

International Civil Aviation Organization

SPECIAL GROUP ON AVIATION WAR RISK INSURANCE

FIRST MEETING

Montreal, 6 to 7 December 2001

REPORT

The material in this report has not been considered by the Council. The views expressed herein do not necessarily represent the views of the Organization.

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TERMS OF REFERENCE

- 1. On 22 October 2001, the Council decided to establish the Special Group on Aviation War Risk Insurance (164/1). The terms of reference of the Special Group, as agreed by the Council in view of paragraph 3.2 of C-WP/11705, shall be:
 - 1) to review the problem of aviation war risk insurance in light of the present situation; and
 - 2) to develop recommendations for coordinated and appropriate assistance mechanisms for airline operators and other affected parties with respect to aviation war risk insurance, to be operated if and when necessary to the extent the insurance markets are unable to provide sufficient coverage.
- 2. For its work, the Special Group should take into account:
 - a) Assembly Resolution A33-20;
 - b) State letters EC 2/6-01/94 and EC 2/6-01/101 dated 21 September 2001 and 25 October 2001, respectively;
 - c) any other relevant documents; and
 - d) the action taken by States and by the industry in relation to this matter.

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REPORT OF THE FIRST MEETING OF THE SPECIAL GROUP ON AVIATION WAR RISK INSURANCE (SGWI/1)

1. **Place and Duration**

1.1 The meeting of the Special Group was held at the Headquarters of the International Civil Aviation Organization in Montreal from 6 to 7 December 2001.

2. **Opening Address**

- 2.1 The **President of the Council, Dr. Assad Kotaite**, opened the meeting by extending a warm welcome to all delegations and observers attending this meeting.
- 2.2 He referred to the terrorists attacks of 11 September 2001 in the United States, where civil aircraft were used for the first time as weapons of destruction, resulting in the loss of thousands of innocent lives. As such acts of terrorism, which were strongly condemned by the 33rd Session of the ICAO Assembly, had an exceptionally harsh impact on the financial situation of the air transport industry, he stated that it was of utmost importance to restore public confidence and ensure a normalcy regarding travel by air.
- 2.3 He explained that, besides initiatives for enhanced aviation security, ICAO took an active role in the domain of aviation war risk insurance in order to facilitate government action, as necessary, in close coordination with the private sector. Further to the seven-day notice of cancellation of the war risk coverage given by insurance writers to airlines and other parties, effective 24 September 2001, two State letters signed by the President of the Council dated 21 September and 25 October 2001, respectively, notably appealed to all Contracting States to provide a commitment to cover the risks left open until the insurance markets stabilize. He was grateful to all States which had reacted positively to his appeals.
- 2.4 Furthermore, he recalled that the 33rd Session of the Assembly adopted Resolution A33-20: Coordinated Approach in Providing Assistance in the Field of Aviation War Risk Insurance, urging Contracting States to work together to develop a more enduring and coordinated approach to this important and urgent problem, and directing the Council to establish a Special Group. He noted that, in accordance with Council decision dated 22 October 2001 (164/1), such Special Group was established, to consider the policy, economic and legal aspects of the matters in the agenda, and to present recommendations for consideration by the Council.
- 2.5 With the Special Group now formed, he encouraged the members of the Group to take a reasonable and pragmatic approach, with a view to achieving a fair balance among the interests involved. Therefore, he trusted that efforts would focus on viable strategies and mechanisms, responsive to the operational requirements of the interested parties on a global level.

3. **Attendance**

3.1 The meeting was attended by 40 participants, i.e. 28 delegates from 12 Contracting States, 12 observers from 2 Contracting States and 6 organizations. The names of the participants appear in **Appendix 1**.

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4. **Agenda of the Meeting**

4.1 The Director of the Legal Bureau, Dr. Ludwig Weber, also welcomed the participants to the meeting and presented the provisional agenda as set out in **Appendix 2** which was approved by the meeting.

