

**Discussion paper of Regulation (EC) 785/2004 on insurance requirements  
for air carriers and aircraft operators**

**Q1: Has the Regulation had any impact on the insurance policy of air carriers? Do air carriers just comply with the minimum insurance requirements or do air carriers carry insurance above the minimum insurance requirements?**

The level of liability limit bought by air carriers mostly depends on their size. Regulation does not have any serious effect for scheduled carriers, because all the aircraft that are in possession of the airlines are insured in accordance with the requirements of Lessors, which are usually higher than required by Regulation.

**Q2: What has been the economic impact of the Regulation on general aviation operators?**

The economic impact of the Regulation varied (see 1 question), but in common EC785/2004 did affect negatively the general aviation. Substantial growth of insurance costs has increased cost of flights that has lowered efficiency of transportations.

**Q3: Does the insurance market provide reasonable cover for historic aircraft, taking into account the limited usage and relative low risk of third party damage caused by such aircraft? What could be a more appropriate and proportional insurance requirement for historic aircraft?**

Though we do not have substantial experience in operating historical aircraft the general consideration would be that the insurance limits for such aircraft should be decreased.

**Q4: Is there still a need for the requirement for aircraft operators to have insurance cover for damage to third parties due to risks of war or terrorism in respect of non-commercial operations?**

Such need is to be questioned.

**Q5: Is there a need to introduce specific rules for the insurance requirements for damage caused by unlawful interference while the aircraft is still at the airport in order to allow insurers better control over possible liability exposure?**

We do have sufficient statistics to decide on the issue.

**Q6: Do air carriers licensed in third countries and aircraft operators using aircraft registered outside the EU usually deposit an insurance certificate or do they provide other documentation? What kind of documentation other than a deposit of an insurance certificate is provided by air carriers and aircraft operators and accepted as evidence of compliance by Member States?**

We regard the deposited insurance certificate as sufficient evidence.

**Q7: Would there be benefits of creating a universal EU insurance certificate for air carriers and aircraft operators?**

We are positive on this idea. It would introduce uniformity and would simplify control.

**Q11: Which insurance requirements apply in Member States for the passenger liability in respect of non-commercial operations by aircraft with a MTOM of less than 2.700kg? Do different insurance requirements in these cases cause problems for operators?**

N/A

**Q12: Have there been any problems with the application of Regulation 889/2002?**

No problems registered.

**Q14: Is there a need to harmonise third-party liability rules for Community air carriers linked to war and terrorist acts?**

Yes, it would be necessary but limits should be lowered.

**Q15: Is the Regulation still necessary to ensure a level playing field with third-country air carriers or would there be more effective alternatives, for example, in the context of Community aviation agreement with third countries?**

Inclusion of insurance issue in the Community aviation agreements with third countries would be an effective tool, though one could see difficulties with negotiating such issue.

**Q16: Would the insurance market 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 or revocation of its operating licence?**

The probability of such event is not so high to consider such issue. Apart of other factors it would place an additional cost on operators and, finally increase the fares for travellers.

**Q17: Would additional insurance requirements be an appropriate instrument to protect passengers in such cases or are there other more effective and efficient means?**

From one side such insurance requirements would not be an appropriate instrument, because airlines should not finance the passengers of those airlines which may become insolvent. From the other side such insurance will be the good tool of protection of the passenger but to estimate expediency of the given step it is necessary to know cost of insurance of such risk.

**Q18: Is there scope for simplification of the Regulation?**

N/A

**Q19: Is it still seen necessary to have harmonised insurance requirements for non-commercial aircraft operators? What would be the impact of exempting non-commercial aircraft operators from the scope of the Regulation?**

We do not see reason to cover commercial and non-commercial operations by the same regulation.