



ASSOCIATION OF
Average Adjusters

Rules of the Association

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RULES

1. TITLE

The Association shall be called the "ASSOCIATION OF AVERAGE ADJUSTERS".

2. AIMS AND OBJECTS

The aims and objects of the Association shall be:

- (a) The promotion of professional standards and correct principles in the adjustment of marine insurance claims and general average by ensuring, through examination or otherwise, that those entering into Fellowship or Associateship possess a high level of expertise.
- (b) To achieve uniformity of practice amongst Average Adjusters by providing a forum for discussion and by establishing rules of practice where necessary.
- (c) To ensure the independence and impartiality of its Fellows by imposing a strict code of professional conduct.
- (d) To provide a service to the maritime community by establishing procedures by which advice on all aspects of marine claims may be obtained.

3. MEMBERSHIP

The Association shall consist of the following categories of Membership:-

- Fellows
- Non-Practising Fellows
- Associates
- Honorary Fellows
- Representatives
- Subscribers

4. FELLOWS

- (a) Fellows shall be Average Adjusters who shall have been elected by the Committee of Management, and who shall have qualified by examination for admission to the Association in accordance with Rule 9.

- (b) Fellows shall be entitled to receive from the Secretary a Certificate of Fellowship which will remain the property of the Association and which shall be returned to the Secretary immediately upon their ceasing to be a Fellow.
- (c) The Certificate of Fellowship shall be in such form as may be approved by a Meeting of Fellows.
- (d) Non-Practising Fellows shall be Fellows who are not in practice as Average Adjusters.

5. ASSOCIATES

- (a) Associates shall be persons who have satisfied the Examining Committee to such an extent as the Examining Committee shall from time to time determine with the approval of the Committee of Management.
- (b) Associates shall be entitled to receive a Certificate of Associateship which shall be in such form as may be approved by a Meeting of Fellows.

6. HONORARY FELLOWS

The Association may elect Honorary Fellows and the Committee of Management shall recommend the conferring of Honorary Fellowship upon those persons as are considered appropriate. Following such recommendation, Honorary Fellows shall be admitted upon a resolution carried at an Annual Private Meeting.

7. REPRESENTATIVES

Representatives shall be persons or representative bodies who have been nominated and subsequently approved by the Committee of Management.

8. SUBSCRIBERS

The Association may elect Subscribers who shall be persons or bodies interested in shipping and marine insurance.

9. APPLICATION FOR MEMBERSHIP

- (a) Candidates for Membership (other than Honorary Fellows) shall apply in writing to the Secretary of the Association on the form provided for the purpose.

- (b) Applications for Membership shall be considered by the Committee of Management.
- (c) The Committee of Management shall have the power to elect Representatives and Subscribers and to require the Examining Committee to examine applicants for Fellowship and Associateship.

10. ANNUAL GENERAL MEETINGS

- (a) A General Meeting of the Association shall be held in London on the second Thursday of May in each year or such date as may be determined by the Committee of Management.
- (b) Notice of all motions to be proposed and any other matters to be discussed at a General Meeting of the Association shall be given in writing to the Secretary at least three weeks before the Meeting. The Secretary shall send notices of the business of the Meeting, including notices of motion or amendment, at least two weeks prior to the date thereof to all Fellows, Associates, Honorary Fellows, Representatives and Subscribers.
- (c) A motion may be made without notice with the consent of the Fellows present at the Meeting if it arises out of a motion on the agenda, out of the Chairman's Address or the discussion thereon, or out of the Report of any Committee or if it relates to a matter which in the opinion of the Fellows calls for immediate consideration.
- (d) At General Meetings of the Association only Fellows, Associates, Honorary Fellows and Representatives present at the meeting may propose or second motions or amendments.

