

AVIATION INSURANCE CLAUSES GROUP

02 November 2007

Chairman: Mick Noble
Secretariat: c/o Suite 358
Gallery 3
Lloyd's
Lime Street
London EC3M 7DQ

TO

John Green, Chairman LMA Aviation Committee
Mark Hiller, Chairman IUA Aviation Technical Committee
Jonathan Palmer Brown, Chairman LMBC Aviation Executive Committee

[THIS LETTER SENT BY EMAIL]

Dear Chairmen,

AICG - AVN 67C AIRLINE FINANCE/LEASE CONTRACT ENDORSEMENT

I wrote to you on 28 February 2007, and again on 23 August 2007, to circulate AICG Consultation Drafts 11 and 12, and AICG Consultation Draft 13, respectively. A number of comments on these AICG Consultation Drafts were received and have now been considered by AICG. As a result, and following the 25 October 2007 meeting of AICG, I have been asked to send you the following Clauses and other documents which are being published on the AICG website www.aicg.co.uk :-

- AVN 67C - Airline Finance/Lease Contract Endorsement
- AVN 67C - Airline Finance/Lease Contract Endorsement (Hull War)
- AVN 99 - Tail Cover Endorsement
- AVN 67C - Termination Notice
- AVN 99 - Tail Cover Endorsement Notice

As previously advised, these documents reflect a consensus view arrived at by market interests including AICG, LMBC and the Aviation Working Group (AWG), representing finance and airline interests.

AVN 67C

This is an update of the existing AVN 67B Airline Finance/Lease Contract Endorsement and addresses concerns relating to termination provisions, raised by the Aviation Working Group (AWG), and the insurance market's concerns relating to the issue of potential "theft by a named insured".

AVN 67C (Hull War)

This simply reflects, where appropriate, the changes agreed for AVN 67C above.

AVN 99

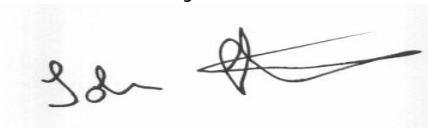
This is a new clause and represents a consensus in respect of the "tail" cover requested by AWG membership and apparently available now in the market but on variant forms of clause. The aim was to produce an agreed clause which might provide a "standard" cover for use in the future.

Termination Notices and Tail Cover Endorsement Notices

These are not AICG clauses as such but have kindly been provided by LMBC to assist in the efficient processing of these new clauses, and are fully supported by AICG.

Please disseminate the attached amongst your Association members as you consider appropriate.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J C Gurtenne', is written over a light grey rectangular background.

J C Gurtenne
Secretary

Encs:

c.c.	C Jones	IUA
	G Wright	LMBC