5. Officers

Mr. Simon Clegg (Australia) was elected Chairman of the Special Group and Ms. Siew Huay Tan (Singapore) was elected Vice-Chairman. The Secretary of the meeting was Mr. Benoît Verhaegen, Legal Officer, the Deputy Secretary, Mr. Arie Jakob, Legal Officer, and the Assistant Secretary was Mr. Toshiyuki Onuma, Junior Professional Officer, Legal Bureau.

6. Languages and Documentation

6.1 Translation and interpretation services in English, French, Spanish and Arabic were provided by the Language and Publications Branch under the direction of Mr. Y. Beliaev. A list of documentation prepared or made available for the meeting appears in **Appendix 3**.

EXECUTIVE SUMMARY OF OUTCOMES AND ACTIONS ARISING

The following points were the key outcomes of the meeting:

- Observers from the insurance industry confirmed that there is unlikely to be any further increase in war risk insurance cover provided by the market for the medium term, particularly with the impact of reinsurance treaties after 1 January 2002.
- Most States are unprepared to continue to provide war risk indemnities but recognise that the current arrangements may need to be extended while other more sustainable solutions are developed.
- As a medium term solution, there was broad support for an international mechanism whereby aviation war risk coverage would be provided by the aviation insurance industries with multilateral government backing for the initial years.
- Observers from the insurance industry consider that a reasonably priced insurance scheme if kept simple can be established that will be self funding within 3-5 years after which government assistance would probably not be required (the length of government support will affect pricing, the longer it is, the lower the premium).
- Participation in this scheme would be voluntary but firms in the aviation sector could only buy the insurance if their State participates in the multilateral government guarantee.
- The scheme would cover the entire aviation sector and include domestic and international operations as well as equipment lessors and financiers. The cover would be to pre-11 September 2001 levels and ideally would be non-cancellable.
- The aviation industry considers that liability to third parties for death, injury or losses arising out of terrorism should be limited or even excluded by a convention or state domestic law. This matter will be considered with the longer-term issues. The SGWI agreed that the medium term objective should be on establishing an insurance scheme to fill currently existing or future gaps in third party war risk insurance cover. Observers from the insurance industry confirmed that such limits are not necessary to develop an insurance scheme.
- The SGWI will meet again at the end of January 2002. The aim is to finalise the details of an insurance scheme so that Ministers could be informed, and possibly issue a joint statement, at the ICAO High Level Ministerial Conference on Aviation Security (and related issues) in February 2002. The Scheme could possibly be implemented as early as April 2002.

The Group agreed on the following action items for its next meeting:

- Observers from the insurance industry, in conjunction with representatives from the aviation industry, will prepare a paper outlining the proposed insurance scheme in more detail which will include financial modelling, based on varying levels of governmental participation and the associated costs thereof.
- This insurance industry paper should be circulated in mid January 2002 so that State delegations can be in a position to indicate their government's position on the proposals.

- The legal format of the multilateral government guarantee will need further consideration, particularly as the development of treaties or conventions is not a realistic option in the time available to establish a scheme.
- Delegations will also consider their State's position on a general limitation of liability for damage arising out of acts of terrorism in the aviation sector

Agenda Item 1: Review of action taken so far in response to cancellation/reduction of war-risk insurance coverage

