

CHARTER
of
IMIA
THE INTERNATIONAL ASSOCIATION OF ENGINEERING INSURERS

Introduction

This Charter should be read in conjunction with the Articles of Association of The International Association of Engineering Insurers (the Company Limited by Guarantee) in case of any conflict with the Articles the Articles prevail. All references specific to the Company Limited by Guarantee in this Charter hereafter refer to the Company(IMIA)

1. Name

The International Association of Engineering Insurers - hereinafter referred to as IMIA. (Formerly known as International Machinery Insurers' Association with this title being retained for formal/legal purposes, where considered necessary).

2. Objects

2.1. The core values and focus of IMIA shall be: -

2.1.1 The core values

The forum for promoting understanding and best practice in the field of Engineering Insurance.

An international network for Engineering Insurers around the World to share experiences, discuss and develop new ideas and, through its annual conferences, working groups and communications, investigate and share knowledge on emerging and critical issues.

2.1.2 The focus

A technical forum for analysing advances in technology, causes and impact of loss, loss prevention and control, changes in the maintenance and operation of machinery, risk management and other related developments and innovations.

The forum shall embrace all classes of Engineering Insurance, a definition of which is given on the IMIA web site.

2.1.3 Such other objects as the Members may adopt at any Annual Conference.

2.2 IMIA shall be a non-for-profit company.

3. Membership

Applications for Membership and different types of Membership are outlined in the IMIA Articles of Association

Any delegate from an Association or Company should be able to contribute in one of the core activities of underwriting, claims handling or risk or loss control. Any organisation or individual seeking membership must express interest in the work of IMIA and have the intention of contributing to the work of IMIA, not confined just to attending the annual conference but throughout their term of membership.

It is the responsibility of the Executive Committee to maintain an appropriate balance between the various categories of Members.

4.Attendance at Annual Conferences

The number of delegates in respect of each Member eligible to attend the Annual Conference shall be as follows:

- Country Associations: four
- Insurers / Reinsurers: four and for each Additional Membership two, but not exceeding a maximum of six in total
- Associate Members: two and for each Additional Memberships one, but not exceeding a maximum of three in total.

The Executive Committee shall favourably consider a greater number of delegates per Member on request, but appropriate notice must be given. This is for necessary logistical reasons as conference rooms and facilities require to be reserved some time in advance

Fellows. Retired members who are prepared to be advisors to the Executive Committee may be elected Fellows of the Association as the Committee and may attend the Annual Conference.

Guests

Guests can be invited to the Conference by the Executive Committee.

6. Organisation

The Executive Committee shall have authority to act for IMIA and will comprise the Directors of the Company (IMIA) and such co-opted members as the Committee as a whole shall agree. The Executive Committee will report to the Board of Directors of the Company(IMIA)

6.2 Members of the Executive Committee are subject to approval at Annual Conference

6.2 Members of the Executive Committee shall comprise

Chairperson
Secretary
Members

Who shall hold office for a three year period. Re-election is permitted but no more than three new officers shall be elected in any one year. The Chairperson shall report on the activities of the Executive Committee at the Annual Conference and Minutes of Executive Committee meetings shall be included on the Members web site.

Executive Committee.

The Executive Committee shall have authority to act for IMIA and will comprise the Directors of the Company (IMIA) and such co-opted members as the Committee as a whole shall agree.

6.2.1 Members of the Executive Committee shall comprise:

Chairperson
Secretary
Members

who shall hold office for a three year period. Re-election is permitted but no more than three new officers shall be elected in any one year. Members of the Executive Committee may vote at Annual Conferences and the Chairman has a casting vote. The Chairperson shall report on the activities of the Executive Committee at the Annual Conference and minutes of Executive Committee meetings shall be included on the Members' web site.

Secretariat. A permanent Secretariat shall be maintained

Annual Conference.

An Annual Conference will be held in the country of a Member who agrees to act as host and all delegates entitled to attend shall be invited.

The country acting as host may propose a President for the 12 months leading up to the Annual conference. If there are no countries who agree to act as host the Executive Committee shall decide where to host the conference.

Working Parties. Working Parties shall be nominated at Annual Conferences or by the Executive Committee and comprise delegates who may co-opt such other parties to assist in the preparation of papers for nominated studies.

At the Annual Conference each Member shall have one vote per delegate. The Chairman has a casting vote.

The Annual General Meeting of the Company (IMIA) will usually (but not always) be held at the same time as the Annual Conference, attendance and arrangements including voting at this meeting are described in the Articles of Association.

Finance

Accounts. A member of the Executive Committee shall submit at each Annual Conference a Statement of Account recording the financial situation at the end of the preceding year with an estimate of the current situation and recommendations for further financing. The Annual Accounts to be included on the Members' website prior to the conference date.

Fees

Annual Fees. Fees for Members shall be debited annually in advance. Such fees are not refundable, regardless of reason. The current fees shall be shown on the Members' web site. Fellows of IMIA do not pay Membership

1.1 Non-payment of Annual Fees

The consecutive non-payment of the annual fee for two years will result in the cancellation of IMIA membership.

Conference Participants' Fees. A fee per participant at the conference will also be payable annually in advance. This fee will be credited 100% to the organisation of the conference. This fee is not refundable, regardless of reason, unless notice of cancellation of attendance is given at least two months prior to the opening date of the Conference. The current fee shall be shown on the Members' website.

Delegates shall be responsible for their own travel and hotel charges.

