



SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE



ITIC Europe Aviation Rules 2024

International Transport Intermediaries Insurance Company (Europe) Ltd.

**Specialist professional indemnity insurance
for transport professionals everywhere**

ITIC
IS MANAGED
BY **THOMAS
MILLER**

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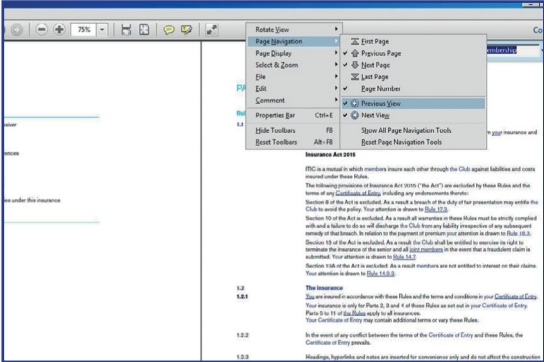
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PART 1

Nature of the insurances

Rule AV1

Nature of the insurances

AV1.1

General

AV1.1.1

Application of Rules

Subject to the [Articles of Association](#), the [ITIC Articles](#) and as stated herein, these Rules govern [your](#) insurance by [the Club](#) and [your](#) corporate membership of [ITIC](#).

AV1.1.2

Insurance Act 2015

[ITIC](#) is a mutual in which [members](#) (and insureds of [ITIC](#)) insure each other through [ITIC](#) or its wholly-owned subsidiary, [the Club](#), against the liabilities and costs insured under the [ITIC Rules](#) and the [ITIC Europe Rules](#), respectively.

The following provisions of Insurance Act 2015 ("the Act") are excluded by these Rules and the terms of any [Certificate of Entry](#), including any endorsements thereto:

Section 8 of the Act is excluded. As a result a breach of the duty of fair presentation may entitle [the Club](#) to avoid the policy. [Your](#) attention is drawn to [Rule AV11.3](#).

Section 10 of the Act is excluded. As a result all warranties in these Rules must be strictly complied with and a failure to do so will discharge [the Club](#) from any liability irrespective of any subsequent remedy of that breach. In relation to the payment of premium [your](#) attention is drawn to [Rule AV12.3](#).

Section 13 of the Act is excluded. As a result [the Club](#) shall be entitled to exercise its right to terminate the insurance, and corporate membership of [ITIC](#), of the senior and all [joint members](#) in the event that a fraudulent claim is submitted. [Your](#) attention is drawn to [Rule AV8.7](#).

Section 13A of the Act is excluded. As a result [members](#) are not entitled to interest on their claims. [Your](#) attention is drawn to [Rule AV8.9.3](#).

AV1.2

The insurance and corporate membership of ITIC

AV1.2.1

[You](#) are insured in accordance with these Rules and the terms and conditions in [your Certificate of Entry](#).

[The Rules](#) are subject to the [Articles of Association](#) and the [ITIC Articles](#).

[Your](#) insurance is only for Parts 2 and 3 of these Rules as set out in [your Certificate of Entry](#). Parts 4 to 10 of [the Rules](#) apply to all insurances.

[Your Certificate of Entry](#) may contain additional terms or vary these Rules.

AV1.2.2

In the event of any conflict between the terms of the [Certificate of Entry](#) and these Rules, the [Certificate of Entry](#) prevails.

AV1.2.3

Headings, hyperlinks and notes are inserted for convenience only and do not affect the construction or interpretation of these Rules.

AV1.2.4

If [the Club](#) accepts an application for insurance from an insured who is not already a [corporate member](#) of [ITIC](#), then such insured shall, as from the date of commencement of such insurance, be and become a [corporate member](#) of [ITIC](#). A [member](#) shall cease to be a [corporate member](#) of [ITIC](#) if for any reason whatsoever it shall cease to have any risks insured with each of [ITIC](#) and [the Club](#). For the avoidance of doubt, no contract of insurance or reinsurance with [the Club](#) shall entitle any person to be or become a [corporate member](#) of [the Club](#).

AV1.3

Insured services and risks

AV1.3.1

[Your](#) insurance shall be confined to risks which are incurred in the normal course of providing the services specified in [your Certificate of Entry](#).

The normal course includes contracting or endeavouring to contract on terms and conditions usually applicable for the performance of those [insured services](#).

AV1.3.2

[The Directors](#) shall have an absolute discretion to decide whether or not any risk was incurred in the normal course of providing such services.

Any decision of [the Directors](#) as to whether any risk was so incurred shall be final and binding on [you](#) and [the Club](#).

PART 1

Nature of the insurances

AV1.4

Indemnity Insurance

Your insurance with the Club is on the basis of indemnity. The Club shall pay you only:

- (a) after you have discharged any liability whether by way of settlement or otherwise; and
- (b) you have discharged such liability by expenditure of money belonging to you unconditionally and not by way of loan or otherwise.

However, the Directors may, in their absolute discretion, determine that you may recover monies under your insurance with the Club although you have not paid the full amount of such liabilities and costs and may impose conditions upon such recovery as they consider appropriate.

AV1.5

Deductible

AV1.5.1

A claim payable under this insurance will be subject to the applicable deductible.

AV1.5.2

The applicable deductible will be:

- (a) the special deductible, if any, stated in your Certificate of Entry to be applicable to the relevant insured service or type of claim or cost; or, if none is stated,
- (b) the general deductible stated in your Certificate of Entry; or, if none is stated,
- (c) US\$5,000.

AV1.5.3

Where there are two or more deductibles, which could apply to the same occurrence, the higher will apply. Only one deductible will be applied.

AV1.5.4

Only one deductible will apply to each and every occurrence, whether or not one or more joint members are included in your insurance.

AV1.6

Limit of liability

AV1.6.1

A claim payable under this insurance will be subject to the applicable limit of liability less the applicable deductible.

AV1.6.2

The applicable limit of liability will be:

- (a) the special limit of liability, if any, stated in your Certificate of Entry to be applicable to a Rule, insured service or type of claim; or, if none is stated,
- (b) the general limit of liability stated in your Certificate of Entry; or, if none is stated,
- (c) US\$250,000.

AV1.6.3

If claims from the same occurrence are insured under more than one Rule, one limit will apply. The applicable limit will be determined in accordance with Rule AV1.6.2.

AV1.6.4

Where there are two or more limits of liability that could apply to claims arising from the same occurrence:

- (a) claims which are subject to a special limit of liability will be subject to that special limit,
- (b) if two or more special limits could apply the higher will apply,
- (c) the total claims payable will not exceed the general limit of liability.

However, if the special limit is higher than the general limit, the total claims payable will not exceed the higher limit. All claims will be subject to the general limit and only claims covered by the special limit will be paid in excess of the general limit.

PART 1

Nature of the insurances

- AV1.6.5 Total claims payable under this insurance may be subject to an annual aggregate limit for each [account year](#).
The aggregate limit will be:
- (a) The special aggregate limit if any for that Rule, insured service or type of claim; or
 - (b) The general aggregate limit of liability as stated in [your Certificate of Entry](#).
- The total claims payable, whether subject to a special aggregate limit or the general aggregate limit will not exceed the general aggregate limit of liability.
However, if the special limit is higher than the general limit, the total claims payable will not exceed the higher limit. All claims will be subject to the general limit and only claims covered by the special limit will be paid in excess of the general limit.
- AV1.6.6 Subject to [Rule AV1.6.4](#) and [AV1.6.5](#), only one limit of liability will apply to each and every [occurrence](#), whether or not one or more [joint members](#) are included in [your](#) insurance.

PART 2

Professional indemnity insurance

[Your Certificate of Entry](#) sets out the services and Rules for which [you](#) have insurance under this Part 2.

[Your](#) attention is drawn to the qualifications and exclusions in [Rule AV3](#), in particular (but without limitation) [Rule AV3.4](#), and the general conditions and exclusions in [Rule AV7](#).

[Your](#) obligations in respect of reporting claims are set out under [Rule AV8](#).

Rule AV2

Professional indemnity insurance

AV2.1

Save as expressly stated below insurance under this [Rule AV2.1](#) is for [your](#) liability to third parties (including but not limited to any cost award to a third party) resulting from:

- (a) negligent performance of [your insured services](#);
- (b) any fraudulent act of an [employee](#) other than a [controller](#), committed in the performance of the [insured services](#), excluding the loss of [cash](#) (see [Rule AV7.22](#)), provided that it was intended by the fraud to benefit the [employee](#) and/or anyone else but [you](#) or any individuals, organisations or companies to which [you](#) are connected or affiliated;
- (c)
 - (i) Defamation, excluding liability when [you](#) have agreed in advance to provide an interview or material for publication by any third party media;
 - (ii) breach of confidentiality and/or infringement of [intellectual property](#);
- (d) loss of or damage to [aircraft](#) records whether physical or electronic sustained while in [your](#) custody or in the custody of any other person for who [you](#) are responsible but excluding claims arising from cyber attack (see [Rule AV7.35](#));
- (e) breach of warranty of authority;
- (f) any contract which [you](#) entered into on another person's behalf showing an intention to act as agent only.

