

HELSINKI, 26.11.2007

European Commission
DG Energy and Transport
Internal Market, Aviation Agreements & Multilateral Relations
TREN-CONSULTATION-INSURANCE@ec.europa.eu

The Response of the Finnish Aeronautical Association to the Discussion Paper on Operation of Regulation (EC) 785/2004 on Insurance Requirements for Air Carriers and Aircraft Operators

Dear Sirs,

The European Commission has requested interested parties to comment on the operation of regulation (EC) 785/2004 on insurance requirements for air carriers and aircraft operators (hereinafter "Regulation"). The Finnish Aeronautical Association (hereinafter "FAA")^{1[1][1]} wishes to present its comments to the discussion paper.

The FAA considers the Regulation has had a negative impact on the leisure aviation in Finland. Firstly, the increased insurance requirements have increased the costs of leisure aviation. The insurance premiums have increased significantly after the entry into force of the Regulation. Secondly, after the entry into force of the Regulation the number of insurance providers has decreased in Finland. Basically all Finnish insurance companies have stopped selling aviation insurances for leisure aviation. Because of the decreased competition among insurance providers, it is not likely that the insurance premiums for leisure aviation would decrease in the future either. In addition, having insurance from a foreign insurance company may cause additional difficulties relating to, inter alia, language barriers, transaction costs, applicable foreign legislation and legal venues for possible disputes. Thirdly, based on the feedback the FAA has received from its members, it seems to be difficult for certain aircraft types (e.g. ultralight float planes and hot air balloons) to get the mandatory insurances even on the European market.

Therefore, the FAA wishes the Commission to reconsider the scope of application of the Regulation and especially the insurance requirements for non-commercial general aviation for aircrafts with MTOM of 2,700 kg or less. In the review of the Regulation, the Commission should reconsider the actual risks relating to non-commercial aviation with small aircrafts. The insurance requirements should be balanced with the risks involved. In addition, the FAA encourages the Commission to conduct a thorough impact analysis before any requirements are set for leisure aviation.

^{1[1][1]} The FAA is the national and central organization of sport aviation in Finland. The sphere of activity of the FAA includes ten different air sport disciplines: powered flying, gliding, experimental flying, ultralight flying, hang gliding, paragliding, parachuting, ballooning, ascending parachutes and aeromodelling. The FAA has over 260 member organizations (clubs) and about 10 000 members. The FAA is a member of the FAI (Fédération Aéronautique Internationale) and the Finnish Sports Federation.

Yours sincerely,

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secretary general

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