## TABLE OF CONTENTS

*Foreword*  
*Preface*  
*Bibliography and Abbreviations*  
*Table of Cases*  
*Table of Legislation*

### PART I: OVERVIEW

#### CHAPTER 1: INTRODUCTION

A. The importance of private international law questions in (re)insurance disputes  
B. The common law approach  
C. The evolution of European private international law  
D. Characteristics of European rules of private international law  
   1. The essential nature of the rules  
   2. An overlay of social engineering in the rules: consumer protection, etc  
   3. The need for a common interpretative approach  
E. Approach and structure of this book  
F. Terminology

#### CHAPTER 2: HISTORICAL OVERVIEW OF THE EUROPEAN PRIVATE INTERNATIONAL LAW RULES

A. The harmonisation of EU jurisdiction rules  
   1. 1957 EEC treaty  
   2. 1968 Brussels Convention  
   3. 1971 Protocol on the European Court of Justice  
   4. 1972 UK joined the Community  
   5. 1978 UK signed the Brussels Convention  
   6. 1982 Greece signed the Brussels Convention  
   7. 1986 The Single European Act  
   8. 1988 Lugano Convention signed by EFTA countries and the Community  
   9. 1989 Spain and Portugal join the Brussels Convention  
   10. 1992 European Union (EU) created, and European Community christened, by the Treaty on European Union (the Maastricht Treaty)  
   11. 1992 European Economic Area (EEA) formed  
   12. 1994 Austria, Finland and Sweden joined the Brussels Convention  
   13. 1997 Treaty of Amsterdam amended the treaties of EC and EU  
   14. Brussels Regulation  
   15. 2001 Nice Treaty amended the treaties of EC and EU  
   16. 2003 Accession of ten new members to the EU and Brussels Regulation  
B. The harmonisation of EU choice of law rules  
   1. Development of the Rome Convention  
   2. The Insurance Directives  
   3. The future of the Rome Convention and insurance directives
CHAPTER 3: INTERPRETATION

A. Introduction 29
B. Autonomous interpretation 29
   1. Official Commentaries 31
   2. References to the European Court of Justice 32
   3. Other sources 34

PART II: JURISDICTION

CHAPTER 4: LEGAL REGIMES DETERMINING JURISDICTION 37

A. Introduction 37
B. Identifying the regime to apply 37
   1. Do the European rules apply? 37
      (i) Brussels Regulation 38
      (ii) Brussels Convention 39
      (iii) Lugano Convention 39
   2. European rules summary 40
   3. Reinsurance and insurance under the European rules 40
   4. Does the common law apply? 41
   5. Jurisdiction within the UK 41

CHAPTER 5: REINSURANCE JURISDICTION – BRUSSELS REGULATION 43

A. Introduction 43
B. Preliminary matters 43
   1. Is the subject-matter within the Brussels Regulation? 43
   2. Does another convention apply? 44
   3. Does Article 22 give mandatory jurisdiction? 44
   4. Has the defendant entered an appearance under Article 24? 47
C. Is there a choice of jurisdiction agreement under Article 23? 50
   1. Introduction 50
      (i) General effect of Article 23 51
      (ii) Development of Article 23 51
      (iii) Objectives of Article 23 53
   2. What approach should be adopted to decide if a jurisdiction agreement is within Article 23? 54
   3. Burden and standard of proof 56
   4. Is the jurisdiction agreement within Article 23? 59
      (i) Are the courts of a Member State selected? 59
      (ii) Is one or more of the parties domiciled in a Member State? 60
      (iii) Was the jurisdiction agreement made in connection with the legal relationship which is the subject of the dispute? 61
      (iv) Is a third party involved? 61
      (v) Have the formalities under Article 23(1) been met? 62
         Was the jurisdiction agreement made in writing? 63
         Was the jurisdiction agreement evidenced in writing? 67
         Was the jurisdiction agreement in accordance with the practices between the parties? 69
         Was the jurisdiction agreement in accordance with a usage in international trade? 69
      (vi) Article 23 may apply even if the contract is disputed 71
   5. What can be done if proceedings have been commenced in breach of a jurisdiction agreement? 73
      (i) If Article 23(1) applies to the exclusive jurisdiction agreement 73
      (ii) If Article 23(1) does not apply to the jurisdiction agreement 74
### TABLE OF CONTENTS

D. Is there jurisdiction based on the defendant's domicile under Article 2 or the operations of a branch under Article 5(5)?