AV2.2

Damages

The damages insured under this [Rule AV2](#) include [your](#) legal liability for:

- (i) financial losses of a third party;
- (ii) death or personal injury to any third party, including consequential losses arising therefrom;
- (iii) loss of or damage to [third party property](#) including consequential losses arising therefrom.

PART 2

Professional indemnity insurance

AV2.3

Associated costs

AV2.3.1

Costs insured

In respect of a liability insured under [Rules AV2.1](#) and [AV2.2 above](#), if the sums claimed from [you](#) exceed, or are likely to exceed, the applicable deductible, [you](#) are insured for the following associated costs:

- (a) legal, surveying or expert fees and expenses;
- (b) costs of avoiding or minimising [your](#) liability;
- (c) costs of replacing or restoring lost or damaged [aircraft](#) records;
- (d) costs of disposing of cargo;
- (e) costs of complying with an order by an [authority](#).

AV2.3.2

Approval of costs

[You](#) are insured for costs:

- (a) insofar as these have been approved by [the managers](#); or
- (b) [the Directors](#) decide that they were properly incurred.

AV2.3.3

Overall limit and deductible

The costs insured under [Rules AV2.1](#) to [AV2.3](#) are included in the amount of the claim payable for the purposes of the applicable deductible and/or limit of liability. For the avoidance of doubt, any payments made by [the Club](#) pursuant to these [Rules AV2.1](#) to [AV2.3](#) above are subject to the Policy's limit or limits of liability (less applicable deductible(s)) shown in [your Certificate of Entry](#).

Rule AV3

Exclusions and qualifications applicable to Rule AV2

[Your](#) attention is drawn to the general conditions and exclusions in [Rule AV7](#).

AV3.1

Claims made

[You](#) are only insured if the risk arises directly from:

- (a) a claim first made or intimated to [you](#) and notified to [the managers](#) during the [period of insurance](#); or
- (b) a claim made against or intimated to [you](#) after the [period of insurance](#), arising out of circumstances notified to [the managers](#) during the [period of insurance](#) as circumstances which are likely to give rise to such a claim.

AV3.2

Negligence and liability under statute

[You](#) are insured under [Rule AV2.1\(a\)](#) to the extent that [you](#) have been negligent notwithstanding any statute, law or regulation imposing strict liability.

AV3.3

Customs bonds and guarantees

[You](#) are not insured for any risk arising from [your](#) customs bond or guarantee being made available to a third party, unless directly related to [your insured services](#).

AV3.4

Operational loss

Insurance under [Rule AV2](#) is for liabilities to third parties only except where expressly stated to the contrary. [You](#) are not insured for [your](#) own losses.

AV3.5

Worldwide cover

Unless stated in [your Certificate of Entry](#), insurance under [Rule AV2](#) is for liabilities incurred worldwide, subject to any specific limitations or exclusions imposed as a consequence of sanctions imposed by any national or international [authority](#).

PART 3

Ancillary insurances

Rule AV4

Additional legal expenses insurance for collection of commission debts

AV4.1

You Certificate of Entry sets out if, and for what services you are insured under this Rule.

You are insured for costs incurred during the period of insurance in collecting any commission owed to you by your Principal, providing the managers are notified within 12 months of the debt arising.

AV4.2

Your insurance under Rule AV4.1 is subject to the provisions of Rule AV7 and the following exclusions and qualifications.

Your obligations in respect of reporting claims are set out in Rule AV8.

AV4.3

Minimum debt outstanding

You are only insured if the debt outstanding exceeds the minimum specified in your Certificate of Entry. If, for any reason it is not so stated, the minimum debt outstanding will be US\$5,000.

AV4.4

Approval of costs

You are not insured for costs unless the managers have agreed that they be incurred.

AV4.5

Debts excluded

You are not insured in respect of costs incurred in relation to any dispute between you and any joint venture partner or affiliated company.

AV4.6

Weak claims

If, in the opinion of the managers, the claim being pursued by you is likely to fail or the claim cannot be pursued without the expenditure of costs that are disproportionate to the amount of such claim or the prospects of success, or any such claim is capable of being and ought to be settled, the Club may by notice to you terminate your insurance under Rule AV4 in respect of that claim, provided always that your rights in respect of costs incurred before such termination will not be prejudiced.

AV4.7

Average

In the event that any debt to be collected includes elements which were not incurred in the normal course of performing the insured services or which are specifically excluded under this Rule, the managers may, at their sole discretion, agree to assist with the uninsured portion of the claim, subject to the costs being apportioned accordingly between you and the Club.

AV4.8

Approval of settlements

You shall not settle or compromise any claim or proceedings without the prior approval of the managers, or without complying with the managers' requirements regarding the recovery of any costs or expenses insured by the Club. In the event you settle or compromise without such approval or without complying with any such requirement, the Club may by notice to you terminate your insurance under Rule AV4 in respect of that claim and you shall become liable to repay to the Club all of the costs and expenses paid or reimbursed by the Club or such proportion of those costs and expenses as the Directors in their discretion shall determine.

PART 3

Ancillary insurances

Rule AV5

Discretionary insurance

[The Directors](#), may, at their discretion, additionally provide insurance against all or part of any liability [you](#) incur which is not otherwise insured under these Rules, but which, having regard to the overall purpose of the insurance, [The Directors](#) decide it is appropriate to cover. All the general conditions and exclusions as set out in Part 4 below will still apply unless [the Directors](#) expressly agree otherwise [in writing](#).

Rule AV6

Other Insurances

[The managers](#) may agree, by way of an endorsement to [your Certificate of Entry](#), to insure [you](#) in respect of other risks in relation to the services provided by [you](#).

PART 4

General conditions and exclusions

Rule AV7

General conditions and exclusions

AV7.1

Application

The provisions of this [Rule AV7](#) will apply to all insurances provided by [the Club](#).

AV7.2

Dishonest, intentional or reckless conduct

AV7.2.1

[You](#) are not insured for any risk arising directly or indirectly from any act or omission by [you](#) or any person [you](#) are responsible for which is:

- (a) dishonest, except as provided for in [Rule AV2.1\(b\)](#); or
- (b) reckless; or
- (c) with the intention to cause harm.

AV7.2.2

[The Club](#) shall be entitled to reimbursement for any funds paid out by [the Club](#) including, but not limited to any sums paid in respect of costs, for a risk which is subsequently found not to be insured or for which [the Club](#)'s liability is excluded under the provisions of these Rules, including but not limited to [Rule AV7.2.1](#) above.

AV7.3

Damage by vehicles

[You](#) are not insured for any loss or damage directly or indirectly caused by the operation of any [aircraft](#), train, road or other vehicles, which is owned [chartered](#) or leased by [you](#) or for [your](#) use.

AV7.4

Employers' liability

[You](#) are not insured for any risk arising directly or indirectly from:

- (a) the breach of any obligation owed by [you](#) as an employer or prospective employer;
- (b) the death, bodily injury or illness of any person employed, deemed to be employed or seconded to [you](#) or any sub-agent or subcontractor.

AV7.5

Products liability and defective workmanship

AV7.5.1

[You](#) are not insured for any risk arising directly or indirectly from defects in goods or products sold, supplied or distributed by [you](#) or on [your](#) behalf unless the defects directly arise from [your insured services](#).

AV7.5.2

[You](#) are not insured for any risk arising from the manufacture, construction, alteration, repair, servicing, installation, maintenance or treating of any goods by [you](#) or on [your](#) behalf even though these activities might be performed in conjunction with the services specified in [your Certificate of Entry](#) as being [insured services](#).

AV7.6

Design liability

[You](#) are not insured if, at the point in time the insured service was carried out, the liability arose from [research and development](#) technologies and/or insufficiently tested new procedures or materials, unless specifically stated in [your Certificate of Entry](#).

AV7.7

Senior and joint members

[You](#) are not insured for any risk arising directly or indirectly from any claim by the [senior member](#) against any other [joint member](#) or by a [joint member](#) against the senior or another [joint member](#).

AV7.8

Associated, parent or subsidiary companies

[You](#) are not insured for any claim made against [you](#) by any associated, parent or subsidiary company or by any person or entity having a financial or executive interest in [your](#) operation.

PART 4

General conditions and exclusions

AV7.9

Double insurance

If [you](#) are insured by [the Club](#) and another insurer for the same risk, [your](#) insurance with [the Club](#) will exclude any claim if, and to the extent that, it is, or would be, recoverable from such other insurer.

AV7.10

Insured and uninsured services

If [you](#) have a liability arising from multiple activities, of which only some are [insured services](#), [you](#) are only insured for that part of the liability that exclusively arises from those [insured services](#).