- 1.1 It was clarified at the beginning of the meeting that the focus of the Group's deliberations should be the particular problem of third-party liability coverage for acts associated with terrorism (war risks) for air carriers and other service providers such as airports, ground-handling operators, etc. The Group thereafter received information from a number of delegations as to the actions taken by their respective State, and it was noted that some updates to IP/1 would be required. On the basis of IP/3, the Group was also informed regarding the actions taken by the member States of the European Community. The Group noted that since third party liability coverage was provided again by the insurance market, albeit not at the levels existing prior to 11 September 2001, many but not all States had provided support for excess coverage in the form of guarantees or indemnities, etc.
- In the ensuing discussion, one observer praised ICAO for the timely dispatch of the two State letters by the President of the ICAO Council and noted with satisfaction the swift establishment of the Special Group. This observer underlined the need to take into account both availability and affordability for coverage and made specific mention of the particularly difficult situation of airlines and other industry participants from developing States, while equity should underlie any action as the international air transport industry was a global one. Explaining the actions taken in its State, one delegation acknowledged that not all States were in a position to provide governmental indemnities due to the lack of available public finances and that this situation created some degree of unfairness. This delegation was nevertheless hopeful that there would be a stabilization of the insurance market within the next six months. As to this latter point, two observers cautioned the Group and emphasized that it was highly unlikely that the insurance market would be able to offer the type and extent of coverage which had been available to the industry prior to the terrorist attacks of 11 September 2001. It was also repeatedly mentioned that any new terrorist event would immediately trigger another cancellation of the present insurance war risk coverage within a period of seven days and that therefore the market remained in state of volatility.
- Two other observers emphasized the need to critically re-evaluate the entire concept of allocating responsibilities for acts of terrorism following the events of 11 September because acts of this nature were not directed against individual air carriers but rather against States, and States were therefore called upon to acknowledge responsibility and ultimate financial liability. It was recalled by one observer that third-party war risk coverage had been accepted by the air transport industry merely because insurers provided the cover as an add-on at very little cost, not because there was acceptance in principle of liability *per se*. Another observer was of the opinion that the envisaged modernization of the 1952 Rome Convention should be linked to this matter. Considering that there will be in the short- and medium-term a significant gap between what was required and what would be made available by the market in terms of third party war risk coverage, the need for a uniform extension of governmental support was nevertheless found necessary by the Group, which would provide for sufficient breathing space to properly assess the situation and establish an internationally coordinated response.
- 1.4 The idea of devising an international State-sponsored scheme outside the traditional insurance arrangements was strongly supported by one delegation. In this respect, it was therefore acknowledged that any global and equitable solution to the present situation should be found in a multilateral context, and collective governmental action was therefore warranted.

Agenda Item 2: Possible mechanisms for government action Agenda Item 3: Possible mechanisms for industry action

- 2.1 The Group thereafter proceeded with its deliberation and decided to consider Agenda Items 2 and 3 together because of their close interrelationship.
- 2.2 Pursuant to WP/4 presented by IATA, one observer proposed for consideration an international mechanism according to which air carrier liability would be capped up to a certain amount for which insurance coverage was readily affordable and available. For a second tier, the proposal called for the establishment of an international fund financed by a surcharge to supplement the excess coverage, through a bridging-pool arrangement among governments as an intermediary step. One delegation expressed sympathy for the proposal but noted that this mechanism would leave a third tier open, which would have to be covered eventually through governmental intervention such as reinsurance. Another delegation emphasized the need to retain maximum reliance on the insurance market and suggested that where insurance could not be obtained at reasonable rates individual States would be free to decide, in conjunction with their air carriers whether to step in and bridge the gap of available coverage. One observer suggested that a mutually-owned insurer was an attractive option as any surcharge, levy or premium paid to private insurers would not necessarily be retained to meet future claims, but would be returned to shareholders. The ensuing discussions of the Group led to a common view that, as a matter of principle, any mechanism should be based on voluntary participation of States, within an international framework, through a charging system, and without distorting the insurance market on a global level.
- 2.3 One delegation noted that a number of States had issued NOTAMS informing of the need for providing evidence of sufficient insurance coverage for third party war risk liability as a requirement for allowing entry into their airspace, noting also the lack of uniformity of such requirements. The Group thereafter received additional information from a number of States regarding their practice concerning liability for third-party damage. In this context, it was noted that the ICAO Secretariat had sent out a questionnaire on this subject to all Contracting States in relation to the need to modernize the 1952 Rome Convention. The Chairman considered that the analysis of the answers received would assist the Group in its further considerations.
- 2.4 The Group thereafter turned to WP/3 presented by ICCAIA. Two delegations expressed the view that any limit of liability for air carriers should take into account the risk exposure of the airline and the region concerned. While acknowledging the expressed desire to find a solution for all service providers, one delegation expressed the concern that any scheme may become less workable where a solution dealt with the industry at large. In this respect, the Chairman noted that there had been a significant difference in the restoration of insurance coverage for airlines on the one hand and other service providers, such as ground-handling operators, on the other, the latter remaining in some instances without any insurance coverage.
- 2.5 The Group thereafter examined WP/5, presented by Australia, which suggested one option was for a commercial international war risk insurance pool backed by commercial reinsurance (where available), contingent financing and ultimately a multilateral government guarantee that would be progressively wound back. The proposal was well received with one delegation emphasizing the lack of alternative in less developed States regarding war risk insurance coverage for third party liability. The need for equitable sharing among participating States on the one hand and airlines and other service providers on the other, in proportion to their various risk exposures, was also emphasized. One observer also supported the paper and was of the opinion that the basic approaches in WP/3 and WP/5 could be combined. He nevertheless stressed that the level of premiums in relation to the question of risk evaluation was a rather sensitive area, deserving careful and elaborate consideration.

