



CPR

International Institute for
Conflict Prevention & Resolution

CPR INSURANCE INDUSTRY DISPUTE RESOLUTION COMMITMENT

COMPANY

ADDRESS

CITY, STATE, ZIP

TELEPHONE/FAX

Disputes arise between companies in the insurance industry. We wish to avoid the high expense, long delays, burdens, animosity and uncertainties of litigation. We believe that most such disputes are best resolved privately through confidential negotiation or mediation. We therefore agree that any dispute of the nature herein described* arising hereafter between our company, including its insurance subsidiaries, and another company in the insurance industry which has executed a counterpart of this Commitment, will be resolved in the manner stated below.

A. DISPUTES COVERED BY COMMITMENT

The CPR Insurance Industry Dispute Resolution Commitment (the "Commitment") shall apply to any **insurance coverage dispute** between or among **Insurers** issuing **commercial lines policies** to the same insured or related insureds other than the following types of disputes which shall not be subject to this Commitment:

1. Any pollution, environmental and/or asbestos or other long-term exposure related **insurance coverage dispute**, whether or not involving **commercial lines policies**.
2. Any **insurance coverage dispute** solely involving **personal lines policies**. However, any **insurance coverage dispute** between **Insurers** of **personal lines coverage** and **commercial lines coverage** shall be subject to the terms of this Commitment.

The foregoing notwithstanding, any **insurance coverage disputes** not within the scope of this Section A, and **insurance coverage disputes** which arose prior to the effective date of this Commitment, may be submitted for resolution in accordance with the procedures set forth in Section B hereof, upon the agreement of the parties to such dispute.

The parties to this Commitment agree that any disagreement regarding the question of whether a particular dispute falls within this Section A shall be referred to CPR in writing, with copy to the other party or parties. CPR's decision on that issue shall be final and binding on the parties.

* The terms "**Insurer**", "**insurance coverage dispute**", "**commercial lines policies**" and "**personal lines policies**" are defined in Appendix A attached hereto.

B. PROVISIONS OF COMMITMENT

1. Negotiation

When a dispute covered by this Commitment has arisen between our company and one or more other signatories and is not settled promptly in the normal course of business, any signatory to this Commitment may initiate negotiations pursuant to the procedures set forth in Section A of the *CPR Insurance Mediation Forum Procedure for Insurance Dispute Resolution* (the "Procedure"), which requires authorized representatives of the companies to confer in a good faith effort to resolve the dispute. A copy of the Procedure is attached hereto as Appendix B.

2. Mediation

If the parties have not resolved the dispute within 45 days of receipt of the Notice of Negotiation called for by the Procedure, the parties will attempt in good faith to resolve the dispute by mediation, in accordance with the Procedure. If the mediation procedure has been terminated in accordance with its terms without a written resolution of the dispute, either party may propose submission of the dispute to arbitration, under CPR or other rules, but no party is obligated to agree to any such procedure.

3. Disputes Involving Signatory and Non-Signatory Insurers

If the dispute involves one or more *Insurers* who have not signed this Commitment, such non-signatory *Insurers* will be invited to participate. If one or more of the parties who are not signatories to this Commitment are not willing to comply with these procedures, the signatory parties nevertheless will be bound to comply with this Commitment, unless the absent party or parties is indispensable to the resolution of the dispute.

4. Involvement of Policyholders

If a dispute is related to an insurance coverage claim by a policyholder, and differences exist among two or more *Insurers* as to the extent of their respective obligations, the *Insurers* will seek a stay of the claim while efforts to resolve such differences are progressing, without prejudicing their position in any litigation. The policyholder may be invited to participate voluntarily in the Procedure by any participating *Insurer*. If such an invitation is extended and declined, the Procedure nevertheless will go forward. The preceding notwithstanding, if in the sole judgment of any *Insurer*, the presence of the policyholder is necessary by virtue of self-insured retentions, matching deductibles or similar arrangements, or for any other reason, the policyholder shall be notified of the Procedure and invited to participate. If said policyholder objects to the conduct of the Procedure, with or without its participation, the Procedure will go forward unless one or more of the *Insurers* objects. In any event, any agreement reached between *Insurers*, as to which the policyholder's approval is required, shall not bind the policyholder without such approval.