AV7.11

Failure to pay or collect debts

[You](#) are not insured for any risk arising directly or indirectly from [your](#), [your](#) sub-agent's or [your](#) subcontractor's inability, or failure promptly, or at all, to pay or collect money for [your](#) own account except as provided for in [Rule AV4](#).

AV7.12

Insolvency

[You](#) are not insured for any risk if, and to the extent that, it arises or results from [your](#), [your](#) sub-agent's or [your](#) subcontractor's insolvency, trading whilst insolvent, or any other financial default.

AV7.13

Radioactive and nuclear risks

[You](#) are not insured for any loss, damage, liability or expense directly or indirectly caused by, or contributed to by, or arising from:

- (a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or nuclear assembly or nuclear components thereof;
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, [carried](#), stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes in compliance with the International Civil Aviation Organization's (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air where applicable;
- (e) any chemical, biological or electromagnetic weapon.

AV7.14

Pollution

[You](#) are not insured for any risk arising from [pollution](#):

- (a) in respect of which a claim is made against [you](#) more than twelve months after the date of the [occurrence](#) which caused the [pollution](#); or
- (b) which is not sudden, unintended and unexpected; or
- (c) if [you](#) are not aware of the [pollution](#) within seven days after it has occurred, or first occurred, unless the [pollution](#) arises from cargo not in [your](#) possession; or
- (d) from actual or alleged discharges (whether accidental or deliberate) contrary to the Chicago Convention and the standards and recommended practices developed by the International Civil Aviation Organization (ICAO) or similar convention, regulation or law (see also [Rule AV7.21.2](#)).

AV7.15

Waste

[You](#) are not insured for any risk arising out of the operations of:

- (a) the disposal of waste from [aircraft](#);
- (b) waste management facilities or waste storage facilities;
- (c) the transportation, storage, or disposal of waste generated by aviation operations, maintenance, repair, and overhaul operations;
- (d) a landfill or dump site or any other disposal of waste facility.

PART 4

General conditions and exclusions

AV7.16

Dangerous cargoes

You will use your best endeavours to ensure compliance with all relevant regulations or instructions relating to the carriage, handling and storage of dangerous cargoes, including but not limited to the International Civil Aviation Organization's (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air.

AV7.17

Valuable cargoes

AV7.17.1

Unless specifically included in your certificate, you are not insured for liabilities in respect of cargoes of bullion, precious stones, precious jewellery, precious metal, or cash/securities.

AV7.17.2

Unless otherwise stated in your Certificate of Entry, a special limit of US\$100,000 each occurrence applies to claims in respect of:

- processed tobacco/tobacco products including, but not limited to, cannabis and/or marijuana products and/or any other plant based drugs and/or their derivative products where both the underlying trade and the carriage are lawful under any applicable system of law and it is lawful under any applicable system of law for your claim to be paid;
- bottled spirits or wines;
- precious stones/precious jewellery/precious metal/valuable works of art;
- thoroughbred horses;
- computers/electronic devices and components of these.

Any combination of the above cargoes consolidated in the same carrying equipment or stored in one warehouse or depot will be subject to one special limit of liability.

AV7.18

Illegal trading

You are not insured for any risk arising from:

- (a) the handling, storage or carriage of cargo in an illegal trade;
- (b) the trafficking of humans;
- (c) the carriage of sanctioned cargo or people.

AV7.19

Punitive or exemplary damages and liquidated damages or contractual penalties

You are not insured for:

- (a) punitive, exemplary or multiple damages;
- (b) any contractual penalty;
- (c) liquidated damages which exceed the liability you would otherwise have.

AV7.20

Indemnities and obligations

AV7.20.1

You are insured for the type and amount of damages normally payable for the liability in question.

AV7.20.2

You are not insured for the amount of any increase in the damages payable due to:

- (a) any indemnity given or agreement made by you;
- (b) any agreement not to rely on any defence or limitation of liability;
- (c) any contractual obligation to perform to a higher standard than the duty of care imposed by law, unless the Directors determine that such indemnity, agreement or obligation is on terms and conditions usually applicable for the performance of your insured services (see Rule AV1.3) in which case such additional liability or damages are insured.

AV7.21

Fines and penalties

AV7.21.1

You are not insured for any risk which arises, either directly or indirectly, from the imposition upon you, your employee, or any person acting on your behalf by any authority, of any fines, penalties, customs duties, sales or excise tax or similar fiscal charges in respect of any breach or contravention of any laws, rules or regulations.

PART 4

General conditions and exclusions

AV7.21.2 There is no cover for any breaches (whether actual or alleged, deliberate or accidental) of the Chicago Convention and the standards and recommended practices developed by the ICAO, or similar conventions and standards and recommended practices, whether such claims are against [you](#), [your employee](#) or any person acting on behalf of [you](#) or your principal or any other party for which [you](#) may be responsible (see [Rule AV7.14\(d\)](#)).

AV7.22 **Cash**

[You](#) are not insured for any risk [you](#) incur in respect of the loss of [cash](#) (see Definition under [AV28](#)).

AV7.23 **War and civil war, etc.**

[You](#) are not insured for any risk directly or indirectly caused or contributed to by war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, acts of terrorism or sabotage, rebellion, revolution, insurrection, military or usurped power or confiscation, nationalisation or requisition or destruction of or damage to property by or under the order of any [authority](#).

AV7.24 **Strikes**

[You](#) are not insured for any risk arising from strikes, riots, civil commotions, lockouts, stoppages and/or restraints of labour of whatsoever nature or kind, whether partial or general and whether or not involving [your employees](#).

AV7.25 **Rights of recourse**

It is a condition of this insurance that, unless [the managers](#) otherwise agree [in writing](#), [you](#) will preserve all rights of recourse.

AV7.26 **Distribution of third party recoveries**

It is a condition of this insurance that amounts recovered from third parties in respect of a claim (including a debt claim on [your](#) behalf under [Rule AV4](#)) will be credited to [the Club](#) to the full extent of its liability in respect of such claim (including the costs of making the recovery); any balance will be credited to [you](#) to the extent of any amount borne by [you](#) in respect of such claim or of the debt [you](#) are owed; any excess will be distributed equitably between [the Club](#) and [you](#), taking into account amounts paid/incurred and the relevant dates.

AV7.27 **Air Waybills**

AV7.27.1 Deliberate release without verification of identity

The deliberate release without verification of identity matches the name of the consignee listed on the relevant air waybill constitutes a commercial risk undertaken by the agent or carrier. Such an act is not considered an error or omission that would be the subject of a professional indemnity insurance policy.

[You](#) are not insured for claims made directly or indirectly by the holder of an air waybill where cargo has been delivered without prior verification of the identity of the consignee unless [you](#) can show that [you](#) reasonably believed the party to whom the cargo was delivered was the named consignee under the air waybill and that the delivery was solely the result of a negligent act or omission.

AV7.27.2

Paperless trading

[You](#) are not insured for risks arising from [your](#) participation in any system of paperless trading documentation including but not limited to electronic air waybills and other digital cargo documentation systems, except those systems that have been approved by the International Air Transport Association (IATA) or the International Group of P&I Clubs; or specifically approved by [the managers](#) and entered in [your Certificate of Entry](#).

It is [your](#) responsibility to ensure that all electronic trade documentation systems and practices adhere to the latest legal standards and industry best practices including those applicable under the Electronic Trade Documents Act 2023.

PART 4

General conditions and exclusions

AV7.28

Occupiers liability

[You](#) are not insured for any risk arising directly or indirectly from the occupation, condition or maintenance of any land, building or structure for which [you](#) are responsible, including any stand or [conveyance](#) at a trade show or other event.

AV7.29

Loss of or damage to property

[You](#) are not insured in respect of any risk arising from the loss of or damage to any property which is:

- (a) owned, leased, operated or used by [you](#) or on [your](#) behalf;
- (b) in [your](#) care, custody or control other than expressly provided for under [Rule AV2](#).

AV7.30

Supervision and control

Unless [the Directors](#) otherwise decide, [your](#) insurance is subject to [your](#) satisfying [the Directors](#) that the liability did not arise from a failure by [you](#) to take reasonable steps to establish proper systems and controls or to exercise proper supervision.

AV7.31

Sanctions

AV7.31.1

In respect of any claim(s) [you](#) are not insured and [the Club](#) shall not be obliged to pay any claim or provide any benefit (including but not limited to any refund of premium, payment of costs or any other sum) to the extent that the provision of such cover would expose or risk exposing [the Club](#) (or any fronting insurer or reinsurer or financial institution) to violating or becoming subject to any sanction, embargo, prohibition, restriction or adverse action in any form whatsoever by any state, competent [authority](#), government or international organization such as but not limited to the United Nations or European Union.

