



ARIAS•U.S. Neutral Panel Rules for the Resolution of U.S. Insurance and Reinsurance Disputes

6. Appointment and Composition of the Panel

6.1 The Panel shall consist of three arbitrators who qualify under the ARIAS•U.S. Neutral Arbitration Panel Criteria (the “Neutral Criteria”) set forth in Section 6.3 below who are ARIAS•U.S. Certified Arbitrators and/or are Certified Neutral Arbitrators selected from the ARIAS•U.S. Certified Neutral Arbitrator List.

6.2 The arbitrators shall be persons who are current or former officers or executives of an insurer or reinsurer.

6.3 The arbitrators shall meet the following Neutral Criteria as of the date of their nomination as an arbitrator candidate for this Panel:

(a) **Prior Service as Party-Appointed Arbitrator** – An arbitrator candidate is prohibited from serving on the Panel if during the past five (5) years he/she has served: (i) more than one (1) time as a party-appointed arbitrator for one of the Parties or counsel representing one of the Parties; and (ii) either as a party-appointed arbitrator for one of the Parties in more than 10% of the candidate’s total appointments as a party-appointed arbitrator during that period or for one of the lawyers and/or law firms representing one of the Parties (including the in-house legal or claims department of a Party if no law firm was used) in more than 10% of the candidate’s total appointments as a party-appointed arbitrator during that period.

(b) **Prior Service as an Umpire or Neutral Arbitrator** – An arbitrator candidate is prohibited from serving on the Panel if during the past five (5) years he/she has served: (i) more than one (1) time as an umpire or neutral arbitrator in an arbitration involving one of the Parties or counsel representing one of the Parties; and (ii) either as an umpire or neutral arbitrator in arbitrations involving one of the Parties in more than 20% of the candidate’s total appointments as umpire or neutral arbitrator during that period or if he/she has served either as an umpire or neutral arbitrator in arbitrations involving one of the lawyers and/or law firms representing one of the Parties (including the in-house legal or claims department of a Party if no law firm was used) in more than 20% of the candidate’s total appointments as an umpire or neutral arbitrator during that period.

(c) **Prior Expert or Consultant Service** – An arbitrator candidate is prohibited from serving on the Panel if during the past five (5) years he/she has served as either an expert or consultant for one of the Parties in more than 50% of the candidate’s total appointments as an expert or

consultant during that period or for one of the lawyers and/or law firms representing one of the Parties (including the in-house legal or claims department of a Party if no law firm was used) in more than 50% of the candidate's total appointments as an expert or consultant during that period.

(d) Prior Service as Counsel for or Employment by One of the Parties – An arbitrator candidate is prohibited from serving on the Panel if during the past five (5) years he/she has served as counsel for one of the Parties in more than 10% of the candidate's engagement as counsel during that period or if he/she was employed by one of the Parties at any time during the past five (5) years.

(e) An arbitrator candidate if chosen to serve on the Panel will refuse to accept appointments or engagements as an expert, consultant, counsel or non-neutral arbitrator for either of the Parties or their counsel prior to the final disposition of the arbitration.

(f) For purposes of these Neutral Criteria, service is defined as commencing at the time of retention.

(g) For purposes of these Neutral Criteria, a Party means the named Party and its parents, subsidiaries and affiliates whose insurance and reinsurance disputes, as applicable, are managed by the same group of individuals that manage the Party's insurance or reinsurance disputes, and a non-affiliated entity (including that entity's agent) that manages the named Party's claims at issue in the arbitration.

6.4 No later than thirty (30) days after the Response is received by Petitioner, each Party will nominate six (6) candidates to serve as arbitrators from the ARIAS•U.S. Certified Arbitrator List or the ARIAS•U.S. Certified Neutral Arbitrator List by providing its list of six (6) candidates to ARIAS•U.S. by e-mail or fax to the Executive Director and by service on the opposing Party.

6.5 ARIAS•U.S. will distribute the ARIAS•U.S. Neutral Arbitrator Questionnaire (which will include, non-exclusively, information requests on the Neutral Criteria set forth in Sections 6.3(a) – 6.3(d) above) to the twelve (12) nominated candidates within seven (7) days of receipt of each Party's list. It is the duty and obligation of the nominated candidates to advise ARIAS•U.S. that they cannot serve in the arbitration proceeding and not to submit a response to the ARIAS•U.S. Neutral Arbitrator Questionnaire if, based on their own evaluation, they do not meet the Neutral Criteria for the proceeding at issue.