5. Commencing Litigation

The procedures specified in this Section B, including, as incorporated herein by reference, the Procedure, shall be the sole and exclusive procedures for the resolution of a dispute between signatories covered by this Commitment; provided, however, that a party may commence legal action or other proceedings for statute of limitations or venue reasons, to seek a preliminary injunction or other provisional judicial relief, to avoid irreparable damage, to preserve the status quo, or for any other reason, and may take whatever action such party in its sole judgment deems necessary to defend any lawsuit or other proceeding to which it is made a party. Despite such action, the parties will continue to participate in good faith in the procedures specified herein.

6. No Prejudice or Waiver of Rights

Nothing in this Commitment is intended to reflect on the merits of any signatory's coverage position on any issue. By participating in the procedures specified herein, no party waives or otherwise prejudices any right or position it may otherwise have.

C. COMMUNICATION AND IMPLEMENTATION

The Chief Claims Officer of each signatory will ensure (a) that copies of this Commitment and the related Procedure are communicated periodically to all appropriate persons employed by the signatory or its subsidiaries; and (b) that a senior claims executive of such signatory serves as "ADR Executive," with responsibility for ensuring the signatory's compliance with this Commitment.

D. CONTRACTUAL DISPUTE RESOLUTION PROVISIONS

The above procedures notwithstanding, if a dispute arises out of or relates to a contract between our company and another insurance company which contains dispute resolution provisions in conflict with those set forth above, the contractual provisions will govern, unless the parties otherwise agree. The existence of an arbitration clause in such contract would not, in and of itself, constitute a conflict.

E. DURATION AND WITHDRAWAL

This Commitment is entered into in consideration of other *Insurers* executing counterparts hereof, shall become effective 90 days after CPR notifies the signatories that ten *Insurers* have signed counterparts of this Commitment, and shall remain effective so long as at least ten *Insurers* remain signatories to the Commitment. Each signatory may terminate its Commitment on 90 days' written notice to CPR, provided that the signatory's obligation to participate in the procedures specified herein commenced before the effective date of such termination shall not be affected thereby.

F. NO RIGHTS IN THIRD PARTIES

This Commitment is intended to control solely the rights of the participants and shall create no rights in third parties.

G. CHOICE OF LAW

This Commitment shall be controlled and interpreted in accordance with the law of the State of New York.

Chief Claims Officer

Date _____

Our major insurance subsidiaries or affiliates are:

*Note: Please send a signed copy of your statement to the
CPR Institute for Dispute Resolution, 30 East 33rd Street, 6th Floor, New York, NY 10016.
CPR will publish a registry of companies subscribing to the statement and of each company's ADR Executive.*
11/17/99

APPENDIX A TO CPR INSURANCE INDUSTRY DISPUTE RESOLUTION COMMITMENT

DEFINITIONS

As used in this Commitment, the terms set forth below shall have the meanings stated.

"Insurer" shall include excess insurers but not reinsurers.

"Insurance coverage dispute" shall mean any contractual or extra contractual disagreement or dispute relating to or involving the nature or interpretation of any insurance policy, the amount payable under any such insurance policy, and the relative duties and responsibilities of **Insurers** under or with respect to or arising out of such insurance policy.

"Commercial lines policies" shall include, without limitation, any policy issued to a business entity or business person containing any of the following types of coverage: comprehensive or general liability; automobile physical damage and/or liability; aviation liability; boiler and machinery liability; business interruption liability; completed operations liability; contractors liability; directors and officers liability; employee benefits liability; errors and omissions liability; fair employment practices liability; fidelity and surety liability; fiduciary liability; governmental units liability; institutional administrators liability; kidnap and ransom liability; manufacturers and operators liability; media, publishing and/or advertising liability; mobile home liability; motor vehicle liability; multi-peril property and/or liability; nuclear risk liability; nursing home liability; oil insurance liability; political risk liability; products liability; professional liability; public entity liability; ski resort liability; worker's compensation and/or employer's liability; and umbrella and/or excess liability coverage with respect to any of the foregoing coverage.

"Personal lines policies" shall mean any policy of insurance issued to a natural person for personal or family protection, including, but not limited to, personal automobile, homeowner's, tenant's, personal umbrella liability and other similar and casualty insurance.