- Another observer also appreciated WP/5, and reiterated that the referenced problem of risk evaluation should be duly taken into account. The observer proposed that the short-term solution should consist of urging governments to extend their guarantee until the end of 2002, while a medium-term solution should be put in place through an international understanding or agreement to establish a two-tier insurance mechanism. It was further mentioned that there were several points to be addressed in this context, namely: the level of the break-point; the necessity of a cap; the amount of the premium; and the administration of the fund. The observer also expressed the view that the Multilateral Investment Guarantee Agency (MIGA) was an attractive option compared to the International Fund for Compensation for Oil Pollution Damage (Fipol) which took a long process before it was established. Finally, it was emphasized that the solution should consist of a scheme simple to implement. Another observer supported this latter view. Since the governments had concerns to continue on the path taken after 11 September, it was further stated that it was critical to establish in short order a system which would stand for the long term, even if it started on a small scale. It was added that models should be examined at first and any mechanism should be based on affordable and available coverage, provided that the levels of excess could be subject to possible review when necessary.
- 2.7 One delegation supported the idea that the involvement of the private sector should be continuous. In this context, clarification was requested on whether the coverage of some of the perils reinstated by AVN52C could be reinstated up to the full amount of the primary cover as they were not war/terrorism risks (e.g. strikes, riots, civil commotion) and would not likely lead to large insurance claims. One observer replied that such exclusion clauses are due to be re-visited in the future, especially regarding terrorism and nuclear events, although the exact schedule for this process is not clear yet as the re-drafting of such standard clauses would not be straight forward.
- 2.8 It was consequently proposed that a comprehensive list of key points be set up to facilitate the discussion on the next day. One delegation expressed the view that a precise working schedule should also be established as to the various actions to be contemplated. It was therefore agreed that a working paper would be issued as a basis for consideration of Agenda Item 4.

Agenda Item 4: Preparation of draft recommendations for consideration by the ICAO Council

