

**Q1: Has the Regulation had any impact on the insurance policy of air carriers?**

***Do air carriers just comply with the minimum insurance requirements or do air carriers carry insurance above the minimum insurance requirements?***

**NO OPINION**

**Q2: What has been the economic impact of the Regulation on general aviation operators?**

When Regulation 785/2004 came into force, the option to adopt the lower figure of 100000SDR per passenger for non commercial operations by aircraft <2700kg was implemented in the UK. To the extent that many operators of light aircraft did not carry passenger cover or third party cover (including that arising from acts of war or terrorism etc) at the levels specified in the Regulation, introduction of these measures resulted in increased insurance premiums on operators of these aircraft. It has not been possible to determine a general level of premium increase for light aircraft due to the varied types of cover and levels of operation within this disparate sector. Over the past two years premiums have moved with market conditions and are currently lower than in 2005. Whilst increased premiums were the cause of some concern at the time, the imposition of minimum levels of third party and passenger cover are not seen as unreasonable. We would however suggest that categories 1, 2 and 3 (in Article 7) be merged and the minimum insurance of 0.75 million SDRs currently applied to Category 1 apply to the merged category. The requirement for cover arising from acts of war or terrorism is seen as inappropriate for all aircraft in categories 1,2 or 3 given the nature of operation of light aircraft. This issue is addressed in Q4 below.

**Q3: Does the insurance market provide reasonable cover for historic aircraft, taking into account the limited usage and relative low risk of third-party damage caused by such aircraft?**

***What could be a more appropriate and proportional insurance requirement for historic aircraft?***

The answer to this question is clearly no, but this would appear to be a function of the regulatory requirements rather than attitudes to risk within the insurance community. It is gratifying to see that the problems caused to the operation of historic aircraft by the Regulation are acknowledged and we would strongly recommend that the MTOM levels/minimum insurance cover are reviewed in collaboration with the various Historic Aircraft Associations and users in the community.

We would support the proposal for specific rules governing the operation of historic aircraft although detailed proposals are outside our remit or experience

**Q4: Is there still a need for the requirement for aircraft operators to have insurance cover for damage to third parties due to risks of war or terrorism in respect of non-commercial operations?**

The blanket requirement in Article 4 for third party cover to include 'acts of war, terrorism, hijacking, acts of sabotage, unlawful seizure of aircraft and civil commotion' is inappropriate in the case of light aircraft. Accidents in which such aircraft have struck buildings or other installation are thankfully very rare but where such events have occurred there has been no evidence of the widespread damage which might tempt the acts referred to in the legislation. As is acknowledged in the discussion document this is not surprising given the low mass and fuel or other payload carrying capabilities of such aircraft. Whilst Article 2 gives alleviation from the requirement for aircraft with a MTOM of <500kg used for non commercial purposes we would recommend raising this limit to 2700kgs.

***Q5: Is there a need to introduce specific rules for the insurance requirements for damage caused by unlawful interference while the aircraft is still at the airport in order to allow insurers better control over possible liability exposure?***

The issue of 'airport attack' is clearly not relevant to light aircraft used for non commercial uses for the reasons touched upon in Q4 and we would not wish to see any further constraints on these aircraft.

***Q6: Do air carriers licensed in third countries and aircraft operators using aircraft registered outside the EU usually deposit an insurance certificate or do they provide other documentation?***

**NO OPINION**

***What kind of documentation other than a deposit of an insurance certificate is provided by air carriers and operators and accepted as evidence of compliance by Member States?***

**NO OPINION**

***Q7: Would there be benefits of creating a universal EU insurance certificate for air carriers and aircraft operators?***

We believe this could have a benefit but we would not wish the owners of aircraft used for non commercial purposes to bear the cost of implementation.

***Q8: Which insurance requirements apply in Member States for the passenger liability in respect of non-commercial operations by aircraft with a MTOM of less than 2,700 kg?***

***Do different insurance requirements in these cases cause problems for aircraft operators?***

The lower figure of 100000SDR per passenger for non commercial operations by aircraft <2700kg has been adopted in the UK .

We are not aware of specific problems for operation of light aircraft used in non commercial operations caused by variable adoption of this lower limit by member states.

**Q9: Have there been any problems with the application of Regulation 889/2002?**

**NO OPINION**

**Q10: Is there a need to harmonise third-party liability rules for Community air carriers for risks linked to war and terrorist acts?**

**NO OPINION**

**Q11: Is the Regulation still necessary to ensure a level playing field with third country air carriers or would there be more effective alternatives, for example, in the context of Community aviation agreements with third countries?**

**NO OPINION**

**Q12: Would the insurance market be able to provide insurance coverage to air carriers in order to refund passengers for the sums paid and to cover the costs of repatriating passengers if the carrier is not able to operate the flight because of insolvency or revocation of its operating licence?**

**NO OPINION**

**Q13: Would additional insurance requirements be an appropriate instrument to protect passengers in such cases or are there other more effective and efficient means?**

**NO OPINION**

**Q14: Is there scope for simplification of the Regulation?**

**NO OPINION**

**Q15: Is it still seen necessary to have harmonised insurance requirements for non commercial aircraft operators?  
What would be the impact of exempting non-commercial aircraft operators from the scope of the Regulation?**

To the extent that harmonised insurance requirements in the European Union are proportionate to the nature of operations under consideration they may be considered useful. The concern with regard to the current requirements is that they were conceived to address issues within the field of commercial aviation but were applied across all sectors. This has led to inappropriate requirements on light aviation as discussed in other sections above.

If non commercial operators were now to be exempted from the scope of the Regulation this might lead to fragmentation of requirements with consequent barriers to cross border movement of light aircraft as may be seen in other areas of legislation.