AV7.31.2

Without prejudice to [Rule AV7.31.1](#) above, we will have no liability under or in respect of any certificates or other evidences of insurance certifying or evidencing coverage for any transaction, shipment, or claim in violation of or sanctionable under any of the sanctions, embargoes, prohibitions, restrictions or adverse actions specified at [Rule AV7.31.1](#). Such certificates and other evidences of insurances will not be binding on us or provide proof of insurance cover in respect of any such transaction, shipment or claim.

AV7.31.3

Notwithstanding anything in [the Rules](#) to the contrary, [the Club](#) may, where continuing to provide insurance to [you](#) could in anyway whatsoever expose or risk exposing [the Club](#) and/or [ITIC](#) (or any fronting insurer or reinsurer or financial institution) to violating or becoming subject to any sanction, embargo, prohibition, restriction or adverse action in any form whatsoever by any state, competent [authority](#) or government, decide to:

- (a) suspend [your](#) cover until further notice pending investigation by [the Club](#); and/or
- (b) at any time [the Club](#) determines it (or any other person referred to above) is exposed to such risk, terminate [your](#) cover with immediate effect by [written](#) notice.

AV7.32

Asbestos

[You](#) are not insured for any risk directly or indirectly caused or contributed to by the actual, alleged or threatened presence of or exposure to asbestos in any form whatsoever.

AV7.33

Unexplained losses

[You](#) are not insured for liabilities arising from unexplained losses discovered on inventory/stocktaking.

PART 4

General conditions and exclusions

AV7.34

AV7.34.1

- (a) Any loss, damage, liability, cost, or expense directly arising from the transmission or alleged transmission of:
- (i) Coronavirus disease (COVID-19) and/or any mutation or variation thereof; or
 - (ii) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) and/or any mutation or variation thereof; or
 - (iii) H1N1, H5N1 and/or any other strain of the influenza virus and/or any mutation or variation thereof; or
 - (iv) Any other infectious illness or disease that the World Health Organisation (WHO) declares a public health emergency and/or pandemic.
- (b) Any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for (i), (ii), (iii) or (iv) above;
- (c) Any liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of any of (a) (i), (ii), (iii) or (iv) above or the fear or the threat thereof.

AV7.34.2

You are insured under [Rule AV2.1\(a\)](#) solely for the financial losses of a third party under [Rule AV2.2\(i\)](#) caused by the negligent performance of [your insured services](#) in relation to the breach of laws and regulations aimed at preventing or controlling (a) (i), (ii), (iii) or (iv) but not from the actual or alleged transmission thereof.

AV7.35

Cyber attack

You are not insured for any loss, damage, liability, cost, or expense directly or indirectly arising from the use or operation by any person, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system, including for the avoidance of doubt, phishing attacks or phishing scams, subject to any cover expressly provided in [your Certificate of Entry](#) in relation to [invoice fraud](#).

AV7.36

Security

It is [the Club](#)'s policy not to provide security for any claim or costs or any other expenses on [your](#) behalf, whether in the form of [cash](#), a bank guarantee, letter of undertaking or indemnity or any form whatsoever.

AV7.37

Commercial misjudgment

You are not insured for any risk arising directly or indirectly due to the consequences of [commercial misjudgment](#) whether in contract or in tort.

PART 5

Claims

Rule AV8

Obligations in respect of claims

AV8.1

Notification of claims

- (a) You shall give the Club notice in writing promptly of:
- (i) any claim made against you during the period of insurance;
 - (ii) any notice of any intention to make a claim or complaint against you which may lead to such a claim;
- (b) You shall give the Club notice in writing immediately on becoming aware of any circumstances which are likely to give rise to a claim under your insurance.

AV8.2

Late notification

If you fail to notify the claim in accordance with Rule AV8, the Directors may in their discretion:

- (a) accept the claim; or
- (b) reject the claim or reduce the sum which might otherwise be recovered by you from the Club; or
- (c) accept the claim, but subject to terms and conditions which would have applied had the claim been notified to the Club in accordance with Rule AV8.1.

AV8.3

Mitigation of loss

When circumstances arise which give rise or are likely to give rise to a claim, you shall take all reasonable measures to avoid or minimise any liability, loss, costs, damages or expenses in respect of the claim.

AV8.4

Information and cooperation

You will cooperate at your own expense in the handling of the claim. You must promptly give the managers any information, accounts, or documents relevant to any claim and assist in the availability of any property for survey or inspection of or of any witnesses for interview. Information, accounts or documents must be provided to the managers in good order, properly explained and in a form appropriate for the efficient conduct of such a claim. You will make yourself and your employees available for any hearings (arbitration or litigation) or mediation as requested by the Club.

AV8.5

Members not to admit liability or settle claims

AV8.5.1

You shall not admit liability, or in any way compromise the claim (including costs or expenses insured by the Club) without the prior written consent of the managers and you shall undertake that none of your employees or former employees admits any such liability.

AV8.5.2

You shall not pay or settle any claim without the prior written consent of the managers and you shall undertake that none of your employees or former employees pay or settle any such claim.

AV8.6

Salvage and residual value

The amount of any claim will be reduced by:

- (a) the proceeds of any salvage that you receive or to which you are entitled;
- (b) your interest in the residual value (if any) of the subject matter of the claim.

AV8.7

Fraudulent claims

If you make any claim against the Club knowing the same to be false or fraudulent the insurance will be void as at the date of the fraudulent act. The Club's rights against you and your obligations to the Club remain unchanged.

AV8.8

Conduct of claims

AV8.8.1

Managers' power to conduct proceedings

The managers have the right to control or direct the conduct of any claim, in respect of which you are or may be insured and to require you to settle, compromise or otherwise dispose of such claim in such manner and upon such terms as the managers see fit.

PART 5

Claims

AV8.8.2 Appointment of advisors

AV8.8.2.1 [The managers](#) may at any time appoint on [your](#) behalf, on such terms as [the managers](#) think fit, experts, lawyers, surveyors and/or other persons (advisors) with a view to advising upon investigating or dealing with any matter which may result in a liability, in respect of which [you](#) are or may be insured, including taking or defending legal or other proceedings in connection therewith, notwithstanding that [you](#) may have already have appointed [your](#) own advisors. [The managers](#) may also at any time discontinue such appointment if they think fit.

AV8.8.2.2 All advisors appointed by [the managers](#) on [your](#) behalf, or appointed by [you](#) with the prior consent of [the managers](#), shall at all times be and be deemed to be appointed on the terms:

- (a) that they are authorised to report and give advice to and to take instructions from [the managers](#);
- (b) that any advice given by them is that of an independent contractor appointed by [you](#) and shall in no way bind [the Club](#).

AV8.9 Payment of claims

AV8.9.1 No claim shall be paid without the approval of [the Directors](#) or [the managers](#).

AV8.9.2 [The Directors](#) have the power in their discretion to reject a claim or reduce the sum payable by [the Club](#) in respect thereof, if:

- (a) in the opinion of [the Directors](#) [you](#) have not taken such steps before, at the time of, or after [you](#) had knowledge of the circumstances likely to give rise to the claim, to protect [your](#) interests as [you](#) should have done or would have as a prudent uninsured;
- (b) [you](#) have settled a claim against [you](#) or have admitted any liability without the prior consent [in writing](#) of [the managers](#);
- (c) [you](#) have failed to comply with a recommendation or direction in respect of the handling of the claim made by [the Directors](#) or [the managers](#).

AV8.9.3 Interest

[You](#) are not entitled to be paid interest on [your](#) claim against [the Club](#).

AV8.9.4 Currency

If claims are paid in currencies other than the currency in which [your Certificate of Entry](#) is underwritten, the exchange rates for determining the applicable limits of liabilities and/or applicable deductibles will be applied as at the date of payment.

AV8.9.5 [Senior](#) and [joint members](#)

AV8.9.5.1 Payment by [the Club](#) of any claim (including costs and expenses) to the [senior member](#) or any other [joint members](#) shall be deemed to be the receipt by the [senior member](#) and all [joint members](#) jointly and severally and shall fully discharge the obligations of [the Club](#) in respect of such payment.

AV8.9.5.2 Where any claim payment (including costs and expenses) has to be repaid to [the Club](#) or any deductible is owed to [the Club](#) and two or more [firms](#) or individuals are the subject of the joint entry, the [senior member](#) and each [joint member](#) shall be jointly and severally liable to [the Club](#) in respect of such sums due.

PART 6

Entry, joint membership, period of insurance, and disclosure obligations

Rule AV9

Entry and joint membership

AV9.1

Applications

If [you](#) wish to apply for insurance, [you](#) have to provide information as may be required by [the managers](#) and all other information necessary to make a fair presentation of the risk.

For the material information to be within the [member](#)'s or [joint member](#)'s knowledge the provisions of the Insurance Act 2015 apply.

AV9.2

Certificate of Entry

Upon acceptance of [your](#) application for the insurance, [you](#) become a [member](#) of [the Club](#) and [the managers](#) will issue [you](#) with a [Certificate of Entry](#) recording the agreed terms.

