Preface

Business and society nowadays are in profound upheaval. Major changes occur on a constant basis, following events such as the 2008 credit crunch. Reinsurance is a vitally important sector of economy, which has undergone major changes in the past years. In spite of the currently ongoing financial upheaval, reinsurance has maintained its strong position in the insurance and reinsurance market and industry as well as in the world economic arena.

Due to various factors, arbitration is often the preferred approach for resolving reinsurance and other complex commercial business disputes. For this reason, most reinsurance contracts, especially reinsurance treaties, contain an arbitration clause requiring that disputes arising under the contract be resolved by arbitration.

But why is arbitration preferred? To name but a few reasons, firstly arbitration has been the traditional method of dispute resolution for reinsurance disputes for many decades. Secondly, insurance and reinsurance companies would rather have their disputes resolved by a panel of industry-related experts who will decide disputes based on industry custom and practice. Thirdly, traditional reinsurance arbitration clauses relieve the arbitrators from following the strict rules of law and specifically require the arbitrators to consider the reinsurance contract as an honourable engagement rather than a strict legal obligation. In addition, reinsurance arbitrations are also private, confidential proceedings that are not open to public or competitor scrutiny.

During the course of my research in the past years it became, too often, obvious that this was a book which was needed to be written. Notwithstanding the fact that the topic has been touched upon numerous times—albeit not comprehensively—the absence of any extended analysis of reinsurance arbitrations, for the benefit of both the worlds of legal academia and practice, was both notable and remarkable. Having said that, it needs also to be stated that it has been a highly rewarding subject to research and to analyse, and one which I hope will appeal more to others as a result of my effort to present it as a useful and important action. The challenge, as I saw it, was to produce a book which would, on the one hand, inform and interest legal academics yet, and on the other hand, provide a user-friendly, practical resource for busy arbitration practitioners. Though maintaining the balance

between a scholarly work and a practitioner text has at times proved delicate, the desired result—in my view always—has been achieved to a great extent. Along the way, this exercise has operated as a powerful practical demonstration of a point which many might acknowledge as a matter of theory, but is far too seldom put into practice, i.e. that each of the two worlds can benefit enormously from the wisdom and experience of the other.

The current monograph explores in-depth reinsurance arbitrations and issues that arise within their conduct. Before embarking on an in-depth analysis of reinsurance arbitrations, the history of reinsurance and the main features, aspects and functions of the reinsurance contract, with regard to its formation, interpretation and the arbitration agreement within it, are being discussed. The analysis of reinsurance arbitrations involves also a discussion of various issues, such as the reinsurance arbitration clause and the rules of its construction, the commencement and procedure of reinsurance arbitration, and the multiple issues to be discussed therein, as well as the reinsurance arbitration award and enforcement issues. Following the above, a critical discussion of the status of reinsurance arbitrations is conducted and general conclusions are being drawn.

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