to Property Damage to
 - (i) vehicles that are not owned, rented or leased by the Insured, whilst such vehicles are in the Insured's care, custody or control on the Insured's Premises.
 - (ii) baggage and/or cargo not owned by the Insured, while such baggage and/or cargo is in their care, custody or control.
 - (iii) aircraft not owned, rented or leased by the Insured whilst under the Insured's air traffic control.
3. Exclusion (e) of Section 1 of this Policy is amended to read as follows:
 - (e) Bodily Injury or Property Damage arising out of any goods or products manufactured, designed, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured after such goods or products have ceased to be in the possession or under the control of the Insured. This exclusion does not apply to
 - (i) the supply, by the Insured, of food or drink at the Insured's Premises.
 - (ii) the operation of an airfield control tower or the provision of air traffic control services as the Airport(s) specified above.

All other policy terms, conditions, limitations and exclusions remain unchanged.

AVN..... DATE

(To be used with AVN126)