11. PRIVATE MEETINGS

- (a) An Annual Private Meeting of Fellows and Associates shall be held in London on the day preceding the General Meeting of the Association, unless otherwise determined by the Committee of Management.
- (b) An Extraordinary Meeting of Fellows and Associates shall be called by the Chairman or Vice-Chairman on a requisition signed by five Fellows stating the purpose for which it is proposed to call the Meeting.
- (c) Notice of all motions to be proposed and any other matters to be discussed at any Meeting shall be given in writing to the Secretary at least three weeks before any Annual Meeting and at least two weeks before any Meeting.
- (d) The Secretary shall send notices of the business of the Meeting at least two weeks prior to an Annual Meeting and at least one week prior to the Meeting.
- (e) A motion may be made without notice by consent of the Fellows present at the Meeting if it arises out of a motion on the agenda or out of a Report of the Committee of

Management or any other Committee, or if it relates to a matter which in the opinion of the Fellows calls for immediate consideration.

12. VOTING AT MEETINGS OF THE ASSOCIATION

- (a) At all Meetings of the Association, unless otherwise provided for:
 - (i) The right to vote shall be confined to Fellows present at the Meeting.
 - (ii) The votes of Fellows shall be taken by a show of hands unless a demand is made by four or more Fellows for the votes to be made by secret ballot.
 - (iii) A simple majority shall suffice.
- (b) A majority of two-thirds of the Fellows present and entitled to vote shall be required:
 - (i) To carry a resolution for confirmation of a Probationary Rule of Practice.
 - (ii) To carry a resolution providing for any rescission, alteration or amendment to any of these Rules.

13. RULES OF PRACTICE

- (a) Rules of Practice shall be established by the Association for the adjustment of averages and Fellows and Associates shall comply with them; but if an Adjustment is prepared at variance with any such Rule an explanatory note shall be placed in the Adjustment.
- (b) Notice of any motion intended to become a Rule of Practice may be proposed at any General Meeting of the Association. Such notice shall be given in writing to the Secretary at least three weeks before the Meeting. If the motion be carried by the votes of a two-thirds majority of the Fellows voting, it shall become a Probationary Rule of Practice.
- (c) A Probationary Rule of Practice shall not bind the Fellows or Associates in any way.
- (d) Every Probationary Rule of Practice shall be considered by the appropriate committee and shall be reported upon to the next General Meeting of the Association, at which the Probationary Rule of Practice shall be put to the vote for confirmation in the form approved by such Committee or as amended by the Meeting. If a resolution for confirmation of a Probationary Rule of Practice be carried by the votes of a two-thirds majority of the Fellows voting, it shall become a Rule of Practice.
- (e) An existing Rule of Practice may be amended or rescinded in accordance with the same procedure as provided in Sub-Rules (b) and (d).

14. CHAIRMAN AND VICE-CHAIRMAN

- (a) At each Annual Private Meeting, a Chairman and Vice-Chairman shall be elected to hold office for the next succeeding year.
- (b) The Committee of Management shall recommend the names of a Fellow, Honorary Fellow or Representative to be the Chairman, and of a Fellow to be the Vice-Chairman.
- (c) The Annual Private Meeting shall have power to elect either the person whose name is submitted or any other person who is eligible. If the person recommended be not elected, nominations shall be called for from the Meeting, and if there is more than one nomination, the election shall be by secret ballot.
- (d) The Chairman, if a Fellow of the Association, or the Vice-Chairman, if the Chairman is not a Fellow of the Association, shall become ex officio a member of all Committees of the Association other than the Examining Committee.
- (e) The Chairman shall preside at all General Meetings. The Vice-Chairman shall preside in the absence of the Chairman, and when the Chairman is not a Fellow, at all Private Meetings.
- (f) The Chairman shall open the General Meeting of the Association by an address on a subject of his choice.
- (g) The year of office for the Chairman shall run from the conclusion of the day of the General Meeting of the Association next after his election until the conclusion of the day of the General Meeting of the Association in the following year.

15. COMMITTEE OF MANAGEMENT - CONSTITUTION AND ELECTION

- (a) The Committee of Management shall manage the general affairs of the Association and shall consist of the Chairman (if a Fellow) and the Vice-Chairman, together with the Treasurer (ex officio), the Convenor of the Examining Committee (ex officio), the Convenor of the Advisory and Disputes Resolution Panel (ex officio) and five Fellows, to be elected at each Annual Private Meeting.
- (b) The Committee of Management shall submit to the Annual Private Meeting the names of those Fellows who are eligible and whom they recommend to serve on the Committee of Management for the succeeding year. The Fellows shall then elect either the Fellows whose names are submitted or any other Fellows who are eligible.
- (c) Five Members shall be a quorum.
- (d) At least one Member of the Committee shall retire each year, and shall not be eligible for re-election until the next Annual Private Meeting.