Conference Expenses Company (IMIA) shall bear the costs of the hire of the conference room, including technical equipment as well as lunch and break services and, if specially agreed, expenses (travel and/or hotel) of any guest speakers. All other expenses will be borne by the organisation(s) hosting the conference, supported by the Conference Participation Fees, as specified in clause 8.2.2 above, and any amount sponsored by a Member. Company (IMIA) shall also bear any other costs agreed by the Executive Committee.

Secretariat. Company (IMIA) shall pay the cost of the Secretariat on a basis as shall be determined by the Executive Committee.

Publications. Company (IMIA) shall bear the cost of any publications agreed by the Executive Committee

Publications

Authors of papers, reports and presentations shall indicate whether or not the papers they present may be published. The Executive Committee will then decide on when and how publications should be made.

Publications shall be classified as follows:

- restricted to Members only
- for general publication

Anti-Trust Legislation

Company (IMIA) recognises the importance of compliance with those anti-trust laws which are applicable to members of the IMIA. These laws generally prohibit underwriters from entering into any agreement or understanding, express or implied, on matters affecting rates or conditions of insurance. It is the policy of the IMIA to require its Members, and all participants in IMIA activities to honour and abide by these prohibitions in all respects.

In particular

Allocation of customers or markets

All concerned should not discuss or exchange information on their respective intentions concerning customers or markets they intend to target or quotes to which they intend to respond.

Rates

All involved should not discuss or exchange information on their respective companies' intentions concerning rates (including "pure premium") and should not pressure

other companies to raise rates or use a particular rate or cost factor as a "benchmark" in setting rates. Premium paid by customers should be kept confidential.

A detailed statement is contained in Appendix I.

It is extremely important that Members report any new anti-trust or competition rules in their country immediately to the Executive Committee via the Secretariat.

12. Choice of Law/Jurisdiction

The interpretation of this Constitution is governed in accordance with the laws of England and Wales and any dispute as to the interpretation of the Constitution shall be subject to the non-exclusive jurisdiction of the Courts of England and Wales.

13. Changes in Charter

Changes in the Charter shall be made only by resolution at an Annual Conference carried by a majority of 75% or more of the delegates.

Appendix I to IMIA Charter

Anti-Trust Compliance Statement

Representatives of companies or trade associations participating in The International Association of Engineering Insurers (IMIA) are advised to bear in mind that their respective companies or the members of their respective associations are competitors in the marketplace outside their activities as participants in IMIA. Accordingly, company representatives and members of trade associations may discuss issues of a qualitative nature such as the impact of new legislation. However, they should exercise great care in discussing matters unrelated to IMIA policies or other proper business matters affecting IMIA.

I) Anti-Trust Laws

A Purpose. The purpose of Anti-trust legislation is to maintain free enterprise through fair competition. Agreements, understandings or concerted practices between competitors which (a) fix purchase or selling prices or other trading conditions, (b) limit or control production, markets, technical development, or investment or not compete in certain geographical areas or markets, (c) boycott actual or potential customers or suppliers or apply dissimilar conditions to equivalent transactions with other trading parties, (d) engage in a tying arrangement (i.e. agreement by a party to sell a product or service only if the buyer also buys a different (tied) product or service), and (e) share markets or sources of supply may be anti-competitive in various jurisdictions.

B Applicable Laws. Most countries have published and enforce anti-trust laws. They may apply to actions or agreements entered into abroad as well as domestically. Infringement of anti-trust laws may result in (a) fines against both the IMIA, its members and any trade associations (b) criminal sanctions and/or disqualification as a company director and (c) damages to injured third parties and (d) void or unenforceable agreements.

C IMIA Policy. IMIA recognises the importance of compliance with those anti-trust laws which are applicable to members of the IMIA. These laws generally prohibit underwriters from entering into any agreement, understanding or concerted practice, express or implied, on matters affecting rates or conditions of insurance. It is the policy of the IMIA to require its Members, Officers and all participants in IMIA activities to honour and abide by these prohibitions in all respects.

II) Anti-Trust Guidelines for IMIA Members, Officers and Participants in all IMIA Activities

The following specific guidelines should be observed:

A Written Agenda. All IMIA meetings, including working groups should have a written agenda. At the opening of each work session, the chairperson ought to make reference to this anti-trust document. Accurate and detailed minutes of each meeting (including reference to anti-trust guidelines) should be published. As a general rule, all involved should adhere to the written IMIA meeting agenda.

B Rates. All involved should not discuss or exchange information on their respective companies' intentions concerning rates (including "pure premium") and should not pressure other companies to raise rates or use a particular rate or cost factor as a "benchmark" in setting rates.

C Underwriting Guidelines. There should be neither discussion nor exchange of information between the participants about the underwriting guidelines of their respective companies.

D Policy Forms. All involved should not discuss what specific terms are appropriate in particular policies, such as provisions governing the coverage trigger, limits, exclusions or types of risks covered, which are all elements of competition between companies.

E Claims. All involved should not disclose their individual claims adjustment and cost containment practices.

F Reinsurance. All involved, whether primary carriers or reinsurers, should not disclose their plans for negotiating renewals, existing reinsurance arrangements purchased or provided by their companies.

G Markets. There should be no discussion of what market response companies should make, or threaten to make, in reaction to changes in governmental regulation. Specifically, there should be no suggestion that companies withdraw from a particular class of customers in order to induce, deter, or retaliate against such governmental action.

H Relationship with Distributors. All involved should not discuss their individual plans regarding competitively sensitive matters in this area.

I Report. All instances of meetings where the matters covered in this Appendix are raised or attempted to be raised should be reported to IMIA and to your respective company. If you are unsure or in doubt about what you can and cannot discuss at IMIA meetings, please take independent advice from your legal advisers before attending.