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**Item No. 13 (a) on the agenda:**

**Update on the publication of the Principles of Reinsurance Contracts (PRICL- Part I)  
and future work**

(prepared by the Secretariat)

<i>Summary</i>	<i>Report on the future development of the Project</i>
<i>Action to be taken</i>	<i>The Governing Council is invited to take note of the work of the PRICL Working Group following the publication of the Principles of Reinsurance Contract Law.</i>
<i>Mandate</i>	<i>Work Programme 2017-2019; renewed for Work Programme 2020-2022</i>
<i>Priority</i>	<i>Low</i>
<i>Related documents</i>	<i>UNIDROIT 2020 – C.D. (99) B.2; <a href="#">C.D. (98) 14 rev 2</a>; <a href="#">C.D. (98) 17</a></i>

**I. HISTORY OF THE PROJECT AND STATUS**

1. In July 2015 the Secretariat was approached by a group of scholars and practicing lawyers led by Professors Anton K. Schnyder and Helmut Heiss (University of Zurich, as "Lead Agency"), Martin Schauer (University of Vienna) and Manfred Wandt (University of Frankfurt), who were examining the feasibility of formulating "Principles of Reinsurance Contract Law" (PRICL). The purpose of the project was to formulate a "restatement" of existing global reinsurance law, which is largely embedded in international custom and usage, but is seldom the object of legislation. Beside the project leaders, the Working Group included well-known representatives from Belgium, Brazil, China, Germany, France, Great Britain, Italy, Japan, Singapore, South Africa and the United States. In addition, two advisory groups made up of representatives of the global insurance and reinsurance markets advised the research team. The project was financially self-sufficient since it received funding from the Swiss National Science Foundation, the German Research Foundation and the Austrian Research Promotion Fund.

2. The project leaders expressed the view that the proposed PRICL presupposed the existence of adequate rules of general contract law. Rather than attempting to re-create such rules, the

proposed principles had to be drafted in such a way as to ensure consistency between the PRICL and the UNIDROIT Principles of International Commercial Contract (UPICC) and, as a result, UNIDROIT was invited to participate.

3. At its 75<sup>th</sup> session on 1 December 2016 the General Assembly endorsed the recommendation of the Governing Council at its 95<sup>th</sup> session to recommend this topic for inclusion in the UNIDROIT 2017-2019 Work Programme with a low level of priority.

4. UNIDROIT has actively attended the project's workshops, with a view of supporting the use of the Principles as general contract law rules and explaining, be it the case, their content and interpretation.

5. Consistent with the announced timeline for the project, the PRICL – First Part (black-letter rules and comments) were presented to the Governing Council at its 98<sup>th</sup> session (Rome, 8-10 May 2019). The following topics were included: "Chapter I: General Part; Chapter II: Duties; Chapter III: Remedies; Chapter IV: Aggregation; Chapter V: Allocation". The relationship of the PRICL to the UPICC was expressly addressed and explained in the Introduction, in the provisions on the choice of the applicable law and gap-filling, as well as in the Comments to each Principle, particularly in the section on Duties and Remedies (for more details see GC Report 2019 - [C.D. \(98\) 17](#), 118 ff.). The Governing Council took note of the finalised version of the PRICL, commended their use of the UPICC as a model and as rules of general contract law, and authorised the Secretariat to refer to the text of the PRICL on the UNIDROIT Website once the publication was finalised (GC Report 2019 - [C.D. \(98\) 17](#), 129).

6. The Working Group formally finalised the publication of the first part of the project and in December 2019 the PRICL were published online and can be accessed as [Version 1.0 of 2019](#).

#### *Conferences and seminars*

7. On 10 May 2019, as a conclusive event to the 98<sup>th</sup> session of the Governing Council, members of the Working Group Professors Helmut Heiss (University of Zurich) and Diana Cerini (Milano Bicocca University) as well as Mr Lari Kuitunen (If P&C Insurance) and Dr Eberhard Witthoff (Munich Re Group) participated in a panel presenting the PRICL and their relationship with the UPICC. The presentations were published in the [Uniform Law Review \(Vol.25, Issue 1\)](#).

## **II. FUTURE WORK**

8. On 22 December 2018, the Secretariat was informed that the Working Group had received funding from the Swiss National Science Foundation and the German Research Foundation, which would support the project for another triennium (1 July 2019 – 30 June 2022), with the understanding that there would be no further prolongation after this period. The topics scheduled to be addressed are: "Chapter VI: Back-to-back-cover; Chapter VII: Non-contractual liability clauses; Chapter VIII: Termination and recapture; Chapter IX: Limitation periods". Due to the connections between a number of these topics and the UPICC, and the desirability of this second part of the PRICL to continue referring to the UPICC both in the general choice-of-law clause and in the specific black-letter rules and comments, the PRICL Working Group asked UNIDROIT to continue its involvement under the same conditions as before (i.e. in-kind contribution through participation of a representative in the biannual Working Group meetings).

9. This proposal was approved by the UNIDROIT Governing Council at its 98<sup>th</sup> session, and recommended for adoption by the General Assembly, who adopted the continuation of the project for the Work Programme 2020-2022.

10. The 7<sup>th</sup> PRICL Workshop was held in Zurich, Switzerland on 4-6 December 2019. The next Workshop, originally scheduled to be held in Bad Homburg on 22-24 June 2020, was however postponed to 17-20 March 2021 due to the Covid-19 pandemic.

11. In the meantime, the project team has created a new section of the [PRICL website](#) where they have posted non-official translations of the Principles. So far, the PRICL have been informally translated in Japanese, Spanish and Turkish. The website also includes a list of publications and presentations on the PRICL.

### **III. ACTION TO BE TAKEN**

12. *The UNIDROIT Secretariat would invite the Governing Council to take note of the progress of the project and its future development.*