- WP/6, which was presented by the Chairman, the Vice-Chairman and the Secretariat, received a great deal of support. At the outset, the working schedule set out in paragraph 4 therein was agreed in principle by the Group. As far as the short-term action mentioned in paragraph 1 of WP/6 was concerned, a number of delegations expressed their concern with respect to a lengthy extension period. It was generally acknowledged that an open-ended extension of governmental coverage was not desirable. It was nevertheless considered necessary that a uniform extension of government coverage should allow for further time for an international solution to be put in place. The Group favoured the approach of tying the extension of the short-term governmental support to the progress made with respect to an internationally sanctioned coordinated regime. The Group further agreed that the timing of the transmission of a third State letter by the President of the Council should be chosen in such fashion so as to take into account the upcoming renewal season for the re-insurance market in January 2002 and so as to remove uncertainties over the new year period.
- 4.2 In relation to this aspect, two delegations and one observer raised the point of the potential implications from the viewpoint of competition and the need for a level playing field, since currently some States, or groups of States, were charging a fairly high premium for their respective governmental coverage, whereas other States provided such coverage for their air carriers free of charge. As for the latter aspect, the concern was expressed that this approach may provide little incentive to the insurance sector to step back into the market place. Two other observers reminded the Group that both prior to 11 September and at present, airlines (and other service providers) had to live with the uncertainty associated with the 7-day period of cancellation for policies and emphasized the need to move away from this intrinsic operational burden.
- 4.3 As far as the scope of coverage mentioned in paragraph 2.1 of WP/6 was concerned, one observer highlighted the confusion for service providers under the existing arrangements where, due to differences in national schemes, some providers were left without cover. In the following discussion, there was consensus to strive for a solution comprising the entire aviation industry (i.e. airlines, airports and other aviation service providers), including also equipment lessors and financiers. This was because failure to cover any one part of the industry could cause flow on effects for other industry participants. In this context, it was nevertheless acknowledged that one ought to be mindful of the varying risk exposures of the different service providers, which may also have an impact on the pricing of coverage and hence on the structure of any funding mechanism.
- 4.4 In the ensuing discussion on the international mechanism mentioned in paragraph 2.2 of WP/6, one observer was of the opinion that an agreeable solution should comprise the following 5 core points: governmental involvement; international scheme; inclusion of all aviation activities, small premiums; and continuity of coverage by way of replacing notices of cancellation with a post-adjustment of premium clause combined "drop-down mechanism" that would provide full cover if write back cover under AVN52 (D, E or F) was terminated. In subsequent discussions, the observer indicated that, provided the scheme was kept simple and the issues surrounding the government support settled without delay, a commercial insurance scheme could be put in place by April 2002. Another delegation reiterated the conceptual approach that any governmental involvement should be on the basis of voluntary participation. As far as the amount of premiums to be levied was concerned, one delegation emphasized the need for small premiums, in order to take into account the situation of developing States, a point which had earlier also been expressed by two other delegations. This delegation also expressed the view that such premiums should be levied on an uniform basis and on the basis of objective parameters (such as per take off of aircraft, or by percentage of airfare), while leaving room for pricing adjustments on the basis of the "incentives" referred to in paragraph 2.2 of WP/6. There was general consensus that the premium for the cover should be priced to build an adequate pool that could meet potential claims and that this price be set as low as possible.

