



SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE



FACT SHEET SERIES: 06

Aviation professionals

Specialist professional indemnity insurance

ITIC
IS MANAGED
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@ITIC insurance

Who does ITIC cover?

- Aircraft surveyors
- Aircraft sales and acquisition professionals
- National Aviation Authorities (NAA) and Aircraft Registries
- Air charter brokers
- Continuing Airworthiness Management Organisations (CAMO)
- Aircraft managers
- Approved Training Organisations (ATO)
- Aerospace designers and certifiers
- Aviation consultants

ITIC has wide experience in assisting aviation professionals to minimise the financial impact arising from such mistakes as:

- Negligent interpretation of statutory requirements
- Failure of the aircraft to meet the advertised technical specifications on delivery or re-delivery
- Unintentional exceedance of your authority, committing your client to additional and unauthorised costs
- Negligent aircraft design resulting in a delayed issuance of the aircraft's type certificate
- Provision of negligent advice

You don't have to make a mistake to be sued.

You could receive a claim even if you were not negligent in the provision of your services. ITIC insurance covers defence costs, which can be extremely expensive.

The team understands these problems and is here to help.



Any aviation professional will face day-to-day exposure to risk, but will be able to rely on ITIC to help reduce any potential hazards. To demonstrate potential liabilities in this sector, the following claims scenarios may be helpful.

Aviation technical consultant and manager

Right job, wrong man

An aviation technical consultant and asset manager was insured, amongst other activities, for the provision of aircraft engine borescope inspections.

They entered into a contract with a lessor for the borescope inspection of 37 engines. The engines were attached to a commercial widebody aircraft which had been re-delivered back to the lessor from a major aircraft operator. The engines were then put into storage in "as is where is" condition.

Upon completion of the inspections, but prior to the inspector issuing any "Release to Service" paperwork, the lessor became aware that while their inspector did have qualifications to perform borescope inspections generally, they did not have the specific qualifications needed for these engines.

They were therefore unable to issue the "Release to Service" of the engines. This meant that the lessor would have to have inspections performed again, and that all the substantial costs of carrying out these inspections were wasted. There was also the potential that the lessor could lose a potential sale of an asset due to the delay.

As the aircraft and engines were kept "preserved" in storage, the lessor incurred various costs getting them ready for inspection and putting them back into storage after the inspections. These costs included: the rental of an inflatable tent in which the inspections would be carried out, the transportation of the tents from Ireland to France (and vice versa), the un-preservation and re-preservation of the engines (engines that are not being used must be stored in corrosion preventive materials) and project management costs. The lessor's claim against the inspector was originally US\$641,071.

ITIC was able to negotiate this down to US\$417,878 in full and final settlement of the matter.

Policy highlights

- Worldwide professional indemnity (errors & omissions) cover
- Legal defence costs insurance
- Automatic cover for subcontractors
- Contractual risk management guidance
- Support from worldwide network of correspondents
- Discretionary insurance adjudicated upon by fellow transport industry professionals
- Quality loss prevention advice
- No external shareholders
- Mutual dividends paid at renewal
- Underwritten with industry knowledge

FACT SHEET SERIES: 06 AVIATION PROFESSIONALS



Air charter broker

Own goal

A broker arranged a charter to fly football fans from Madrid to Milan over a series of two flights. The total cost of the flights was US\$475,000.

As the aircraft was being prepared it was unexpectedly grounded. The following day the chartering contract was terminated due to the AOG ("Aircraft on ground") incident.

The air charter broker entered into a second chartering contract, again acting as agent. This contract was to carry out three return flights on smaller aircraft from Madrid to Milan. The return flight was stated as being "subject to availability". The total cost of the new flights was US\$917,000; US\$442,000 more expensive than the first flights.

The outbound flights went ahead without incident. However, the return flight was cancelled by the second operator. The air charter broker notified their client and reimbursed them US\$200,000, which was the cost of the return flight.

However, the client still had 500 football fans to return home. They entered into a third chartering contract for two return flights. This contract was arranged without the intervention of the air charter broker. These return flights were US\$172,000 more expensive than the previously cancelled flight.

The client sent a letter of claim to the air charter broker. They alleged that they breached their duty of care and that they had failed to perform their contractual duties. Indemnity was sought for all additional costs incurred by them in relation to the alternative flights operated, as well as reputational damage. The total claim came to just under EUR3.3m.

ITIC assisted in the defence of the air charter broker. Their general terms and conditions limited their liability, and stated that they could not be held responsible for direct or indirect losses resulting from the operation (or absence of operation) of any flights. It also excluded consequential damages.

It was held that the air charter broker had not been negligent and were not to blame for the failures of the operators of the aircraft. However, despite successfully defending the claim, they incurred legal costs of over EUR280,000. These costs were paid by ITIC.

Facts & figures at a glance

All figures US\$
All facts and figures correct as of 31st May 2025

Gross premium

\$76m

for the year

Claims paid

\$520m

since 1992

Members

3,741

Security rating

Backed by at least "A-" rated reinsurance programme

Worldwide insurance cover

ITIC is able to provide professional indemnity insurance, without restrictions, worldwide. An ITIC account executive is responsible for each country and will be your first point of contact. The ITIC team speaks French, Greek, Italian, Japanese, Mandarin, Russian and Spanish.

Credits paid

\$223m

surplus funds have been paid out to the members in the form of continuity credit since 1994

Disbursements & commissions

\$272m

of disbursements and commissions collected for members since 1992

Free reserves

\$289m

for ITIC and TIMIA combined

Annual premium

from **\$1,300**  **\$2.1m**

ITIC is committed to consistently providing competitively priced professional indemnity insurance (and related insurance covers) with valuable and high quality loss prevention advice to businesses servicing the marine, aviation and general transport industry. The ITIC team have a wealth of experience and knowledge.

36

Staff

A full time team to provide you with the best service possible.

16

Years

Average staff member's experience in the insurance/transport industry.

11

Years

Average staff member's time with ITIC. Several staff have over 25 years of service.

7

Lawyers

7 lawyers and a dedicated claims team.



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