Product: Aerospace Liability

Manufacturer Information

Product information

The aerospace liability insurance product provides coverage across a number of third party liability risks. The product is comprised of a number of optional core covers including public liability, care custody and control, and products liability as detailed below:

- **Public Liability:** liability to third parties for property damage and/or bodily injury at an aviation related/airport premises;
- **Care Custody & Control:** third party liability for property damage to aircraft that are in the care, custody or control of or under service by the insured (but not owned, operated or leased by the Insured)
- **Product Liability:** third party liability for bodily injury and/or property damage arising from a product of the insured's that is no longer in their care, custody and control.

A number of modular optional covers / extensions are available to meet different aviation business' needs including those covering activities such as grounding, fuelling and hangar keepers liability. This includes, but is not limited to:

- **War third party liability cover:** exclusion write back providing cover for third party injury, death or damage/loss of property resulting from war, civil war, strike, riot, acts of sabotage, aircraft hijacking and seizure;
- **Personal injury extension:** cover for third party liability incurred due to e.g. wrongful confinement;
- **Grounding liability:** loss of use of aircraft due to grounding (continuous withdrawal from flight operations);
- **Working parties liability:** liability for risks due to work or duties carried out away from the insured's premises;
- **Non owned aircraft liability:** liabilities associated with aircraft not owned by the insured (i.e. chartered or hired);
- **In-flight hangar keepers liability:** cover for aircraft in the care, custody and control of a contractor;
- **Fuelling liability:** cover for risks arising due to storage and supply of fuel and/or lubricants and/or hydraulic fluids and/or equipment related thereto.

The product has been designed to meet the needs of aviation businesses on a worldwide basis (excluding certain listed high risk territories) and may be purchased by aviation industry manufacturers and suppliers, maintenance and repair organisations, ground handling companies, refuellers and other related companies.

This product is also suitable for individuals who utilise a landing strip.

Target market

The Aerospace Liability product is specifically designed for businesses operating within the aviation and aerospace sector that require protection against third-party liability exposures. It targets organisations that manufacture, maintain, or support aviation operations and need comprehensive liability coverage tailored to their unique risk profile. Key characteristics include:

(1) Business Size & Type:
- Micro enterprises and small businesses within the aviation supply chain.
- Specialist aviation entities such as:
(a) Manufacturers and suppliers of airframes, engines, and components.
(b) Maintenance and repair organisations (MROs).
(c) Ground handling companies and refuellers.
(d) Fixed base operators and airfield operators.
(e) Flight safety, training, and audit enterprises.

(2) Insurance Profile:
- Core liability covers include:

(a) Public Liability – third-party bodily injury or property damage at aviation premises.
(b) Care, Custody & Control – liability for aircraft under the insured's care but not owned/operated by them.
(c) Products Liability – liability for injury or damage arising from products no longer in the insured's possession.
- Optional extensions available: War liability write-back, grounding liability, fuelling liability, non-owned aircraft liability, and working parties liability.
- Limits and deductibles tailored to the insured's operational scale and risk appetite.

(3) Customer Needs & Behaviours:
- Businesses seeking:
(a) Compliance with mandatory aviation liability requirements.
(b) Protection against financial exposure from third-party claims.
- Likely to value:
(a) Customisable coverage to reflect diverse operational risks.
(b) Ability to add modular extensions for activities such as refuelling or aircraft maintenance.
- Customers typically engage specialist brokers and expect clear guidance on complex liability structures.

(4) Geographic Scope:
- Distributed globally where Lloyd's is licensed, including UK, EEA, and selected international markets.

(5) Distribution Channel:
- Sold via regulated aviation specialist brokers through advised and non-advised processes.
- Distributed through Coverholders, Lineslips, and Open Market placements, ensuring suitability checks and compliance.

(6) Circumstances Where Product Delivers Greatest Value:
- For businesses exposed to:
(a) Third-party liability risks arising from aviation operations, maintenance, or product supply.
(b) Situations where a single claim could significantly impact financial stability.
- Particularly valuable for: Organisations requiring bespoke liability solutions beyond standard commercial liability policies.

This product appeals to aviation and aerospace businesses that prioritise risk management and regulatory compliance, offering flexible liability protection tailored to complex operational exposures.

Types of customer for whom the product would be unsuitable

The Aerospace Liability product is designed for aviation and aerospace businesses with specific liability exposures. It would not be suitable for:

(1) Individual Consumers
- Private individuals acting in a personal capacity.
- This product is strictly for commercial entities and sole traders acting as a business, not for personal or household liability needs.

(2) Non-Aviation Businesses
- Organisations outside the aviation or aerospace sector, such as: Retail, hospitality, or general manufacturing businesses.
- Customers without aviation-related liability exposures (e.g., no involvement in aircraft manufacturing, maintenance, or ground handling).

(3) Customers Operating in Prohibited Jurisdictions
- Businesses requiring cover for activities in excluded territories (e.g., certain sanctioned countires or jurisdictions out of appetite).

(4) Customers Expecting Comprehensive Cover Beyond Aviation Risks
- Businesses seeking:
(a) General commercial liability unrelated to aviation operations.

(b) Cover for employee injury, business interuption or physical damage to property owned by the insured (these are excluded under standard terms).

(5) Customers Requiring Simplified or Mass-Market Insurance
- Entities that do not have the specialist risk profile or operational complexity associated with aviation liability.
- This product is complex and modular, requiring tailored underwriting and broker expertise.

The product is not appropriate for individuals, non-aviation businesses, customers operating in excluded territories, or those seeking general liability cover. It is designed as a specialist solution for aviation and aerospace organisations managing complex third-party liability exposures.

Any notable exclusions or circumstances where the product will not respond

Common exclusions under Aerospace Liability policies include, but are not limited to:

- Contractual liability;
- Injury to employees;
- Property belonging to, or in the care, custody or control of the insured;
- Road traffic liability;
- War and allied perils;
- Noise and pollution;
- Inefficacy;
- Nuclear risks;
- Advertising and promotional activities;
- Data recognition;
- Asbestos.

(ii) Limits of liability:
Individual limits in place for each liability cover selected negotiated on the basis of the insured's specific needs and stated in the policy schedule. Limits may be applied on an occurrence basis either individually per cover or as a combined single limit across all coverages.

(iii) Excesses
Excesses and deductibles are selected by the insured based on their specific needs, and are stated in the policy schedule.

Other information which may be relevant to distributors

This product should be sold in line with FCA regulations and can only be sold by a regulated insurance distributor.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub broking), it is their responsibility to ensure all distributors have been provided this document, have reviewed it and understand the content. If there is any additional remuneration, including commissions, fees or other 'non-standard' remuneration charged to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full.

Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.

This product can be sold face to face, via telephone, electronic communications or a mix of these methods, as long as customers are provided with sufficient information to make an informed decision regarding the suitability of the product.

This product can be sold with or without advice in line with FCA regulations or local regulations if the distributor is regulated outside of the UK.

Commission & Fees

If there is a coverholder in the chain, they are expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement.

The coverholder is expected to maintain oversight of all broker commissions (where applicable) and, where there may be a risk to product value, remedial action should be taken immediately including notification to Tokio Marine Kiln.

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

Where there are any fees charged by any member of the distribution chain these should be:

- commensurate with the service provided by the distribution.
- not have an adverse impact on customer value; and
- distributor should ensure that TMKS is made aware of the fee amount and/ or method of calculation.

How value is assessed

Value is assessed based on a number of metrics, including underwriting, claims and complaints information as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	August 2026
Expected date of next assessment	August 2027