AV9.3

Joint members – disclosure

Failure by the [senior member](#) or any other [joint member](#) to disclose material information within their knowledge shall be deemed to be failure of the [senior member](#) and all the [joint members](#).

AV9.4

Variation of cover

If at any time [the managers](#) agree to vary the terms and conditions upon which [you](#) are insured, [the managers](#), as soon as reasonably practicable thereafter, shall issue an endorsement to the [Certificate of Entry](#) stating the nature of such variation and the date from which such variation is to be effective.

AV9.5

Becoming a member

Insurance can be as a single [member](#) where that [member](#) is entered as a [senior member](#) or jointly, naming the [senior member](#) together with the [joint member\(s\)](#).

AV9.6

Liability for premium

Where two or more [firms](#) or individuals are the subject of the joint entry the [senior member](#) and each [joint member](#) shall be jointly and severally liable to pay all premium due to [the Club](#) in respect of such entry.

AV9.7

Joint members – conduct

Conduct of the [senior member](#) or any other [joint member](#) which would have entitled [the Club](#) to decline to indemnify them shall be deemed to be the conduct of the [senior member](#) and all the [joint members](#).

AV9.8

Joint members – termination of insurance

Where two or more [firms](#) are the subject of a joint entry, termination of the insurance of the [senior member](#) or of any other [joint member](#) will automatically terminate the insurance of the [senior member](#) and all of the [joint members](#), unless otherwise agreed by [the managers](#).

AV9.9

Communications

AV9.9.1

All communication from [the Club](#) will be sent to the [senior member](#) and shall be deemed to be made to and within the knowledge of all the other [joint members](#).

AV9.9.2

All communication between the [senior member](#) and [the Club](#) or [the managers](#) shall be deemed to have been made or given with the full approval and authority of all the [joint members](#).

PART 6

Entry, joint membership, period of insurance, and disclosure obligations

Rule AV10

Period of insurance and renewal

AV10.1

Period of insurance

Your period of insurance is as stated in your Certificate of Entry or subsequent endorsements.

The Club's underwriting is based on annual Club policy years. Your period of insurance may fall into one or more Club policy years.

AV10.2

Where your period of insurance is for two or more policy years or the managers agree that your period of insurance commences part way through a Club policy year and continuing into the next Club policy year, you are insured subject to the Rules applicable during the first Club policy year provided that the Club may on giving you no less than 28 days' notice in writing make your insurance cover subject to the Rules applicable to the second or any subsequent Club policy year.

AV10.3

Renewal

AV10.3.1

Prior to the expiry of your period of insurance the managers may request information concerning your business or offer renewal terms on the basis that there have been no material changes since the commencement of the last period of insurance.

AV10.3.2

After receiving such information or confirmation that there have been no material changes the managers may offer terms to renew your insurance.

AV10.3.3

If the offer is on the basis that there have been no material changes your agreement to such terms is expressly on that basis.

AV10.3.4

The managers are under no obligation to provide reasons for their renewal terms offered.

AV10.3.5

If no agreement on the renewal of your insurance has been reached prior to the expiry of your period of insurance, your insurance will cease with effect from the expiry of that period of insurance.

AV10.3.6

However, the managers may agree in writing to continue to hold you covered on expiring terms as stated in your Certificate of Entry for such period and subject to the payment of any amounts, which the managers may in their discretion require.

AV10.3.7

Once renewal terms have been agreed the managers will issue you with a new Certificate of Entry reflecting the agreed terms which will replace the terms on which you were held covered.

AV10.4

Non-renewal

The Directors may decide in their discretion not to offer renewal terms. The managers will endeavour to give you written notice of 21 days of their intention not to renew your insurance.

The Directors are under no obligation to give any reasons for the decision not to renew your insurance.

AV10.5

Break clause

If the period of insurance stated in your Certificate of Entry is for a period of longer than 12 months, then the managers shall have the right to review the policy terms and premium six weeks prior to the end of every account year. If amended terms and/or premium are agreed, these are to apply from the start of the next account year unless otherwise agreed. If any new terms and/or premium cannot be agreed then you and the Club have the right to terminate the policy with effect from the end of the active current account year upon the giving of notice in writing no later than 2 weeks prior to the expiry of the active current account year. In the absence of either party serving a notice of termination, then the new terms will apply with effect from the start of the new account year.

AV10.6

This Rule AV10 is without prejudice to the provisions of Rules AV11, AV12 and AV13.

PART 6

Entry, joint membership, period of insurance, and disclosure obligations

Rule AV11

Disclosure obligations

AV11.1

Disclosure of material information

[You](#) are under a duty to ensure that any information given to [the Club](#) leading to the issue of any [Certificate of Entry](#) is in all material respects complete and accurate and represents a fair presentation of the risk.

AV11.2

Continuing obligations

During [your period of insurance](#), [you](#) have a continuing duty to report any material circumstances or material changes in the risk. This includes but is not limited to:

- (a) any material change in, or addition to, the information given to [the Club](#) pursuant to [Rule AV11.1](#);
- (b) any merger, amalgamation or division affecting the insured [firm](#) or [firms](#) or the [insured services](#);
- (c) the opening or closing of any office premises of the insured [firm](#) or [firms](#) from which the [insured services](#) have been or will be carried on;
- (d) the [occurrence](#) of any of the matters listed in [Rule AV12.1](#);
- (e) any information which could influence [the Club](#)'s assessment of the risk.

AV11.3

Effect of non-disclosure of material information

AV11.3.1

In the event of a breach of [your](#) disclosure obligations, without prejudice to the provisions of [Rules AV12](#) and [AV13](#), [the Directors](#) may:

- (a) Terminate [your](#) insurance and treat it as void and unenforceable from the commencement of the [period of insurance](#). This would include (but is not limited to) circumstances where the failure to disclose was deliberate, reckless or otherwise so serious as to make such termination appropriate. In such incidences [the Club](#) has the right to reject all claims.
- (b) Give notice to [you](#) terminating the insurance with effect from the specified date. This would include (but is not limited to) circumstances where the breach was of the continuing obligations under [Rule AV11.2](#).
- (c) Reject or reduce the amount payable in respect of any individual claim. This would include (but is not limited to) circumstances where the breach was relevant to that specific claim, but not other claims.
- (d) Impose other conditions on the continuation of [your](#) insurance. This would include (but not be limited to) circumstances where the breach would have had a material effect on the terms on which the risk was underwritten or the premium charged.

AV11.3.2

In the event of any of the above, [the Club](#) is under no obligation to return any premium.

AV11.3.3

[The Directors](#) are under no obligation to provide any reasons for their decisions.

PART 7

Cesser or suspension of insurance by the Club and of corporate membership of ITIC

Rule AV12

Cesser or suspension of insurance by the Club and of corporate membership of ITIC

AV12.1

Automatic cesser of insurance

The following events will result in the automatic cesser of [your](#) insurance by [the Club](#) and of [your](#) corporate membership of [ITIC](#):

- (a) the commencement of proceedings under any bankruptcy or insolvency law applicable to [you](#), including but not limited to:
 - (i) entering into an arrangement with creditors;
 - (ii) seeking protection against creditors;
 - (iii) the appointment of any liquidator, administrator, receiver, administrative receiver or insolvency practitioner of any kind in relation to [you](#) or [your](#) assets.
- (b) [you](#) cease the performance of all [insured services](#);
- (c) if being a natural person [you](#) die or are declared mentally unsound;
- (d) if being a legal person [you](#) are dissolved;
- (e) [you](#) or any person (legal or natural) with an ownership interest of 25% or more become subject to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

AV12.2

Cesser or suspension of insurance at option of the Club

AV12.2.1

If [the Club](#) is notified under [Rule AV11.2](#) or becomes aware of any matter which [the Directors](#) consider in their discretion, alters the nature of the risk insured, [the Directors](#) may give [you](#) 14 days' notice [in writing](#):

- (a) of such terms and conditions (including if appropriate such revised premium) that are required to continue to insure [you](#) for the remainder of the [period of insurance](#). This includes (but is not limited to) circumstances in which [you](#) advise the addition of new offices or changes to [your insured services](#); or
- (b) that [your](#) insurance will be terminated from such date (in which case the provisions of [Rule AV1.2.4](#) shall apply). This includes (but is not limited to) circumstances where [the Directors](#) consider that the risk is fundamentally different from that originally disclosed.

AV12.2.2

If [the Club](#) is notified or becomes aware of:

- (a) any circumstance under [Rule AV7.31](#); or
- (b) any circumstance regarding sanctions, war, invasions, conflicts or issues which [the Directors](#) may consider in their discretion, directly or indirectly alters the nature of the risk insured or that the risk has become fundamentally different due to external factors despite no material change to any [member's](#) circumstances,
[the Directors](#) may [in writing](#) (where it is possible to do so) terminate the insurance with immediate effect (in which case the provisions of [Rule AV1.2.4](#) shall apply) or suspend the insurance.

