ITIC
SPECIALIST PROFESSIONAL INDEMNITY INSURANCE

02



FACT SHEET SERIES: 02

Aircraft managers

Specialist professional indemnity insurance

ITIC
IS MANAGED
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Expert view

ITIC insures companies who manage aircraft in various capacities, on behalf of aircraft owners, operators and lessors. These include:

- Aircraft fleet managers, including those holding an AOC
- Aircraft lease managers
- Aircrew managers and agencies
- Aircraft technical managers, including CAMO
- Part-NCC compliance management
- Aircrew managers

ITIC has wide experience in assisting aircraft managers to minimise the financial impact to third parties arising from such mistakes as:

- Failure to keep aircraft records up to date
- Failure to monitor the operator's performance over the course of the lease
- Failure to spot breaches of flight time limitations ("FTL") regulation when scheduling crew rotations
- Unintentional exceedance of authority, committing a client to additional and unauthorised costs
- Failure to generate charter business for the aircraft on terms consistent with prevailing market conditions

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

As an aircraft manager you could receive a claim even if you were not negligent in the provision of your services. The claim's value will likely be many times in excess of your management fees. One of the functions of ITIC insurance is the cover of defence costs, which can be extremely expensive, even when you have no liability for the losses that are claimed.

The team understands these problems and is here to help.



Insurance requirements for aircraft managers

As an aircraft manager, you will already be aware that the aviation industry is inherently safety focused and risk-averse. However, this cannot eliminate the often catastrophic nature of aviation risk, which is mitigated through aviation regulations and the comprehensive range of insurance covers that are available in the aviation insurance market.

However, what about the losses that impact your bottom line and reputation, without hitting the headlines? Whereas aircraft hull and liability insurances are widely understood, professional indemnity (PI) insurance is less familiar to the aviation industry.

It is important to be aware of the nuances of the aircraft's insurance; if a third party incurs a loss because of your negligent acts, errors or omissions as an aircraft operator, and that loss involves damage to the aircraft or bodily injury to the crew or its passengers, the hull and liability is likely to respond. However, what if the loss is purely financial and you are held liable for these losses because of your negligent acts, errors or omissions in managing the aircraft? This is where a PI policy steps in.

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



Examples of claims against aircraft managers

- A technical manager appointed an MRO who did not hold the correct rating for the aircraft type. This resulted in a substantial AOG incident whilst the maintenance work was re-done. The lessee sought compensation for additional charter costs as an ACMI leased aircraft had to be used whilst the aircraft was undergoing remedial work.
- An aircraft experienced disruption to its charter operations after the manager scheduled crew without verifying their recent flight-time records. The resulting breach of flight-time limitation ("FTL") regulations led to allegations that the manager had failed to keep accurate records of prior flying engagements and had not exercised adequate operational oversight.
- A charter was arranged under the manager's delegated authority; however, the supporting documentation did not clearly evidence the owner's consent for that specific flight. When the charter generated less income than expected, the owners alleged that the manager had exceeded their commercial discretion and committed the aircraft at sub-market rates, giving rise to a claim for the resulting financial loss.
- A flight plan error by the manager led to a series of operational disruptions, including delays to departure, additional fuel burn and unexpected repositioning departure with no costs. Subsequent internal review showed that the manager had failed to check the suitability of the flight data that they used, making them liable for these additional costs.
- An aviation technical consultant was appointed by a lease manager to carry out borescope inspections on 37 engines. It was later discovered that the inspector lacked the specific qualifications required for that engine type. As a result, no Release to Service could be issued and the lessor had to repeat the inspections, incurring wasted costs and risking a lost sale. Additional expenses arose from the costs of un-preserving and re-preserving the engines and tent and equipment hire. The lessor's claim exceeded US$600,000, which ITIC negotiated down to US$400,000 in full and final settlement.

FACT SHEET SERIES

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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