1. Does the dispute arise out of the operations of a branch, agency or other establishment: Article 5(5)?
   (i) What is a branch? 76
   (ii) What are the operations? 79

E. Is there jurisdiction based on matters relating to a contract under Article 5(1)?

1. Introduction 79
   (i) General effect of Article 5(1) 80
   (ii) Development of Article 5(1) 81
   (iii) Objectives of Article 5(1) 81
   (iv) What approach should be adopted to decide if a claim is within Article 5(1)? 82
2. Is this a matter relating to contract?
   (i) Introduction 82
   (ii) What is a contract? 83
   (iii) Claims involving third parties
      - Subrogation 84
      - Contribution 86
      - Assignment 87
   (iv) Implied terms 88
   (v) Tort 88
   (vi) What if a party claims that the contract was not made or is not binding?
      - Contract not binding: the European cases 89
      - Both parties accept contract not binding 91
      - Claimant alleges no contract was made 91
      - Claim to avoid for non-disclosure or misrepresentation 93
      - Claim of breach of warranty 95
      - Claim for restitution 95
3. What is the obligation in question?
   (i) Claim by reinsured 98
   (ii) Claim by reinsurers 98
   (iii) What if there is more than one obligation in question? 99
4. What is the place for performance?
   (i) Claim by the reinsured 102
   (ii) Claim by the reinsurer 103
   (iii) What if there could be more than one place for performance? 103

F. Is there jurisdiction based on matters relating to tort under Article 5(3)?

1. Introduction 105
   (i) Development of Article 5(3) 105
   (ii) Objectives of Article 5(3) 105
   (iii) Approach to Article 5(3) 106
2. Is this a matter relating to tort, delict or quasi-delict?
   (i) Matters which relate to a contract 106
   (ii) Matters which relate to a tort, delict or quasi-delict 108
   (iii) Matters which do not relate to a contract or tort 109
3. What is the “place where the harmful event occurred”?
   (i) What is the relevant damage? 110
   (ii) What is the place where the damage occurred? 110
   (iii) What is the place of the event giving rise to the damage? 111

G. Is there jurisdiction in respect of a claim against a co-defendant, third party or counterclaim under Article 6?

1. Introduction 112
**TABLE OF CONTENTS**

(i) Development of Article 6 113
(ii) Objectives of Article 6 generally 113
(iii) Approach to Article 6 generally 113

2. Article 6(1): one of a number of defendants 113
3. Article 6(2): third party proceedings 115
4. Article 6(3): counterclaim 117

H. Is there jurisdiction to grant provisional or protective measures under Article 31? 118

I. Preventing conflicting decisions: declining jurisdiction, stay and anti-suit injunctions 120

1. Introduction 120
   (i) Development of section 9 121
   (ii) Objectives of section 9 122

2. Is there exclusive jurisdiction under Article 29? 123

3. Are there proceedings involving the same cause of action under Article 27? 123
   (i) Effect of Article 27 123
   (ii) Same cause of action? 124
   (iii) Same parties? 125
   (iv) When does the court become seised? 126
   (v) **Gasser.** The court second seised must always stay or decline jurisdiction in favour of court first seised (except if there is mandatory jurisdiction) 128
   (vi) **Turner:** No anti-suit injunction in respect of proceedings in another Member State 129

4. Are there related actions under Article 28? 130
   (i) Related actions? 130
   (ii) Stay or decline jurisdiction? 132
   (iii) **Owusu:** Can proceedings in a Member State be stayed in favour of a non-member state? 133