AV12.3

Cesser of insurance for failure to pay

AV12.3.1

Where [you](#) fail to pay any amount due to [the Club](#), [the managers](#) may give notice [in writing](#) requiring payment by the date specified in such notice, this date not being less than fourteen days from the date of the notice.

AV12.3.2

Any failure to comply with this notice may result in [your](#) insurance being cancelled as of the commencement date without further notice (in which case the provisions of [Rule AV1.2.4](#) shall apply at the time of such cancellation). Such cancellation is without prejudice to any other remedies available to [the Club](#) by virtue of these Rules or by law.

AV12.3.3

[The Club](#) is not liable for any claims notified to [the Club](#) within a [period of insurance](#) for which the advance and or supplementary premium is due and has not been received in full.

PART 7

Cesser or suspension of insurance by the Club and of corporate membership of ITIC

AV12.4

Cesser or suspension for reputational risk

[The Directors](#) may in their discretion, immediately suspend or terminate the insurance, upon [written](#) notice, where [the Club](#) is notified or becomes aware of any circumstance which [the Directors](#) believe puts [the Club](#) at risk of reputational damage.

AV12.5

Consequences of cesser or suspension

AV12.5.1

If the cesser of insurance occurs for any of the reasons set out above other than cesser for failure to pay, cesser under [Rule AV12.1\(e\)](#), or cesser under [Rule AV12.2.2](#), [the Club](#) remains liable for all claims under these Rules arising out of any claim or circumstances validly notified under these Rules before the date of cesser.

AV12.5.2

Under all circumstances, [you](#) are and remain liable for all amounts due to [the Club](#) in respect of the [period of insurance](#) in which the date of cessation occurs, pro rata for the period up to the date of cessation, and in respect of any previous [period of insurance](#) including any supplementary premium levied.

AV12.5.3

If [your](#) policy is suspended there is no insurance cover available to [you](#) at all in respect of the suspended policy until such time that the policy is reinstated. However, [you](#) will remain a [corporate member](#) of [ITIC](#) during the period of suspension of the policy. In order to be reinstated [the Club](#) must expressly reinstate the policy [in writing](#). During the period of suspension [the Club](#) has the right to terminate the policy immediately by giving [written](#) notice. The period of suspension along with the policy will automatically terminate on the date the policy was due to expire if it has not been terminated or reinstated by such date. If the policy is reinstated, the [period of insurance](#) will not be extended by the duration of any suspension period.

AV12.6

Director's discretion to cover claims

[The Directors](#) may, in their absolute discretion, accept any claim for which [the Club](#) is under no liability under this [Rule AV12](#) whether the notification giving rise to such claim was made before or after the cesser of insurance.

PART 8

Funds of the Club

Rule AV13

Contribution by way of premium

AV13.1

Insurance all of same class

All [members](#) pay into a common fund regardless of any difference in the services or insured interest as between [you](#) and another [member](#) or between one group of [members](#) and another.

AV13.2

Premium

AV13.2.1

[ITIC](#) is a mutual in which members (and insureds of [ITIC](#)) insure each other through [ITIC](#) or its wholly-owned subsidiary, [the Club](#), against liabilities and costs insured under the [ITIC Rules](#) and the [ITIC Europe Rules](#), respectively, which any of them may become liable to pay.

AV13.2.2

The [members](#) contribute, in accordance with [Rule AV14](#) by means of advance premium and, if required, through supplementary premium, in order to meet:

- (a) the liabilities, expenses and other outgoings of [the Club](#) (whether incurred, accrued or anticipated), which in the opinion of [the Directors](#) necessarily and properly fall upon [the Club](#) in respect of such [Club policy year](#);
- (b) such transfer to reserves or provisions as [the Directors](#) may deem is expedient to make, including transfers to reserves and provisions in respect of any deficiency which has occurred or which may be thought likely to occur in respect of any [closed Club policy year](#) as [the Directors](#) think fit;
- (c) such sums as [the Club](#) may by any legislation or regulation be required to set aside in order to establish and/or maintain an adequate solvency margin and/or fund in respect of any [Club policy year](#).

Rule AV14

Premium

AV14.1

Advance premium

AV14.1.1

[Your](#) advance premium is stated in [your Certificate of Entry](#). The total amount of all advance premium levied on all [members](#) is calculated with the intention that the funds will be adequate to meet the foreseeable liabilities, expenses and outgoings of [the Club](#) for that [Club policy year](#).

AV14.1.2

Where an advance premium is levied in respect of a [period of insurance](#) which covers more than one [Club policy year](#), the advance premium is treated as being payable in relation to the earlier of those [Club policy years](#).

AV14.1.3

If the [period of insurance](#) is for more than one [account year](#) the advance premium for the first [account year](#) will be treated as being payable in respect of the [Club policy year](#) current at the commencement of that first [account year](#). Premium for further [account years](#) will be treated as being payable in respect of the [Club policy year](#) in force as at the date of the commencement of that [account year](#).

AV14.2

Supplementary premium

At any time prior to closing a [Club policy year](#), [the Directors](#) may decide to require in respect of that year supplementary premium of such amount(s) as they may determine, if they consider that the advance premium paid in respect of such [Club policy year](#) are (notwithstanding the original intention) insufficient to meet the liabilities, expenses and outgoings of [the Club](#) for such [Club policy year](#). The supplementary premium will be calculated pro rata to all advance premium levied for such [Club policy year](#).

AV14.3

Premium payable as Directors determine

All or any part of any premium is payable at such rates, in such instalments, in such currencies and on such dates as [the Directors](#) may specify.

PART 8

Funds of the Club

AV14.4

Notification

As soon as reasonably practical after the premium has been set [the managers](#) will notify [you](#):

- (a) of the amount of such premium; and
- (b) of the date the premium is payable; and
- (c) currency in which the premium is payable.

AV14.5

No set-off

[You](#) shall not be entitled to set-off the whole or any part of any claim on [the Club](#) against the premiums or other sums of whatsoever nature due to [the Club](#) nor shall [you](#) be entitled to withhold or delay payment of any such premiums or other sums.

AV14.6

Interest on late payment

Without prejudice to the rights and remedies of [the Club](#) under any of these Rules or otherwise, if any premium or instalment or part thereof or any other sum of whatsoever nature due from [you](#) is not paid on or before the date specified for payment thereof [the Directors](#) may order [you](#) to pay interest on the amount not so paid, from and including the date so specified down to the date of payment, at such rate as [the Directors](#) may from time to time determine.

AV14.7

Non-payment

If [the Directors](#) decide that any amount due to [the Club](#) cannot be obtained, [the Club](#) may levy supplementary premiums in accordance with this Rule or the reserves may be applied in accordance with [Rule AV15.5](#) in order to rectify any deficiency of [the Club](#)'s funds.

AV14.8

Forecasts of premiums

Any forecast given is indicative only and is without prejudice to the right of [the Directors](#) to levy supplementary premiums for that [Club policy year](#) at a higher or lower level than that forecast, or not to levy such premiums at all.

[The Club](#), its Directors, managers and their servants and agents do not have any liability whatsoever in respect of any inaccuracy of any premium forecast.

AV14.9

Fixed premium

If [the managers](#) so agree, and it is noted in [your Certificate of Entry](#), [your](#) insurance may be provided for a [fixed premium](#), in which case the provisions of [Rule AV14.2](#) do not apply.

AV14.10

Recovery of premium

All monies due and payable by [you](#) to [the Club](#) may be recovered by action commenced on the instructions of [the managers](#) in the name of [the Club](#).

Rule AV15

Closing of policy years

AV15.1

[The Directors](#) can declare a [Club policy year](#) to be closed, as of any date after the end of that [Club policy year](#).

AV15.2

After a [Club policy year](#) has been closed, no further supplementary premiums can be levied in respect of that [Club policy year](#).

AV15.3

[The Directors](#) may declare a [Club policy year](#) is closed, although there may be claims or expenses which have not been established as at the closing date.

PART 8

Funds of the Club

AV15.4

Disposal of excess funds

If it appears to [the Directors](#) that the entire Club funds in respect of a [Club policy year](#) are unlikely to be required to meet all the liabilities arising in respect of that [Club policy year](#), [the Directors](#) may decide to:

- (a) transfer any excess or any part thereof to the reserves of [the Club](#) in accordance with [Rule AV17](#);
- (b) return any excess or any part thereof to the [members](#). No return shall be made in respect of any [member](#) who has been insured in accordance with [Rule AV14.9](#) or the insurance of whom ceased by reason of the application of [Rule AV12.3](#)

AV15.5

Shortfall of funds

If at any time after a [Club policy year](#) has been closed, it appears to [the Directors](#) that the liabilities arising in respect of that [Club policy year](#) exceed or are likely to exceed the totality of the premiums and other receipts in respect of such [Club policy year](#) (and of all transfers from reserves and provisions made for the credit of or in respect of such [Club policy year](#)) [the Directors](#) may decide to:

- (a) transfer funds from the reserves of [the Club](#);
- (b) levy an advance premium or supplementary premium in respect of any open [Club policy year](#) with the intention of applying a part thereof to meet any such deficiency.