6.6 All nominated candidates that meet the Neutral Criteria and wish to serve will return their completed ARIAS•U.S. Neutral Arbitrator Questionnaire to ARIAS•U.S. within fourteen (14) days of receipt. ARIAS•U.S. shall immediately forward copies of the completed questionnaires to counsel for each of the parties.

6.7 If any of the twelve (12) nominated candidates are unable or unwilling to serve or do not complete an ARIAS•U.S. Neutral Arbitrator Questionnaire, ARIAS•U.S. will advise the Party or Parties who nominated that candidate(s) and either or both Parties (as applicable) will nominate alternate candidate(s) by providing their names to the opposing Party and ARIAS•U.S. so that each Party will have nominated six (6) candidates. ARIAS•U.S. will then distribute ARIAS•U.S. Neutral Arbitrator Questionnaires to the alternate candidate(s) within five (5) days of receipt of the alternate candidate names. The process will continue until each Party has nominated six (6) candidates who are willing and able to serve at which time ARIAS•U.S. will notify the Parties of the identities of the twelve (12) candidates who have been nominated. Should any of the Parties have specific information about any of the twelve (12) candidates that results in a candidate not meeting the Neutral Criteria, the Party will notify ARIAS•U.S. immediately and an alternate candidate will be nominated as described above in this section.

6.8 No later than seven (7) days after ARIAS•U.S. notifies the Parties of the identities of the twelve (12) candidates who have been nominated, each Party will rank the twelve (12) nominees from 1 to 12 in order of preference with 1 being the highest and 12 being the lowest and notify ARIAS•U.S. (but not the opposing Party) of their ranking.

6.9 Within seven (7) days of notice of the Parties' respective rankings of the twelve (12) candidates, ARIAS•U.S. will determine the highest ranked three (3) candidates by adding together each candidate's two rankings with the lowest numerical scores being the highest ranked candidates. In the event there is a tie for first place, both candidates tied for first place will be selected as arbitrators and the second place candidate will be chosen as the third arbitrator. In the event there is a tie for first place and second place, both candidates tied for first place will be selected as arbitrators, ARIAS•U.S. will notify the Parties of the candidates tied for second place and the third arbitrator will be selected by lot from the two tied second place candidates. In the event there is a tie for third place, ARIAS•U.S. will notify the Parties of the candidates tied for third place and the third arbitrator will be selected by lot from those tied.

6.10 Upon selection of the Panel, ARIAS•U.S. will notify the Parties and the Panel. Under no circumstances will the Parties or ARIAS•U.S. disclose to the Panel who nominated the arbitrators for service or what ranking the Parties gave the arbitrators.

6.11 Following the selection of the Panel, the three arbitrators will select one of the arbitrators to be the chairperson of the Panel.

6.12 In the event that either Party fails to provide its arbitrator nominees to ARIAS•U.S. within thirty (30) days of receipt of the Response by the Petitioner, the non-defaulting Party will nominate six (6) arbitrator candidates for the defaulting Party.

6.13 Unilateral contact between a Party or its representative(s), on the one hand, and an individual considered for appointment as an arbitrator, on the other hand, about the arbitration shall not be permitted at any time.

6.14 No ex parte communications shall be permitted between a Party or its representatives and any potential arbitrator either prior to or after the appointment of the arbitrator.

6.15 The arbitrators selected for the Panel shall act as Neutral arbitrators and shall not act as advocates on behalf of any of the Parties.

6.16 If after appointment an arbitrator is unable or unwilling to serve the Parties shall appoint a replacement arbitrator in accordance with the procedures set forth above, provided that each Party will nominate three (3) candidates to serve as replacement arbitrator and that the Parties will rank the six (6) candidates.

6.17 Unless otherwise awarded by the Panel pursuant to Article 8 or Section 14.3, each Party will shall share equally the cost of the three arbitrators.

6.18 Unless otherwise agreed to in advance by all the members of the Panel, all members of the Panel shall consult with each other on each and every Decision presented to the Panel or to be made by the Panel and each and every Decision shall be made by casting of at least two of three possible votes.

6.19 The Parties may, in a writing signed by representatives of both Parties, agree to waive the Neutral Criteria set forth in Section 6.3 for any or all candidates.