



SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE

Aviation Professional Indemnity Insurance



- With over 1900 members in more than 100 countries, ITIC is the world's leading insurer for professionals who provide services to the transport industry.
- For more than 80 years ITIC has been providing transport industry professionals with insurance.
- The experienced ITIC team working in your sector knows your business.
- ITIC helps to identify problems before they become issues.

Who does ITIC cover?

Whatever transport service you provide, ITIC provides cover...

- ▶ Aviation brokers
- ▶ Aviation claims managers
- ▶ Aviation consultants
- ▶ Aircraft designers
- ▶ Air freight brokers
- ▶ Aviation loss adjusters
- ▶ Other aviation professionals

Policy highlights

- ▶ Worldwide professional indemnity (errors & omissions) cover
- ▶ Legal defence costs insurance
- ▶ Quality loss prevention advice
- ▶ Support from worldwide network of correspondents
- ▶ Discretionary insurance adjudicated upon by fellow transport industry professionals
- ▶ No external shareholders
- ▶ Mutual dividends paid at renewal over the last 14 years
- ▶ Underwritten with industry knowledge

The above list is merely to show examples of the areas ITIC covers. If your particular field is not included, just contact ITIC to discuss your needs.

Beijing | Bermuda | Hong Kong | The Isle of Man | London | New Jersey | San Francisco | Shanghai | Singapore | Sydney

ITIC
IS MANAGED
BY **THOMAS
MILLER**

For further information on any of the products, services or cover provided by ITIC contact Charlotte Kirk at:
International Transport Intermediaries Club Ltd, 90 Fenchurch Street, London EC3M 4ST.
tel + 44 (0)20 7338 0150 fax + 44 (0)20 7338 0151 e-mail ITIC@thomasmiller.com web www.itic-insure.com
© 2012 International Transport Intermediaries Club Ltd



SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE

Aviation Professional Indemnity Insurance

...because everyone makes mistakes

Any specialist within aviation and aircraft services, facing any day-to-day exposure to risk, can rely on ITIC to help mitigate the risk. To demonstrate potential liabilities in this sector, the following claims scenarios may be helpful.

➔ Aircraft Designer

Manufacturing problems always end up on the designer's desk

A designer of light aircraft was asked by an aircraft builder to design a single turbo prop aircraft, which was to be used for an air ambulance service between small islands off a coastal area.

The aircraft was designed and then built by aircraft manufacturers.

Following delivery, the end user discovered small cracks in the hull of the aircraft. The aircraft was repeatedly returned to the builder for repairs, but the cracks continued to reappear on the hull. Eventually, the end user decided to claim against the manufacturer for supplying a defective product.

In turn, the manufacturer claimed that there was nothing wrong with the build quality of the aircraft, but rather that it had been designed badly. The designer was therefore brought into the proceedings as a third party defendant (along with various other parties including the propeller manufacturers and the hull manufacturers).

Upon investigation, it became apparent that the cracks were caused by excessive vibrations in the hull.

Various theories for the vibrations were considered, but the most likely explanation was that the propeller was at fault due to unforeseen frequency resonations. This was something that the designers had considered and tested for, and they provided their calculations. However, as the hull was a completely new design, it did not resonate as had been predicted. Therefore, it was clear that the designer had not been negligent in the provision of his service to the manufacturer. Furthermore, there were certain reservations concerning both the weld quality of the hull by the manufacturer and the actual build quality of the hull material itself.

ITIC defended the designer successfully.

➔ Aviation Loss Adjuster

If a minor detail is missed, major problems follow

Underwriters instructed an aviation loss adjuster to investigate and handle a claim arising from the loss to an aircraft. After investigations, the loss adjuster concluded that the loss had been caused by mechanical engine failure.

The underwriters then commenced litigation against the engine manufacturers, on the basis of the loss adjuster's findings.

In their defence the manufacturers instructed an expert witness who countered the loss adjuster's allegations of mechanical failure. Nonetheless, the loss adjuster believed his investigation to have been without fault. The underwriters therefore continued with the litigation.

When the litigation was fairly advanced, evidence from the engine manufacturer's expert witness was disclosed, showing that the loss adjuster's theory on the engine malfunction was incorrect. Furthermore, this evidence had been available to the loss adjuster throughout the proceedings, but he had simply missed it.

The underwriters had no choice but to settle the claim on the best terms available. However, they had incurred substantial litigation costs, which they then sought to recover from the loss adjuster. Their claim alleged negligence on loss adjuster's behalf in either failing to see the evidence at the beginning, or failing to acknowledge incorrect findings once the defendant's expert report became known.

ITIC sought legal advice on behalf of the loss adjuster, and it became apparent that the loss adjuster was negligent in handling the investigation and claim. On this basis, ITIC settled the underwriters' claim.



Specialist professional indemnity insurance for transport professionals everywhere.

ITIC
IS MANAGED
BY **THOMAS
MILLER**

For further information on any of the products, services or cover provided by ITIC contact Charlotte Kirk at:
International Transport Intermediaries Club Ltd, 90 Fenchurch Street, London EC3M 4ST.
tel + 44 (0)20 7338 0150 fax + 44 (0)20 7338 0151 e-mail ITIC@thomasmiller.com web www.itic-insure.com
© 2012 International Transport Intermediaries Club Ltd