



Policy Statement and Guidelines Concerning Antitrust Compliance

ARIAS•U.S. is a not-for-profit corporation that promotes improvement of the insurance and reinsurance arbitration process for the international and domestic markets. ARIAS•U.S. provides initial training, continuing in-depth conferences and workshops in the skills necessary to serve effectively on an insurance/reinsurance arbitration panel. In addition, ARIAS•U.S. certifies a pool of qualified arbitrators and serves as a resource for parties involved in a dispute to find the appropriate persons to resolve the matter in a professional, knowledgeable and cost-effective manner.

ARIAS•U.S. members include representatives of insurance companies, reinsurance companies, law firms and independent contractors with experience in the field. Some of the participants in ARIAS•U.S. meetings may be in competition with one another. For this reason, ARIAS•U.S. wishes to state unequivocal support for the policy of competition served by the antitrust laws.

The Policy of ARIAS•U.S. Requires Full Compliance with The Antitrust Laws

ARIAS•U.S. is firmly committed to free competition. In particular, ARIAS•U.S. stresses that members have and retain full and exclusive authority for making their own decisions in arbitrations or litigations in which they are involved, as well as in all of their business activities. ARIAS•U.S. does not in any way serve to facilitate agreements among competitors to coordinate their activities with respect to billing practices, collections, underwriting, or any other competitively sensitive activity of insurers or reinsurers. Rather, ARIAS•U.S. exists solely in order to provide educational and informational assistance in connection with the dispute-resolution process of arbitration or litigation.

Although the activities of ARIAS•U.S. are not intended to restrain competition in any manner, it is always possible that meetings involving competitors could be seen by some as an opportunity to engage in anti-competitive conduct. Good business judgment requires making substantial efforts to safeguard against any appearance of an antitrust violation -- both because ARIAS•U.S. has a firm commitment to the principle of free competition, and because the penalties for antitrust violations are severe. Certain violations of the Sherman Act, such as price fixing, are felony crimes for which individuals may be imprisoned or fined. In recent years, corporations have paid hundreds of millions of dollars in fines for these antitrust offenses. In addition, class actions and other treble damage claims by private parties are very expensive to litigate and can result in large judgments. Penalties might be imposed upon ARIAS•U.S., its individual and corporate members, and their individual representatives if they were adjudged to have violated the antitrust laws in connection with their ARIAS•U.S. activities. Members should not count on an antitrust immunity simply because insurance is a highly regulated industry.

It is the responsibility of every member of ARIAS•U.S. fully to comply with the antitrust laws in all ARIAS•U.S. activities. In order to assist members in recognizing situations that may raise the appearance of an antitrust problem, the meeting chair shall furnish at each meeting a copy of this Policy Statement and the following Guidelines.

Guidelines to Ensure Antitrust Compliance

Many ARIAS•U.S. members are skilled in the legal process and may be expected to understand their responsibility under the antitrust laws. Nonetheless, it is useful to state, as a reminder, some basic guidelines that will minimize potential antitrust risk.

1. ARIAS•U.S. members may freely discuss matters that are not competitively sensitive, such as legal developments, ethical principles, procedures, laws that affect the industry, ways to make proceedings more efficient, and technical problems involved in arbitration or litigation. It is permissible, for example, to draft sample arbitration clauses that parties may select on a voluntary basis.
2. ARIAS•U.S. meetings and activities shall not be used as an occasion to reach or attempt to reach any understanding or agreement among competitors -- whether written or oral, formal or informal, express or implied -- to coordinate their activities with regard to billing, collections, premiums, terms or conditions of contracts, territories or customers. Thus, for example, competing cedents (or competing reinsurers) should not agree with one another that they will require use of a particular arbitration clause, and especially should not agree that they will boycott parties that reject the clause.
3. The best way to guard against the appearance of such an agreement is to avoid any discussion of subjects that might raise concern as a restraint on competition. Accordingly, ARIAS•U.S. meetings and activities shall not be used as the occasion for competitors to exchange information on any competitively sensitive subjects, including the following:
 - (a) ARIAS•U.S. activities and communications shall not include discussion among competitors to coordinate their activities with respect to billing practices, collection activities, premium setting, reserves, costs, or allocation of territories or customers.
 - (b) ARIAS•U.S. members shall not use the occasion of any ARIAS•U.S. activities to discuss coordinated actions involving other competitors, suppliers or customers. Such discussions could be misconstrued as an agreement to boycott third-parties. For example, if a member decides it will decline to pay certain types of billings from a customer, the member should not discuss this decision with a competitor, because a common plan on such a subject could be considered an unlawful conspiracy or boycott. Accordingly, ARIAS•U.S. members should not discuss any proposal: to coordinate policies or practices in, billings or collections; to prevent any person or business entity from gaining access to any market or customer; to prevent any business entity from obtaining insurance or reinsurance services or legal or consulting services freely in the market; or to influence

the availability, terms, provisions, premiums or other aspects of any reinsurance policy or line of insurance.

4. A written agenda shall be prepared in advance for every formal ARIAS•U.S. meeting. Where practical, the agenda shall be reviewed in advance by counsel. The written agenda shall be followed throughout the meeting. Where minutes are kept, the minutes of all meetings shall be reviewed by counsel (if possible) and, after such review, shall be distributed to all members of the body holding the meeting. Approval of the minutes shall be obtained after review at the next meeting.
5. Members are expected to observe the standards of conduct stated above in all informal discussions that take place at the site of ARIAS•U.S. meetings, and in all communications concerning ARIAS•U.S. business.
6. If a member suspects that any unlawful agreements are being discussed, the member should leave the discussion immediately and should consult counsel.
7. Questions concerning these Guidelines may be directed to the Chairman of the Law Committee of ARIAS•U.S.