- 4.5 As far as the above-mentioned item "incentives" (i.e. discounts on the basis of enhanced security measures) was concerned, one observer pointed out that in principle this element could likely only serve as a vehicle for reductions in premiums if and to the extent there existed an objective yardstick against which an industry standard could be measured. In this context, the Chairman expressed the view that the assessment of security measures of individual operators would likely prove to be less problematic for practical and political reasons than an assessment of national aviation security systems at large. Following comments by an observer, the Group agreed that the initial focus should be on setting a standard premium, with any incentives to be worked out at a later stage.
- The Group thereafter examined the issue of the methodology for ensuring an equitable 4.6 cost-sharing basis among participating States to an international scheme. It was generally acknowledged that the success of an international scheme would largely depend on a broad participation by States to dilute any expenses, which in turn would also lead to relatively lower amounts for premiums. The Chairman and one delegation noted that the objective should be that any governmental involvement be structured in a way so as to not preclude competition from the commercial insurance market. The question was raised whether contributions should be set on the basis of overall aviation activity or whether to rely on other weighted economic formula such as the assessment of contributions to ICAO or the International Monetary Fund (IMF). In this context, one delegation queried whether it would be equitable to rely on aviation activity in case a large aviation nation decided not to participate in the international mechanism. This State also queried whether domestic air operations should also be taken into account when measuring the aviation activity of that State. After discussion of this point, the Group concluded that the entirety of air transport activities should be considered for coverage, i.e. both international and domestic operations, where a Sate participated in the scheme. At this point a number of participants also observed it would be far easier to assess State contributions using one of the existing weighted economic formula, rather than inventing a new mechanism.
- In order to have a more enlightened basis for future deliberations of the important issues raised with respect to an equitable distribution of costs for the scheme, the Group asked representatives of the insurance and aviation industries to present a paper for the next meeting outlining the scheme in more detail which would include some financial modelling, based on varying levels of governmental participation and the associated costs thereof. The Group agreed that this scheme should aim to restore the levels of war risk insurance cover to pre 11 September 2001 levels. One delegation noted that these models should also address the issue of the duration of governmental involvement. The Chairman suggested this could be achieved through an adequate sunset clause. One observer agreed that any government backing could be reviewed after two years to take into account the situation of the insurance and reinsurance markets at that time. In the discussion, there was strong support for a high threshold before the insurer could call on government support and a delegation favoured the idea that the modelling should cover the option of repayment of government contributions. A delegation and an observer understood that some economic modelling had been done in support of national or regional schemes. The representatives undertook to investigate these schemes and circulate any relevant material.
- 4.8 With respect to the legal format addressed in paragraph 2.3 of WP/6, one delegation observed that any option requiring enactment through domestic legislation would generally result in at least a one-year procedure, while an administrative agreement or contract supported by State declarations would be preferable. In the brief discussion on the point, the Group recognized that a treaty or convention was not a realistic option in the time frame and there was support for the option of a non-treaty instrument backed by a State declaration. The view was also expressed that the mechanism should be designed to enter into force when the volume of participating country's total passenger volume or other factor exceeds some defined point. The Chairman observed that the legal format would need discrete consideration at the next meeting.

- Concerning paragraph 2.4 of WP/6 on liability cap options, the Chairman sought clarification as to whether the cap of a second tier would be a precondition for the establishment of the mechanism. One observer answered that whether a high-cap would exist or not would have little impact on the mechanism. However, another observer stated that the establishment of a cap was not a matter of insurance but a matter of survival for the aviation industry. This was because no amount of insurance could cover the extent of the damage caused by a terrorist attack of the severity as the September 11 attacks. Another observer expressed the view that there should be clear distinction between quantitative limitation and liability limitation. In his view, it would be necessary to have complete limitation of liability. One delegation suggested that the cap could be restricted to incidents where a terrorist attack aimed to cause deliberate damage to third parties, as opposed to collateral damage from other terrorist activity, where normal liability rules would apply. Another delegation suggested that States with strict liability regimes (for surface damage) could consider excluding the application of strict liability for third party surface damage arising from terrorist acts. The Chairman underlined the minimal impact of caps on insurance and thus on the implementation of the mechanism, taking into account that caps may nevertheless entail smaller premiums as noted by another observer.
- As regards the long-term action set-out in paragraph 3 of WP/6, one observer expressed the view that including the present subject in the current process of modernization of the 1952 Rome Convention was one approach. However, given the scope of the latter instrument, he believed that war risk coverage should be the object of a separate process, towards the adoption of a distinct instrument. Nevertheless, it was pointed out that before dealing with this question, it would be necessary to analyze the answers to the questionnaires on the modernization of the Rome Convention prepared by the Secretariat. The Group should therefore return to the question later, although specific liability rules might be necessary. The Group acknowledged that the present scope of the Rome Convention was insufficient to deal with a problem that not only affected international air services but domestic operations and service providers as well. As part of their preparation for the next meeting of the Group, the Chairman asked delegations to consider their State's position on a general limitation of liability for damage arising out of acts of terrorism in the aviation sector.
- With reference to paragraph 4 of WP/6, the Group requested that the above-mentioned Models be provided to the Secretariat on time so as to enable their distribution and consideration by all members of the Group prior to the next meeting. On the other hand, one delegation pointed out that since the agenda of the High-Level Ministerial Conference had been already circulated, inserting this insurance issue in the agenda would require some extra secretarial arrangement, although it was possible. Furthermore, regarding the third State letter, it was agreed that it should be sent before Christmas vacation, without mentioning any specific target date for government support extension. It was also agreed that the next meeting would be held from 28 to 30 January 2002 to present recommendations to the Council, and hopefully, approval of concepts by the High-Level Ministerial Conference on Aviation Security to be held from 19 to 20 February 2002.