J. Jurisdiction within the UK under Schedule 4 of the Civil Jurisdiction and Judgments Act 1982 135

**CHAPTER 6: INSURANCE JURISDICTION UNDER THE BRUSSELS REGULATION** 137

A. Introduction 137
   1. Development of Section 3 139
   2. Objectives in interpreting Section 3 139

B. Who are the policy-holder, insured and beneficiary? 139

C. What matters relate to insurance? 140

D. Proceedings against insurer 141
   1. Domicile of the policy-holder, etc 141
   2. Domicile of the insurer 141
   3. Proceedings against leading insurer 142
   4. Liability and immoveable property insurance 142
   5. Jurisdiction agreements 143

E. Proceedings by insurer 143

F. Is there an effective jurisdiction agreement? 143
   1. Third parties 145
   2. Jurisdiction agreement post dispute 146
   3. Jurisdiction agreement conferring additional jurisdiction 146
   4. Jurisdiction agreement by insurer and policy-holder in favour of their own Member State 146
   5. Jurisdiction agreement with policy-holder not domiciled in a Member State 146
   6. Jurisdiction agreement in respect of ships, aircraft, goods in transit and connected risks 147
   7. Jurisdiction agreement in respect of large risks 148
## TABLE OF CONTENTS

**CHAPTER 7: REINSURANCE AND INSURANCE JURISDICTION AT COMMON LAW**  
151

A. Introduction  
151

B. Establishing (re)insurance jurisdiction without permission  
1. Introduction  
152  
2. Service within the jurisdiction on a foreign defendant  
153  
3. Submission to the jurisdiction  
154  
4. Jurisdiction under particular convention  
154

C. Establishing (re)insurance jurisdiction with permission  
1. Introduction  
155  
2. Procedure  
156  
3. Does the claim fall within CPR 6.20?  
(i) A good arguable case  
157  
(ii) Jurisdictional grounds  
159  
(iii) Injunction and interim remedy – CPR 6.20(2) and (4)  
159  
(iv) Third party claims – CPR 6.20(3)  
160  
(v) Claims relating to contract – CPR 6.20(5), CPR 6.20(7)  
161  
Was the contract made in the jurisdiction – CPR 6.20(5)(a)?  
162  
Was the contract made by or through an agent trading or residing in England – CPR 6.20(5)(b)?  
163  
Is the contract governed by English law – CPR 6.20(5)(c)?  
163  
Is there an English jurisdiction agreement – CPR 6.20(5)(d)?  
164  
Is the claim in respect of a breach of contract committed in England – CPR 6.20(6)?  
165  
(vi) Is the claim made in tort?  
165  
4. Are the merits of the claim sufficiently strong?  
166  
5. Should the court exercise its jurisdiction to give permission – is England the  
*forum conveniens*?  
(i) The basic approach to *forum conveniens*  
168  
(ii) Connecting factors and juridical advantages  
170  
(iii) Is there a *lis alibi pendens*?  
172  
(iv) Is there a jurisdiction agreement?  
172  
(v) Is there a claim for a negative declaration?  
175  
(vi) Illustrations of *forum conveniens* in reinsurance and insurance cases  
178  
Negative declarations  
178  
Issues of public policy and cases where the foreign court will not apply English law  
179  
The importance of English courts rather than foreign courts determining issues of  
English law  
181  
The relevance of multiple proceedings  
182

D. Challenging (re)insurance jurisdiction: setting aside, stay and anti-suit injunction  
1. Introduction  
184  
2. Will the permission to serve out of the jurisdiction be set aside?  
184  
3. Will a stay be ordered of English proceedings?  
185  
(i) Introduction  
185  
(ii) When should the court stay English proceedings for *forum non conveniens*?  
185

4. When can an anti-suit injunction be ordered?  
186  
(i) Introduction  
186  
(ii) Is there jurisdiction to grant an anti-suit injunction?  
187  
(iii) Should the court exercise its discretion to grant an anti-suit injunction?  
187  
The ends of justice  
188  
Is there an alternative forum?  
189  
Jurisdiction agreement  
189  
Other *forum non conveniens* cases  
191  
Comity  
191
TABLE OF CONTENTS

