



**ARIAS•U.S. NEUTRAL PANEL RULES FOR THE RESOLUTION OF
U.S. INSURANCE AND REINSURANCE DISPUTES**

INSTRUCTIONS FOR ADOPTION AND APPLICATION

Consistent with its objectives, ARIAS•U.S. has promulgated these Neutral Panel procedural rules for use in insurance and reinsurance arbitrations. ARIAS•U.S. recognizes that arbitration exists by agreement of the parties. Parties can agree to arbitrate when they enter into the operative insurance or reinsurance agreement or at a subsequent time. A simple arbitration clause in which the parties agree to proceed under these rules provides as follows:

Any dispute or claim arising out of or relating to this Agreement, including its formation and validity, shall be referred to arbitration. The arbitration shall be conducted in accordance with the ARIAS•U.S. Neutral Panel Rules for the Resolution of U.S. Insurance and Reinsurance Disputes.

As addressed in the Introduction, the parties may choose to proceed under these rules, but may alter or vary some of the terms under which they will arbitrate. Among other things, the parties may include an honorable engagement provision in their contract. A simple arbitration clause in which the parties agree to proceed under these rules and to include an honorable engagement provision in their contract provides as follows:

Any dispute or claim arising out of or relating to this Agreement, including its formation and validity, shall be referred to arbitration. The arbitration shall be conducted in accordance with the ARIAS•U.S. Neutral Panel Rules for the Resolution of U.S. Insurance and Reinsurance Disputes subject to the following amendment. Section 13.3 of the ARIAS•U.S. Neutral Panel Rules for the Resolution of U.S. Insurance and Reinsurance Disputes shall provide:

The Panel shall interpret this contract as an honorable engagement, and shall not be obligated to follow the strict rules of law or evidence. In making their Decision, the Panel shall apply the custom and practice of the insurance and reinsurance industry, with a view to effecting the general purpose of this contract.

The parties may elect to remove employment as a former officer or executive of an insurer or reinsurer as a qualification for selection as a neutral arbitrator. To do so the parties may add a provision to their agreement as follows:

In lieu of the language of Rule 6.2 of the ARIAS•U.S. Neutral Panel Rules for the Resolution of U.S. Insurance and Reinsurance Disputes, the parties agree the arbitrators