16. COMMITTEE OF MANAGEMENT - POWERS AND DUTIES

The powers and duties of the Committee of Management shall include the following:

- (a) To consider every application for Fellowship and Associateship and to call upon the candidate to provide such further information as it may require.
- (b) To accept the application of any such candidate and to report to the next Annual Private Meeting, alternatively to refer the application to the next Annual Private Meeting.
- (c) To consider re-applications for Fellowship and Associateship and to accept the same upon such conditions as it may consider proper or to refer them to the next Annual Private Meeting.
- (d) To elect Representatives and Subscribers and to report such elections to the next Annual Private Meeting.
- (e) To recommend persons for Honorary Fellowship.
- (f) To submit to the Annual Private Meeting the names of the persons who are eligible and whom it recommends to serve for the succeeding year:
 - (i) As Chairman and Vice-Chairman
 - (ii) As Honorary Treasurer
 - (iii) On the Committee of Management
 - (iv) On the Advisory and Dispute Resolution Panel.
- (g) To arrange for all General and Private Meetings of the Association.
- (h) To appoint any Special Committee which may from time to time be necessary.
- (i) To accept the resignation or to terminate the engagement of the Secretary and to appoint an immediate replacement where appropriate.
- (j) To fill all vacancies occasioned by death, illness or suspension or cessation of Fellowship.
- (k) To take such actions as are prescribed in Rule 26 respecting any complaint or charge brought against a Fellow or Associate alleged to be in breach of any of the Rules.
- (l) To consider and report to the Annual Private Meeting:
 - (i) The rates of subscription recommended for the succeeding year.
 - (ii) The rates fixed for the succeeding year for fees payable on application of candidates for Fellowship and for each category of examination.

- (m) To consider any case where a literal compliance with these Rules appears to cause hardship or injustice and to report thereon to the Fellows with any recommendations which may be considered desirable.
- (n) To conduct all the business of the Association which is not by these Rules required to be transacted at a Meeting of Fellows, or is not otherwise provided for.
- (o) To act on behalf of the Association in all matters which cannot await a decision of a Meeting of Fellows and for this purpose the Committee may, with the agreement of not less than two-thirds of the Fellows attending its meeting, waive or relax any of the Association's Rules.
- (p) (i) Generally to report their proceedings to the next Annual Private Meeting.
(ii) In the case of Sub-Rules (m) and (n), the Committee of Management may, when the matter is considered urgent, convene an Extraordinary Meeting for the purpose of considering such matters.

17. ADVISORY AND DISPUTE RESOLUTION PANEL - CONSTITUTION AND ELECTION

- (a) The Panel shall consist of the Chairman (if a Practising Fellow) or the Vice-Chairman (if the Chairman is not a Practising Fellow) and seven other Fellows, who shall be elected at each Annual Private Meeting.
- (b) One member of the Panel shall be elected as Convenor for the year.
- (c) The Committee of Management shall have the power to appoint any other Fellow, Associate, Representative or Subscriber to serve on the Panel in regard to any submission.
- (d) One member of the Panel shall retire at the end of each year and shall not be eligible for re-election to the Panel until the next Annual Private Meeting.

18. ADVISORY AND DISPUTE RESOLUTION PANEL - DUTIES

- (a) To consider and reply to any question upon which the advice of the Association is sought.
- (b) To keep under review the Rules of Practice and probationary Rules of Practice.
- (c) With the agreement of the parties to consider, arbitrate or mediate any dispute relating to adjusting or maritime matters.

