

Q1.

Lithuanian air carriers were surveyed regarding the impact of Regulation 785/2004 on their insurance policies. The regulation did not have any impact on insurance policies of two largest Lithuanian air carriers – their insurance limits were higher even before regulation came into force. The most of smaller air carriers were established after the creation of the regulation, so their insurance policies were based on minimum requirements of the regulation. Despite this fact, some of the smaller air companies insure aviation based risks with higher amounts than indicated in the regulation.

Q2.

Negative, because:

1. The provisions of the Regulation are not based on the statistical data. Although there are no statistical data available on payment of compensations to the third parties (they are difficult to obtain due to a large number of the insurance companies and the particularities of their operations), the analysis of the aviation occurrences, incidents and accidents in recent years in Lithuania shows that the damage done to the third parties is relatively small and cases inflicting somewhat higher damage have not been revealed;

2. Disproportion between the threat and the fee of insurance. General aviation is a very wide group of aircraft encompassing aircraft of various types causing a different level of threat to the third parties. For instance, gliders due to their velocities, small weight, absence of fuel and prohibition to fly over densely populated areas inflict a minimum threat to the third parties. It is hard to imagine a case where a sailplane weighting a few kilograms and flying 100 km/hr over a village could cause a damage threat of 750 000 SDR (about €825 000) to the third parties. (Vehicles, even automobiles, are more dangerous in this respect). A similar situation is also with other light aircraft: powertrikes, paraplanes, light amateur made and vintage aircraft. Most frequent cases of damage are related to gliders and hot air balloons, such as damaged crops, frightened cattle.

3. A negative impact to safety. Comparatively large insurance expenses is one of the main reasons which makes the owners/operators of light aircrafts to avoid application for the certificate of airworthiness and registration. Illegal aircraft operations, absence of control increase a danger of accident and damage.

Q3.

No, it is not. Most vintage aircraft operated in Lithuania are light (under 2000 kg) and are not used intensively (mainly, on special occasions, for recreation or sport) with rather strict flight limitations (overloads, VFR flights, prohibition to fly over densely populated areas, etc. Their threat to the third parties is minimal and incomparable with commercial aircraft.

Q4.

We do not dispose with actual data, but consider that the risk of terrorism has not strong correlation with flight nature (whether it is commercial or not), so we support the requirement to have insurance cover for damage to third parties due to risks of war or terrorism in respect of non-commercial operations.

Q5.

Specific rules for damage caused by unlawful interference while the aircraft is still at the airport would allow insurers better control over possible liability exposure. Air companies also would benefit from such rules.

Q6.

Air carriers licensed in third countries are required to provide copies insurance policies complying with the regulation.

Q7.

Creation of universal EU insurance certificate for air carriers and aircraft operators would be beneficial and would simplify identification of compliance of certificate with the regulation. Also, there was a case, when Lithuanian CAA had received fake insurance certificate, due to this fact we consider that universal EU would help to avoid such cases in the future.

Q8.

Lithuania applies minimum 250 000 EUR passenger insurance sum for all aircrafts despite their MTOW.

Q9.

No

Q10.

We consider that there could be harmonize third-party liability rules for Community air carriers for risks linked to war and terrorist acts in order to have common rules in all community countries.

Q11.

A level playing field with third country air carriers set by the regulation in most cases is sufficient.

Q12.

We consider that insurance market would 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 revocation of it operating license, but it is not clear how financially it would effect air carriers and if it would not be too big burden for them.

Q13.

Additional insurance requirements would be one of appropriate instrument to protect passengers in such cases, but as mentioned before, it is not clear how financially it would effect air carriers and if it would not be too big burden for them.

Q14.

The regulation is clear and simple, so there is no need to simplify it.

Q15.

Despite the operation is commercial or not, the level of liability remains the same due to damaged caused may be the same during commercial and during non-commercial flights.

On the other hand, harmonized insurance requirements could not be needed for the non-commercial aircraft under 5700 kg MTOW (at least, up to 2000 kg). A probability of damage made by light aircraft in different states is very unequal. The possibility to get into some accidents for non-commercial air carriers is lower because of their flights are not as frequent as commercial. In addition, evaluation of damage is also different.

In this field consequences of exemption could be positive, but if exemptions would not be available this issue could be reflected in the level of premiums set by insurers.