**E. Conclusions** 192
  1. Pursuing litigation in a foreign jurisdiction 192
  2. Pursuing litigation in England 193

**CHAPTER 8: REINSURANCE AND INSURANCE JURISDICTION IN ARBITRATION DISPUTES** 195
  **A. Introduction** 195
  **B. The jurisdiction of the English courts in relation to arbitration proceedings** 196
  1. The Arbitration Act 1996 196
  2. Proceedings brought in breach of an arbitration agreement 197
    (i) Proceedings before an English court 197
    (ii) Anti-suit injunction in respect of foreign proceedings 197
  **C. Application of the Brussels Regulation to arbitration disputes** 199
  1. The general approach 199
  2. The provisions of the Brussels Regulation 200
  3. What if the dispute is whether or not an arbitration agreement was made or binding? 200
  4. Incidental questions 201
  5. Priority in arbitration matters where more than one court is seised 202

**PART III: CHOICE OF LAW**

**CHAPTER 9: LEGAL REGIMES DETERMINING CHOICE OF LAW** 207
  **A. Introduction** 207
  **B. Identifying the applicable regime** 208
    1. Overview 208
    2. Scope of the Rome Convention 208
    3. The Insurance Directives 210
      (i) The meaning of “general” and “long-term” insurance 210
      (ii) Contracts of general insurance 211
      (iii) Contracts of long-term insurance 211
  **C. Limits to the applicable regime** 212
    1. The Rome Convention 212
      (i) Capacity 212
      (ii) Material validity 212
      (iii) Formal validity 214
      (iv) Interpretation 214
      (v) Performance 215
      (vi) Damages 215
      (vii) Extinction of obligations 215
      (viii) Limitation 215
      (ix) Consequences of nullity 216
      (x) Assignment 216
      (xi) Subrogation 216
      (xii) Procedure 217
      (xiii) Agency 218
    2. The Insurance Directives 219

**CHAPTER 10: REINSURANCE AND INSURANCE OF RISKS OUTSIDE THE EEA – CHOICE OF LAW AND THE ROME CONVENTION** 221
  **A. Overview** 221
  **B. Parties’ choice of law (Article 3)** 221
    1. Express choice of law 222
      (i) Incorporation of the choice of law clause 222
      (ii) Slips and subsequent policy wordings 223
(iii) Temporary cover 224
(iv) Express choice by reference 224
2. Choice demonstrated with reasonable certainty 225
(i) The nature of the test 225
3. Instances where the “reasonable certainty” test may be satisfied 226
(i) Examples in the Giuliano-Lagarde Report 226
(ii) Standard form contracts 227
(iii) Jurisdiction and arbitration clauses 228
(iv) Course of dealing between the parties 231
(v) Other factors not expressly considered in the Giuliano-Lagarde Report 231
(vi) Follow London clauses 232
(vii) Lead policies 232
(viii) The effect of insurance contracts on contracts of reinsurance 233
4. Restrictions on the parties’ choice: impossible choices 235
(i) Choice confined to the choice of the law of a given municipal system 236
(ii) “Floating” choice of law clauses 236
(iii) Dépecage 236
5. Proposals in the Rome I Regulation 237
C. Applicable law in the absence of choice (Article 4) 237
1. Introduction 237
2. The presumed law in insurance and reinsurance cases 238
(i) Stages (i) and (ii): Performance characteristic of the contract and the party effecting that performance 238
(ii) Stage (iii): Relevant territorial connection 239
3. Disregarding the Article 4(2) presumption: the effect of Article 4(5) 241
(i) Article 4(5) 241
(ii) Alternative tests for displacing the presumption 241
(iii) The case law 243
(iv) The application of Article 4(5) in reinsurance cases 245
(v) No characteristic performance in a (re)insurance contract 248
4. The proposed Rome I Regulation 248
D. Consumer contracts (Article 5) 248
1. The definition of a consumer contract 248
2. Effect of Article 5 249
(i) Article 5(2): continued application of mandatory rules 249
(ii) Article 5(3): non-application of Article 4 249
E. Displacement of the applicable law: Mandatory rules and public policy 250
1. Introduction 250
(i) Mandatory rules 250
(ii) Rules of public policy 250
2. Mandatory rules 250
(i) Two different types of mandatory rule 250
(ii) Article 3(3): non-excludable mandatory rules 252
(iii) Consumer contracts 253
(iv) Article 7: Overriding mandatory rules 253
(v) Mandatory and overriding statutes in (re)insurance cases 253
3. Public policy 255