19. ADVISORY AND DISPUTE RESOLUTION PANEL - PROCEDURES

- (a) Any question or dispute referred to the Association shall be referred to the Convenor of the Panel for consideration and direction.
- (b) When a question does not relate to a current dispute an opinion shall be given by at least five members of the Panel.
- (c) When a question is referred by one party to a disputed claim an opinion shall be given by two Fellows from the Panel appointed by the Convenor who, if they fail to agree, shall appoint a third Fellow to act as a Referee. A charge shall be made for the time of the Fellows and the incidental costs of the Association..
- (d) When a question relates to a disputed claim the Convenor shall inform the parties of the names of the members of the Panel willing to act as arbitrators or mediators. If appointed as arbitrators, members of the Panel shall act in accordance with the Arbitration Acts, and if appointed mediators in accordance with the Centre for Dispute Resolution (CEDR) model mediation procedure. The parties shall be jointly and severally responsible for the fees of the members of the Panel and the incidental costs of the Association.
- (e) The Convenor shall notify the Chairman of questions referred to the Panel and shall make recommendations as to the publication of opinions.

20. EXAMINING COMMITTEE - CONSTITUTION AND ELECTION

- (a) The Examining Committee shall be elected at each Annual Private Meeting, and shall consist of not less than seven Fellows, Representatives or Subscribers. Three Members of the Committee shall form a quorum.
- (b) The Examining Committee shall submit to the Annual Private Meeting the names of those who are eligible and whom they recommend to serve on the Examining Committee for the succeeding year, and the Fellow who shall act as their Convener. The Fellows shall then elect either those whose names are submitted or any other persons who are eligible.
- (c) One member of the Examining Committee shall retire each year but shall be eligible for re-election.
- (d) The Examining Committee shall have power to appoint any other Fellow, Representative or Subscriber not ineligible by reason of sub-Rule (e) to act as an Examiner in any branch of the examination.
- (e) No Fellow or Subscriber shall act as an Examiner to a candidate in the same firm or organisation save with the express consent of a two-thirds majority decision of the Examining Committee.

21. EXAMINING COMMITTEE - DUTIES

- (a) Subject to the paramount authority of the Fellows at an Annual Private Meeting, the Examining Committee shall manage and determine all matters relating to the examination of candidates.
- (b) Candidates for Fellowship and Associateship shall be examined at such time as the Examining Committee shall decide. The Examining Committee shall fix the time and place for the examination of candidates and the form of the examination shall be at the discretion of the Committee.
- (c) The Examining Committee shall report the result of the examination to the Secretary and to the next following Annual Private Meeting.
- (d) No candidate may take more than three attempts at any module of the examination save with the express approval of the Committee of Management.
- (e) Before taking any examination every candidate shall pay the Association such fees for that examination as the Committee of Management may determine.
- (f) The election of successful candidates shall be announced at the next General Meeting of the Association following their election.
- (g) Successful candidates for Fellowship and Associateship shall be entitled to receive from the Secretary a diploma certifying that they have satisfied the Examining Committee as to their competence.
- (h) The diploma shall be in such form as may be approved by a meeting of Fellows.

22. SECRETARY - APPOINTMENT AND REMUNERATION

The Secretary shall be appointed by the Fellows at an Annual Private Meeting on the recommendation of the Committee of Management. The Secretary's duties and terms of employment shall be determined by the Committee of Management from time to time.

23. HONORARY TREASURER

- (a) A Fellow of the Association shall be appointed as Honorary Treasurer by the Fellows at an Annual Private Meeting on the recommendation of the Committee of Management.
- (b) The Honorary Treasurer shall be reimbursed by the Fellows for such expenses as may be incurred by him for the performance of his duties.
- (c) The Honorary Treasurer shall each year draw up a statement of the accounts of the Association and submit the same to the Annual Private Meeting.

- (d) Two Fellows shall be elected annually to act as Auditors to the Association's accounts.

24. SUBSCRIPTIONS

- (a) The subscriptions for the succeeding year for Fellows, Non-Practising Fellows, Associates, Representatives and Subscribers shall be fixed by the Fellows at an Annual Private Meeting, having in the meantime been considered and reported upon by the Committee of Management.
- (b) All subscriptions shall be due at the commencement of the year in respect of which they are payable, and no part thereof shall be returnable in any event.
- (c) If any subscription due for the current year shall remain unpaid six months after it has been demanded, a special notice shall be sent to the defaulter, and if the subscription remains unpaid for a further three months, the fact shall be reported to the Committee of Management and the defaulter shall thereupon cease to belong to the Association.
- (d) If any such defaulter shall subsequently pay his arrears of subscription in full, he may apply for re-admission. Such application shall be considered by the Committee of Management, who shall have power to accept the same or may refer it to the next Annual Private Meeting. If referred to an Annual Private Meeting such reapplication shall be voted upon by the Fellows in secret ballot.