Agenda Item 5: Any other business

- 5.1 The Chairman was delegated the authority for approving the report of the first meeting of the Group.
- 5.2 To meet the timetable in paragraph 4.11, the Group agreed that, in coordination with the Secretariat, the Chairman and the Vice-Chairman should liaise with the Observers representing the insurance industry and the aviation sector in advance of the Group's next meeting to assist them to prepare the modelling mentioned in paragraph 4.7.

Appendix 1 A1-1

APPENDIX 1 LIST OF PARTICIPANTS

PARTICIPANTS Australia S. Clegg C. Foo Brazil C. Rodrigues S. Azevedo R.M. Barreda F. Franco A.C. Romera Canada R. Dean J. Pigeon Egypt M. El Bagoury F. Ghonaiemy France P. Gabelle A. Veillard Germany C. Hofer E. Eshausen-Richter K. Westkamp India A. Singh Japan K. Uchinami M. Ogiso T. Okawara Mexico B. Martinez G. Delgado R. Kobeh H. Vasquez Singapore S. Tan W.C. Tng United Kingdom P. Smith **United States** J. Rodgers

OBSERVERS

A1-2 Appendix 1

Sweden	M. Tupamaki
Zambia	D. Bunker
Airports Council International (ACI)	R. Heitmeyer H. Schill
European Commission (EC)	F.L. Morgan
International Air Transport Association (IATA)	L.S. Clark H. Goldberg
International Coordinating Council of Aerospace Industries Associations (ICCAIA)	J. Wool
International Union of Aviation Insurers (IUAI)	D.R. Gasson P.L. Butler
London Market Brokers Committee - Aviation Section	J. Palmer-Brown K.H. Coombes

Appendix 2 A2-1

APPENDIX 2 AGENDA OF THE MEETING

Item 1: Review of Action Taken So Far in Response to Cancellation/Reduction of War-risk Insurance Coverage

The Special Group will be invited to take stock and to review the action taken by States and by the industry in relation to this matter.

Item 2: Possible Mechanisms for Government Action

The Special Group will be invited to discuss proposals for Government action (short-term; medium-term; long-term) and their implications.

Item 3: Possible Mechanisms for Industry Action

The Special Group will be invited to discuss proposals for action by private industry possibly in combination with Government action.

Item 4: Preparation of Draft Recommendations for Consideration by the ICAO Council

Item 5: Any Other Business

Appendix 3 A3-1

APPENDIX 3 LIST OF DOCUMENTATION

WORKING PAPERS:

WP No.	Item No.	Title	Presented by
1	_	Provisional Agenda	Secretariat
2	-	Terms of Reference	Secretariat
3	2	Observations and Proposals	ICCAIA
4	2 and 3	Comments by IATA	IATA
5	2 and 3	A Commercial Pool with Gradually Diminishing State Support	Australia
6	4	Discussion of Principles	Chairman, Vice-Chairman and the Secretariat

INFORMATION PAPERS:

IP No.	Item No.	Title	Presented by
1 Revision No. 2	1	National Measures in Respect of War Risk Insurance	IATA
2	1	The Measures of the Government of Japan Regarding the Damages to the Third Party	Japan
3	2	Guidelines for Renewal of the Temporary Government Insurance Schemes for the Airline Industry Established after 11 September 2001	EC
4	1	Comments by IUAI	IUAI
5	1	Federal Aviation Administration U.S. Department of Transportation Aviation Insurance Program Status Report 5 December 2001	United States
6	2 and 3	Brazil's view on the Issue of War Risk Insurance	Brazil