CHAPTER 11: INSURANCE OF RISKS IN THE EEA: CHOICE OF LAW AND THE INSURANCE DIRECTIVES 259
A. The scope of the Insurance Directives 259
B. Overview 260
C. Non-life business 261
TABLE OF CONTENTS

1. Expression of choice 261
2. Extent to which the parties are permitted a choice 261
   (i) Large risks 261
   (ii) Non-large risks 262
   (iii) Policy-holder resident in the EEA State in which the risk is situated:
     Regulation 4(2) 262
   (iv) Policy-holder not resident in the EEA State in which the risk is situated:
     Regulation 4(3) 262
   (v) Policy-holder carrying on a business: Regulation 4(4) 263
   (vi) Insured risks limited to events occurring in one EEA State: Regulation 4(6) 263
   (vii) Other restrictions on the parties' choice: impossible choices 263
3. Applicable law in the absence of choice or valid choice 264
   (i) Where the policy-holder resides in the EEA State in which the risk is situated 264
   (ii) All other cases 264
   (iii) Identifying potentially applicable laws 264
   (iv) Identifying the country most closely connected with the contract 265
   (v) Rebutting the presumption 266
4. Displacement of the applicable law: mandatory rules and public policy 266
   (i) Non-excludable mandatory rules 266
   (ii) Overriding mandatory rules 267
   (iii) Public policy 268
D. Life business 268
   1. Express choice of the parties 268
   2. Restrictions on express choice 268
   3. Applicable law in the absence of choice 268
   4. Limits to the applicable law 269
E. Scope of the applicable law 269

CHAPTER 12: REINSURANCE AND INSURANCE: CHOICE OF LAW UNDER THE COMMON LAW 271
A. The scope of the common law 271
B. The approach at common law 271
   1. Introduction 271
   2. Application of the common law in (re)insurance cases 272
      (i) Express choice 272
      (ii) Implied choice 272
      (iii) Imputed choice 273
      (iv) Life insurance 273
      (v) Indemnity insurance 273
      (vi) Reinsurance 274
   3. Scope of the proper law 275
      (i) Contractual issues determined by reference to the proper law 275
      (ii) Limits on choice of law 275

CHAPTER 13: REINSURANCE AND INSURANCE: CHOICE OF LAW IN ARBITRATION DISPUTES 277
A. Introduction 277
B. The different choices of law issues which arise in arbitrations 277
C. The law governing the agreement to submit the dispute to arbitration 277
D. The law governing the reference to arbitration 278
E. The law governing the arbitral proceedings 278
F. The law governing the substance of the dispute 280
   1. Express choice of law 281
   2. No express or implied choice of law 283
APPENDIX 1: JURISDICTION MATERIALS
  APPENDIX 1.1 – Comparative Table of Brussels Regulation (EC) 44/2001 and Brussels Convention (1998) 287
  APPENDIX 1.2 – The Jenard Report 313
  APPENDIX 1.3 – The Schlosser Report 375

APPENDIX 2: CHOICE OF LAW MATERIALS
  APPENDIX 2.1 – Diagram: Identifying which legal regime applies 447
  APPENDIX 2.2 – Diagram: Applicable law under the Rome Convention 449
  APPENDIX 2.3 – The Contracts (Applicable Law) Act 1990 451
  APPENDIX 2.4 – The Giuliano-Lagarde Report 465
  APPENDIX 2.5 – The Insurance Directives 505
  APPENDIX 2.6 – Statutory Instruments made under the Financial Services and Markets Act 2000 533

Index 537