

**AVIATION LIAISON FORUM ("ALF")**  
**BETWEEN**  
**INTERNATIONAL UNDERWRITING ASSOCIATION ("IUA") AVIATION**  
**TECHNICAL COMMITTEE ("IUA ATC")**  
**AND**  
**LLOYD'S MARKET ASSOCIATION ("LMA") AVIATION COMMITTEE ("LMA**  
**AVIATION COMMITTEE")**

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**TERMS OF REFERENCE**

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**1. Background and Objectives**

- 1.1 The Joint Executive Committee ("JEC") which was established on 1 September 1997 by LAUA and AIOA is hereby dissolved. As its establishment was published by means of a joint press release, so its dissolution and replacement will equally be published by means of a joint press release from the LMA Aviation Committee (which replaced the LAUA Committee as the representative of the Lloyd's aviation insurers) and the IUA ATC (which replaced the AIOA as the representative of the London aviation insurers that are not members of Lloyd's). The joint press release will be posted on the website of both the Lloyds Market Association ("LMA") and the International Underwriting Association ("IUA").
- 1.2 The former JEC is hereby replaced by a newly created committee, the Aviation Liaison Forum ("ALF"), which will operate in accordance with these Terms of Reference.
- 1.3 The purpose of the ALF is to enable all necessary liaison to take place between the LMA Aviation Committee and IUA ATC on issues of common interest that are within the remit of the respective associations, such as technical, regulatory, legal and procedural issues (e.g. US Terrorism Risk Insurance Act requirements, the FSA or those relating to the London Market Reforms), particularly where a common response from the underwriting market may be appropriate to ensure the legally sound and proper, financially prudent and efficient functioning of the underwriting market.
- 1.4 The intention of the LMA Aviation Committee and IUA ATC is to promote the common interests of, and best practices in aviation insurance underwriting in London, as represented by the members of the LMA Aviation Committee and IUA ATC. After discussions at ALF meetings the LMA Aviation Committee and IUA ATC may agree to pursue ad hoc joint action where necessary, such as jointly lobbying a legislative body or regulator
- 1.5 The ALF as a liaison forum shall not have the power to make or execute any decisions or recommendations. In the event of a market crisis, any meetings will be governed by the Crisis Response Protocol and not these Terms of Reference.

- 1.6 ALF does not, nor will, exercise any control over the Aviation Insurance Clauses Group ("AICG").

## 2. Membership

- 2.1 The ALF shall consist of five members nominated by the LMA Aviation Committee and any five members of IUA ATC, including the Chairman.
- 2.2 The members shall be nominated by their respective associations (The "ALF Members").

## 3. Conduct of meetings

- 3.1 In the conduct of its business ALF shall comply with all applicable laws and regulations and in particular the competition laws. ALF shall, in particular, have regard to the provisions of *Commission Regulation 358/2003 of 27 February 2003 on the application of Article 81(3) of the Treaty to certain categories of agreements decisions and concerted practices in the insurance sector* (and any amendments or subsequent EU or UK competition legislation).
- 3.2 In any event, ALF shall **not** in any circumstances be a forum for (i) the discussion of commercial insurance or reinsurance premiums, (ii) the discussion of financial limits on insurance or re-insurance cover (except where minimum insurance requirements are set or proposed by regulation), (iii) the coverage or commercial terms applying to specific risks or other matters that could give rise to an infringement of relevant competition laws.
- 3.3 Meetings of the ALF shall be restricted to those occasions where there are specific identified matters for discussion and a need arises to liaise on a technical, legal, regulatory or procedural issue(s). ALF shall not be the forum for the adoption or for any discussion of the commercial implementation of clauses which are under discussion or which have been published by the AICG.
- 3.4 The Chairman of the LMA Aviation Committee or the Chairman of IUA ATC can call for a meeting. The secretariat of either LMA Aviation Committee or IUA ATC shall assist with all the practical details of the meeting (e.g. arranging a convenient date, notification to all ALF Members, circulating the agenda and recording the minutes).
- 3.5 The quorum for the purpose of ALF's meetings shall comprise a minimum of three ALF Members of the five representatives of each of LMA Aviation Committee and IUA ATC.
- 3.6 The chairmanship of ALF shall alternate between the Chairman of the IUA ATC and the Chairman of LMA Aviation Committee from meeting to meeting. In the absence of either Chairman, the ALF Members present will elect a chairman to conduct the meeting.

## 4. Transparency

- 4.1 These Terms of Reference shall be published on the website of the LMA and the IUA.
- 4.2 An agenda will be circulated to all ALF Members in advance of any meeting.

- 4.3 Minutes will be recorded of every meeting which will be signed off by the Chairman of the relevant meeting and then circulated to all Members of LMA Aviation Committee and IUA ATC, not just those who attended the meeting.
- 4.4 The two Chairmen of LMA Aviation Committee and IUA ATC shall issue a joint Statement of Activities on a quarterly basis that shall be published on the website of IUA and LMA.

**5. Competition law statement**

It is the intention of the LMA Aviation Committee and the IUA ATC that ALF shall at all times comply with all EU and UK competition law which determine the scope of what they may discuss and agree, including but not limited to such matters as: the collection of statistical data and the calculation of average cost of covering a specific risk. All ALF Members shall ensure that they understand their legal responsibilities and shall take part in their association's (LMA/IUA) competition compliance programme, notwithstanding they are taking part on an ongoing basis in their own employer's competition compliance programme.