25. AUTHENTICATION OF ADJUSTMENTS AND THE SEAL OF THE ASSOCIATION

- (a) Every adjustment and recommendation for a payment on account, issued by a Fellow, shall be authenticated by its bearing the original signature of the Fellow taking responsibility for the adjustment.
- (b) Adjustments, extracts of adjustments, recommendations for payments on account, and correspondence signed by a Fellow, may also bear the Seal of the Association. This Seal shall be in such form as may be approved by a meeting of Fellows.
- (c) The Seal may only be used by Fellows and shall not be used in any other circumstances without the prior approval of the Committee of Management.

26. PROFESSIONAL CONDUCT

- (a) Fellows and Associates shall conform to the highest standards of integrity and fair dealing in respect to their professional work and conduct and their relationship with each other.
- (b) Fellows and Associates in their professional practice as Average Adjusters shall at all times observe the aims and conform to the Rules of the Association, shall maintain strict

impartiality regardless of the interests of themselves, their employer or principal, or whoever has appointed them, and shall avoid conflicts of interest.

- (c) In particular a Fellow or Associate will be considered to be in breach of these standards if they, their agent or employee engages in any of the following activities:
 - (i) Giving, promising or receiving any reward or commission with a view to influencing the judgment or conduct of the recipient.
 - (ii) Offering to any person any abatement or discount from a fee.
 - (iii) Accepting instructions to adjust any claim or advise in connection with any property in which they may have an interest which is not disclosed.
- (d) If any complaint is brought against a Fellow or Associate for an alleged breach of these Rules, such complaint shall be brought before the Committee of Management, who shall refer it to a Sub-Committee consisting of two Fellows and a Representative or Subscriber to investigate the complaint and make recommendations to the Committee of Management.

27. CEASING TO BELONG TO THE ASSOCIATION

- (a) A Fellow shall cease to be a Fellow in any of the following circumstances:-
 - (i) Having been convicted by any Court of any offence involving fraud or dishonesty.
 - (ii) Having had a bankruptcy order made against him, or having compounded with or made any voluntary arrangements with his creditors.
 - (iii) Having, in the unanimous opinion of the Committee of Management, acted in any way which may bring the Association into disrepute.
 - (iv) Having been expelled from the Association or suspended from Fellowship by order of the Committee of Management or having resigned from the Association at the request of the Committee of Management.
- (b) A Fellow who has ceased to belong to the Association under Sub-Rule (a) may re-apply to the Committee of Management for Fellowship. The Committee of Management shall consider any such re-application and may refer it to the next Annual Private Meeting. If referred to an Annual Private Meeting, such re-application, subject to any conditions as may be considered proper, shall be voted upon by the Fellows in secret ballot.
- (c) A Fellow who has been suspended from Fellowship by order of the Committee of Management shall be re-admitted to Fellowship upon the expiry of his period of suspension unless he shall give notice to the Secretary that he does not seek re-admission to the Association.

28. ALTERATION OF RULES

- (a) The Fellows at a Private Meeting may rescind, alter and amend any of these Rules, and may approve any new Rules.
- (b) A resolution providing for any rescission, alteration or amendment of the Rules shall require a two-thirds majority of the Fellows present at the Meeting.
- (c) The Fellows at a Private Meeting may relax any Rule where literal compliance would cause hardship or injustice.
- (d) The Committee of Management may relax any Rule in accordance with the provisions of Rule 16(o).

29. GENERAL PROVISIONS

- (a) In these Rules, unless the context otherwise requires:
 - (i) Words importing the masculine gender shall include the feminine.
 - (ii) Words in the singular shall include the plural.
- (b) The year of the Association shall run:
 - (i) For the accounts of the Association, from the 1st day of April to the 31st day of March.
 - (ii) For all other purposes from the conclusion of the Annual General Meeting until the conclusion of the Annual General Meeting in the following year.