AV15.6

Amalgamation of policy years

[The Directors](#) may resolve to amalgamate the accounts of any two or more [closed Club policy years](#) into a single [closed Club policy year](#) and to pool the amounts standing to the credit of the same. The [Club policy years](#) concerned shall be treated as a single [closed Club policy year](#).

Rule AV16

Reinsurance

AV16.1

[The Directors](#) may reinsure or cede on behalf of [the Club](#) the whole or any part of the risks of [the Club](#) with such reinsurers and on such terms as [the Directors](#) shall consider appropriate.

AV16.2

In addition, [the Directors](#) may reinsure on behalf of [the Club](#) the whole or any part of the risks arising in connection with any [member](#) upon such terms and with such reinsurers as [the Directors](#) shall consider appropriate.

AV16.3

[The Club](#) may also accept reinsurance from other insurers on such terms as [the managers](#) may determine.

Rule AV17

Reserves

AV17.1

General reserves

[The Directors](#) may establish and maintain reserve funds or other accounts for such contingencies or purposes as they in their discretion think fit, including but not limited to:

- (a) stabilising the level of supplementary premiums and eliminating or reducing the need to levy a supplementary premium in respect of any [Club policy year](#), past, present or future;
- (b) eliminating or reducing a deficiency which has occurred or may be likely to occur in respect of any [closed Club policy year](#);
- (c) protecting [the Club](#) against any actual or potential losses whether realised or unrealised in connection with its investments.

AV17.2

[The Directors](#) may, at their discretion, use reserves set aside for one purpose for any other purpose. [The Directors](#) may also at any time transfer sums from one fund or account to another fund or account.

PART 8

Funds of the Club

Rule AV18

Investments

AV18.1

Investment management

Subject to the general supervision of [the Directors](#) the funds of [the Club](#) may be invested by [the managers](#) or by any investment manager or agent appointed by [the managers](#). [The Directors](#) may from time to time and at any time lay down such guidelines for the investment of the funds of [the Club](#) as they shall think fit.

AV18.2

Investment media

Such investments may be made by means of the purchase of such stocks, shares, bonds, debentures or other securities or the purchase of such currencies, commodities or other real or personal property, or by means of being deposited in such accounts as [the managers](#) may think fit, or by such other method, whether producing income or not, as [the Directors](#) may approve.

AV18.3

Pooling of funds

Unless [the Directors](#) otherwise decide the funds standing to the credit of all [Club policy years](#) and of any reserve or account, shall be pooled and invested as one fund.

AV18.4

Gains and losses

AV18.4.1

Unless otherwise determined by [the Directors](#) when funds are so pooled any dividends, interest or accruals of interest and any realised investment gains (including dividends or accruals of interest) or losses, arising on the pooled funds shall be credited or debited, as the case may be, to such [Club policy year](#) or years as [the Directors](#) may decide.

AV18.4.2

Any such gains may be used to meet:

- (a) the liabilities, expenses, losses and other outgoings (whether incurred, accrued or anticipated) which, in the opinion of [the Directors](#), necessarily and properly fall on [the Club](#) in respect of such [Club policy year](#); or
- (b) such transfers to reserves or provisions as [the Directors](#) may deem it expedient to make, including transfers to reserves and provisions in respect of any deficiency which has occurred or which may be likely to occur in respect of any [closed Club policy year](#) as [the Directors](#) think fit.

AV18.4.3

Any such losses shall be treated as an expense of [the Club](#) and may be made up either by a transfer from the general reserve of [the Club](#) or by premiums.

PART 9

General

Rule AV19

Forbearance, waiver, subrogation, and discretion

AV19.1

Forbearance

No act, omission, forbearance or conduct of [the Club](#) whatsoever and whensoever occurring, whether by or through its officers, servants or agents or otherwise, shall constitute any admission or promise that [the Club](#) will forego any of its rights.

AV19.2

Waiver

Notwithstanding any neglect or non-compliance with, or breach of, any of these Rules by [you](#), [the Directors](#) may in their sole discretion waive any of [the Club](#)'s rights arising therefrom and may pay in full or in part any claim which it thinks fit. [The Club](#) shall nevertheless at all times and without notice be entitled to insist on the strict application of these Rules.

AV19.3

Subrogation

If any payment is made by [the Club](#) to [you](#) in respect of [your](#) insurance [the Club](#) shall be subrogated to all [your](#) rights of recovery against any person in relation to the relevant matter provided always that [the Club](#) shall not exercise any rights of subrogation against any of [your employees](#) save in cases where there is an allegation of a dishonest, fraudulent, criminal or malicious act or omission by the [employee](#).

[You](#) have the obligations set out in [Rule AV8.4](#) in relation to such claim.

AV19.4

Discretion

Where these Rules or the terms and conditions of [your Certificate of Entry](#) vest the exercise of a discretion in [the Directors](#) and/or [the managers](#):

- (a) they will have an absolute discretion as to how they exercise or refrain from exercising that discretion;
- (b) they will be the sole judge of the issues on which the discretion is based and this judgment will be final and binding;
- (c) they are under no obligation to disclose the reasons for the exercise of a discretion or to follow any particular procedure in exercising it.

Rule AV20

Assignment

AV20.1

No insurance by [the Club](#), and no interest under these Rules or under any contract between [you](#) and [the Club](#), may be assigned without the [written](#) consent of [the managers](#) who shall have the right in their discretion to give or refuse such consent without stating any reason therefore or to give such consent upon any such terms or conditions as they may think fit.

AV20.2

[The Club](#) shall be entitled, before making any payment to an assignee, to deduct or retain such amount as [the managers](#) may then estimate to be sufficient to discharge [your](#) liabilities or potential liabilities, to [the Club](#).

Rule AV21

Delegation

Whenever any power, duty or discretion is stated in these Rules to be vested in [the Club](#) or [the Directors](#), such power, duty or discretion may be delegated to any sub-committee of [the Directors](#), or to [the managers](#).

PART 9

General

Rule AV22

Disputes and differences

AV22.1

Adjudication

AV22.1.1

In the event any dispute or difference cannot be resolved with [the managers](#) in accordance with the complaints procedure as set out in [your Certificate of Entry](#), then any difference or dispute between [you](#) and [the Club](#) out of or in connection with these Rules or [your Certificate of Entry](#), shall in the first instance and as a condition precedent to [Rule AV 22.2](#), be referred to and adjudicated by [the Directors](#) notwithstanding that [the Directors](#) may have already considered the matter previously. Such reference and adjudication shall be on [written](#) submissions only in accordance with the "adjudication policy" which is available upon request. [The Directors](#) shall not be obliged to give reasons for their decisions.

AV22.1.2

No manager or Director may consider or approve the settlement of any claim in which they have a direct or indirect interest.

AV22.2

Arbitration

AV22.2.1

Subject to [Rule AV22.1](#) any such dispute or difference shall be determined by arbitration in London in accordance with the Arbitration Act 1996 as amended. The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

AV22.2.2

Such arbitration shall be commenced within one (1) year of the date when notice of the decision of [the Directors](#) is given to the [member](#), failing which any such dispute or difference shall be time barred and any claim which is the subject of the dispute or difference shall be absolutely extinguished.

For the avoidance of doubt, the arbitrators shall not have the power to reopen any decision of [the Directors](#) which is final and binding.

AV22.3

Sole remedy

AV22.3.1

[You](#) shall not be entitled to maintain any action or other legal proceedings against [the Club](#).

AV22.3.2

[You](#) may only commence proceedings, other than arbitration under [Rule AV22.2](#), to enforce any such arbitration award for such sum as the award may direct to be paid by [the Club](#). [The Club's](#) obligations to [you](#) in respect of such difference or dispute shall cease with payment of the award.

Rule AV23

Set-off

Without prejudice to any other provisions of these Rules [the Club](#) shall be entitled to set-off any amount due from [you](#) against any amount due to [you](#) from [the Club](#).

Rule AV24

Notices

AV24.1

To the Club

A notice to be served on [the Club](#) may be served by:

- (a) sending it through the post in a pre-paid letter addressed to [the Club](#) at its registered address from time to time; or
- (b) by email to itic@thomasmiller.com.

AV24.2

To you

Any notice required to be served on [you](#) may be served by:

- (a) sending it through the post in a pre-paid letter addressed to [you](#) at [your](#) address as appearing on [your last Certificate of Entry](#); or
- (b) to [your](#) email address.

[Rule AV9.9](#) applies to such notice.

PART 9

General

AV24.3

Date of service

Any document if served by post shall be deemed to have been served on the second day following the day on which the letter was posted, if posted and sent to an address in the Republic of Cyprus and otherwise on the seventh day following the day on which the said letter was posted.