**CPR Insurance Mediation Forum
NOTICE OF NEGOTIATION OR MEDIATION**

DATED: _____

TO: _____

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_____ ADR Executive(s) of Responding Compan(y)(ies)

This is to advise you that in accordance with the ***CPR Insurance Industry Dispute Resolution Commitment and Procedure***, we (the Initiating Company) wish to commence the process checked below (negotiation or mediation) of the dispute described on the annexed Dispute Notice.

- NEGOTIATION.** We wish to commence negotiation of the dispute described on the annexed Dispute Notice. Representatives of the parties with settlement authority are required to meet at a mutually acceptable time and place, within 15 days after receipt of this Notice, and diligently attempt to resolve the dispute. Kindly contact the individual identified in Paragraph IV to arrange a time and place to exchange information and attempt to resolve this dispute.

- MEDIATION.** We wish to commence mediation of the dispute described on the annexed Dispute Notice. Mediation is timely either because 45 days have elapsed since receipt of the Notice of Negotiation without resolution of the dispute or because all parties have agreed that further negotiation would be unproductive. The parties are obligated to participate in the mediation in good faith.

NOTICE TO CPR AND RESPONDING PARTIES

A copy of this notice shall be sent by the Initiating Company to the

Responding Company and to the CPR Panel Management Group, 30 East 33rd Street, 6th Floor, New York, NY 10016, FAX (212) 949-8859.

**CPR Insurance Mediation Forum
DISPUTE NOTICE**

PART A: STATEMENT

TO BE COMPLETED (TO EXTENT KNOWN) BY INITIATING COMPANY

I. CLAIM INFORMATION KNOWN ABOUT RESPONDING COMPANY

RESPONDING COMPANY NAME: _____

NAME OF POLICYHOLDER: _____

RESPONDING COMPANY'S CLAIM NUMBER(S)

(if known): _____

RESPONDING COMPANY'S POLICY NUMBER(S) and PERIOD(S) and
TYPE OF COVERAGE (if known): _____

CAPTION OF UNDERLYING ACTION (if any): _____

CAPTION OF COVERAGE ACTION (if any): _____

RESPONDING COMPANY'S CLAIMS REPRESENTATIVE (if known):

NAME: _____

ADDRESS: _____

TELEPHONE NO: _____

FAX NO: _____

II. STATEMENT OF MATTER IN DISPUTE:

NOTE: If the dispute involves the Initiating Company and more than one Responding Company, please provide the information requested in Paragraph I for each Responding Company in the dispute.

III. DOLLAR AMOUNT IN DISPUTE:

IV. CLAIM INFORMATION OF INITIATING COMPANY:

INITIATING COMPANY NAME: _____
NAME OF POLICYHOLDER: _____
INITIATING COMPANY'S CLAIM NUMBER(S): _____
INITIATING COMPANY'S POLICY NUMBER (S) and PERIOD(S) and
TYPE OF COVERAGE (if known): _____
CAPTION OF UNDERLYING ACTION (if any): _____

CAPTION OF COVERAGE ACTION (if any): _____

INITIATING COMPANY'S CLAIMS REPRESENTATIVE:
NAME: _____
ADDRESS: _____
TELEPHONE NO: _____
FAX NO: _____

Initiating Company _____
(Signature)

(Name)

(Title)

PART B: COUNTERSTATEMENT*

TO BE COMPLETED BY THE RESPONDING COMPANY

I. CLAIM INFORMATION FROM RESPONDING PARTY:

The claim information provided by the Initiating Company about the Responding Company is corrected or supplemented as follows:

II. COUNTERSTATEMENT OF MATTER AND DOLLAR AMOUNT IN DISPUTE:

SIGNATURE AND STATEMENT OF RESPONDING PARTY

The undersigned Responding Company either is a signatory of the ***CPR Insurance Industry Dispute Resolution Commitment*** and will participate in mediation of the above dispute in accordance with such Commitment and the Procedure attached thereto as Appendix B, or is not a signatory of such Commitment but voluntarily agrees to participate in mediation of the above dispute in accordance with the terms of such Commitment and Procedure.

By: _____
Responding Company

(Signature)

(Name)

(Title)

* If your information is more complete or different than the information supplied by the Initiating Company, and/or if you disagree with the statement of the matter in dispute as stated in Part A, please complete I or II as appropriate and return within ten days to both the Initiating Company and the CPR Panel Management Group, 30 East 33rd Street, 6th Floor, New York, NY 10016, FAX (212) 949-8859.