



# Airport Insurance Requirements and the Minimum Limit of Liability Question

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# Airport Insurance Requirements

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## THERE IS NO ONE “RIGHT” ANSWER

- **Everyone Using Your Airport Should Have Insurance**
  - Matter of Responsibility
  - Fairness to All Tenants
  - It’s in the Public’s Interest
- **But - One Size Does Not Fit All**
  - Airport or Tenants
  - Exceptions Need to be Made

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# Airport Insurance Requirements

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## THERE IS NO ONE “RIGHT” ANSWER

- Requiring a Minimum Limit of Liability is Not Enough
- Different Tenant’s Need Different Types of Insurance
  - You need to have specific wording
  - Updated Certificates of Insurance

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# Airport Insurance Requirements

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## THERE IS NO ONE “RIGHT” ANSWER

- **Your Insurance Broker Can/Should Help You**
  - They have knowledge of the insurance language you need/want
  - May be able to review certificates of insurance you receive
  - Can determine if an insurance placement meets local requirements
- **HOWEVER – Aviation Insurance and Non-Aviation Insurance Are Not Exactly the Same**
  - Subtle differences in the “language” and types of insurance available
  - Differences in the Certificates of Insurance issued
  - Aviation Insurance does not use standardized forms

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# Airport Insurance Requirements

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## CONSISTENCY / FAIRNESS

- **Every Airport of Every Size Should**
  - **Have a Written Insurance Requirements Document**
- **Will Need Some “Outside” Help to Develop/Update**
- **Would Definitely Include Language that Allows You “Flexibility” – When Desired**

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## BUSINESS SHOULD COME FIRST

- Insurance should not prevent you from doing business
- Insurance costs are dramatically increasing for your tenants
- Lowering the required limit of liability can often change you tenant's year from loss to profit
- It's your call

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# Airport Insurance Requirements

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## TRANSPORTATION RESEARCH BOARD

- **The National Academy of Science Sponsors the Transportation Research Board**
- **The Board's Mission is to:**
  - Facilitates the sharing of information on transportation practice and policy by researchers and practitioners
  - Stimulates research and offers research management services that promote technical excellence
  - Provide expert advice on transportation policy and programs; and disseminates research results broadly and encourages their implementation

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# Airport Insurance Requirements

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## TRANSPORTATION RESEARCH BOARD

- In October 2019 the Transportation Research Board issued a contract for a study of Airport Insurance Requirements



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## TRANSPORTATION RESEARCH BOARD

- The contract is for development of a comprehensive application that provides suggested minimum limits and insurance requirements by:
  - Airport Size
  - Type of Operator
- Review of current industry safety practices and these practices impact your insurance costs

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# Airport Insurance Requirements

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## TRANSPORTATION RESEARCH BOARD

- Develop a sample brochure that airports may provide to tenants and aircraft operators educating them as to the need for insurance requirements
- Approximately 15-month study duration
- Commitment by winning team to attend events, such as this, to publicize the outcome of the study

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# Airport Insurance Requirements

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## TRANSPORTATION RESEARCH BOARD

- Aviation insurance subject matter expert on two different teams who have bid the research contract
- Contract was to be awarded 2nd Quarter of 2020
- Due to current COVID-19 Pandemic the contract is still pending, and award date is unknown