Evidence that the letter was properly addressed and put into the post in a pre-paid envelope serves as proof that the letter was properly served.

Any notice served by email will be deemed to have been served at the time it is sent (provided that the email was not automatically returned by the recipient's email address), save for where it is sent (i) after 5pm on a usual working day in the place of receipt, or (ii) on a day which is not a usual working day in the place of receipt, in which case it will be deemed to have been served on the next usual working day in the place of receipt.

AV24.4

Successors

[Your](#) successor shall be bound by a notice or other document served in accordance with [Rule AV24.2](#) notwithstanding that [the Club](#) may have notice of [your](#) death, disability, bankruptcy or liquidation.

Rule AV25

Insurance brokers

AV25.1

Any insurance broker, consultant or advisor appointed by [you](#) acts as [your](#) agent and not as the agent of [the Club](#).

AV25.2

Any payment due from [you](#) to [the Club](#) is deemed to have been made once received by [the Club](#). Payment by [you](#) to [your](#) broker or agent does not discharge [your](#) liability for payment.

However, payments made by [the Club](#) to [your](#) insurance broker or agent discharges [the Club's](#) liability to [you](#) in respect of such payments.

AV25.3

No insurance broker has any authority to issue [Certificates of Entry](#) to any person on behalf of [the Club](#).

Rule AV26

Governing law

These Rules, and any indication of insurance, [Certificate of Entry](#) and contract of insurance between [you](#) and [the Club](#) shall be governed by and construed in accordance with English law.

Rule AV27

Rights of third parties under this insurance

The insurance provided by [the Club](#) to [you](#) shall not confer any right or benefit to any party who is not a [member](#) or a [joint member](#) on [your](#) [Certificate of Entry](#) under the Contracts (Rights of Third Parties) Act 1999 or any other similar provision or enactment contained in the laws of any state.

PART 10

Interpretations

Rule AV28

Interpretations

Words used in any indication for insurance by the Club or in any Certificate of Entry are also subject to the interpretations set out in Part 10 of these Rules if not inconsistent with the subject or context:

account year

The annual period of your insurance commencing each year on the date shown in the Certificate of Entry.

aircraft

Includes aeroplane, airship, helicopter, drone and balloon.

Articles of Association

The Memorandum and Articles of Association of the Club.

authority

- (1) any central or local government or agency of such government;
- (2) any body or person empowered to make regulations or issue directions in relation to:
 - (i) the administration of any seaport, airport or railway
 - (ii) the import, export or transport of any cargo
 - (iii) safety of working conditions
 - (iv) immigration
 - (v) the imposition of any tax or duty
 - (vi) the control of pollution.

bullion

Gold, silver or platinum in bars or similar bulk form.

carried

Includes intended for carriage and having been carried.

cash

Bank notes, coins (whether or not currently legal tender including where appropriate, digital coins and tokens), travellers and bank cheques, drafts, credit and charge cards and any cards or documents entitling the holder to receive cash, goods or services.

Certificate of Entry

A certificate and any endorsement thereto issued by the Club evidencing the contract of insurance.

charter

Any form of charter agreement including, but not limited to, an aircraft lease or charter, including but not limited to operating, wet, dry or damp.

closed Club policy year

A Club policy year which the Directors shall have declared to be closed in accordance with [Rule AV15.1](#).

the Club

International Transport Intermediaries Insurance Company (Europe) Limited, a company incorporated in the Republic of Cyprus with registered number HE451137.

Club policy year

A twelve month period currently from any 1 June to the next following 31 May during which the Club writes insurance business.

commercial misjudgment

A poor business decision, unless specifically due to the negligence of the member in the provision of insured services to a client.

container

- (1) an article of transport of permanent character fitted with corner castings and/or unit load devices specifically designed to facilitate transport by more than one mode of carriage; or
- (2) a part, including spares and accessories of such article of transport; and/or
- (3) plant, tools or materials for the maintenance or repair of such article of transport.

PART 10

Interpretations

controller	Any director, board member, commissioner, president, vice president, senior managerial employee or autonomous employee, partner, including salaried partner, or sole trader or any individual employed by you and/or by any affiliated, related or subsidiary company, who in fact exercises control over you or over the operations giving rise to a claim.
conveyance	Any ship, aircraft, road vehicle, charter or rail wagon.
corporate member	A firm admitted as a member of ITIC in accordance with the ITIC Articles.
the Directors	The Directors for the time being of the Club or as the context may require those Directors present at a duly convened meeting of the Directors at which a quorum is present.
employee	Any person acting or who has acted as an employee of or consultant to you under a contract of service or employment.
firm	An individual, partnership or company (or any combination thereof) which provides any or all of the services referred to in the Certificate of Entry.
fiscal representative	A person acting as representative for tax or duty purposes or as otherwise defined in any applicable national or international law or convention.
fixed premium	The price for your insurance calculated on a fixed basis in accordance with the provisions of Rule AV14.9 .
indirect declarant	A person making a customs declaration in their own name but on behalf of someone else or as otherwise defined in any applicable national or international law.
in writing/written	Any permanently readable text, either on paper or in printable format. This includes email but does not include electronic text messages in the form of SMS, instant messaging, WhatsApp, or similar messaging applications, media, or platforms.
insured location	The location at which you provide any insured services and in respect of which the managers may agree in your Certificate of Entry that you are insured.
intellectual property	Copyright, patent, registered design and/or trademarks, trade secrets.
insured services	The provision of services referred to in the Certificate of Entry which the Club has agreed to insure and is recorded in your Certificate of Entry.
invoice fraud	Payment of any funds subject to an invoice or other demand to any incorrect party due to your failure to notice that: <ol style="list-style-type: none">(1) the invoice or demand was issued or amended by a fraudulent party; and/or(2) any payment instructions (received independently of the invoice or demand) advising of changes to bank or payment details were issued or amended by a fraudulent party.
ITIC	International Transport Intermediaries Club Limited, a company registered in England and Wales with registered number 02725312.
ITIC Articles	The Articles of Association of ITIC from time to time.
ITIC Europe Rules	The Rules of ITIC Europe from time to time (including these ITIC Europe Aviation Rules).
ITIC Rules	The Rules of ITIC from time to time (including the ITIC Aviation Rules).

PART 10

Interpretations

joint members	Where two or more firms are the subject of a joint entry, those firms whose names appear on the Certificate of Entry under the designation "joint members".
liquidated damages	A fixed sum payable in the event of a breach of contract.
the managers	The managers for the time being of the Club.
member	A firm which has been accepted for insurance in the Club, including in the case of a joint entry, the senior member and any joint member.
occurrence	A fortuitous event or happening or a series of fortuitous events or happenings attributable to the same cause or resulting from continuous or repeated exposure to the same or similar conditions.
period of insurance	The period of insurance as stated in your Certificate of Entry.
pollution	The emission, discharge, dispersal, release or escape of smoke, vapour, soot, dust, liquid, gas, oil, petroleum substance or derivative, chemical or waste material into or upon land, sea, the atmosphere, or any watercourse or body of water.
precious jewellery	Jewellery made from precious stones or precious metal, including but not limited to watches made from or containing precious stones and/or metal.
precious metal	Gold (any carat and any colour), rhodium, ruthenium, palladium, platinum, silver, and objects made of or plated with any of the above.
precious stones	Diamonds, emeralds, sapphires, rubies, tanzanite, and opal – except where made up into precious jewellery.
research and development	Any experimental work, directed towards the innovation, introduction or improvement of products and processes.
the Rules	These ITIC Europe Aviation Rules.
senior member	Where two or more firms are the subject of a joint entry, the firm so designated in the Certificate of Entry.
third party property	Any property of a third party except: (1) cargo; (2) any property leased to you or a joint member, for example, equipment, land or buildings.
valuable works of art	Includes antiques, paintings, furniture, sculptures, tapestries, NFTs (when used as a form of digital art), or similar digital artworks, collectibles or objects for display, if the value exceeds US\$20,000 each item or set of items.
you	The member and, where the context permits, any joint member. Words importing the singular number only shall include the plural number and vice versa. Words importing one gender only shall be taken to include any gender. Words importing persons shall include individuals, partnerships, corporations, associations and bodies of persons whether incorporated or not.

Essential transport industry services from ITIC.

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ITIC
IS MANAGED
BY **THOMAS
MILLER**

For further information on any of the products, services or cover provided by ITIC Europe contact Charlotte Kirk at:
International Transport Intermediaries Insurance Company (Europe) Ltd, Safe Bulkers Shipping Center,
2nd Floor, 2 Pavlou Nirvana & Ag. Fylaxeos Street, 3021 Limassol, Cyprus
tel +357 25 375020 / +357 9 7610135 **email** itic-europe@thomasmiller.com **web** iticeurope.com
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iticeurope.com



+357 25 375020



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