

50/50 PROVISION CLAIMS SETTLEMENT CLAUSE

Whereas the Insured has in full force and effect

- A) a "Hull All Risks" policy which inter alia contains the War Hijacking and Other Perils Exclusion Clause (AVN48B) / the Common North American Airline War Exclusion Clause, and
- B) a "Hull War Risks" policy which inter alia covers certain of the risks excluded by AVN48B / the Common North American Airline War Exclusion Clause in A) above

NOW IT IS HEREBY UNDERSTOOD AND AGREED THAT

in the event of loss of or damage to an aircraft identified on the schedule of aircraft forming part of this policy and where agreement is reached between the "Hull All Risks" Insurers and the "Hull War Risks" Insurers that the Insured has a valid claim under one or other policy where nevertheless it cannot be resolved within 21 days from the date of occurrence as to which policy is liable, each of the aforementioned groups of insurers agree, WITHOUT PREJUDICE to their liability, to advance to the Insured 50% of such amount as may be mutually agreed between them until such time as final settlement of the claim is agreed

PROVIDED ALWAYS THAT

- (i) the "Hull All Risks" and "Hull War Risks" placing slips are identically endorsed with this provisional claims settlement clause
- (ii) within 12 months of the advance being made all Insurers specified in (i) above agree to refer the matter to arbitration in London in accordance with the Statutory provision for arbitration for the time being in force
- (iii) once the arbitration decision has been conveyed to the parties concerned, the "Hull All Risks" Insurers or the "Hull War Risks" Insurers as the case may be shall repay the amount advanced by the other group of Insurers together with interest for the period concerned which is to be calculated using the London Clearing Bank's Base Rate
- (iv) if the "Hull All Risks" and "Hull War Risks" policies contain differing amounts payable, the advance will not exceed the lesser of the amounts involved. In the event of Co-insurance or risks involving uninsured proportion (s), the appropriate adjustment will be made

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