



Product: Group Loss of Licence and Disability Income

Manufacturer Information

Product information

Group loss of licence and disability income insurance is an insurance product that has been designed to be purchased by airlines, general aviation operators, professional associations and/or staffing agencies to cover 'insured crew members' against disability, injury and/or illness which results in that individual's inability to undertake their role, by virtue of the fact that they have been unable to maintain their medical certificate/licence to fly.

This form of Personal Accident/Income Protection cover is distinct to aviation professionals, such as pilots, air traffic controllers and other aviation related staff, as they must maintain a medical certificate and/or licence to fly, which is only granted on the basis of stringent examination of the individual's physical and mental state. Injuries or illnesses that could be less consequential to other professions, for example office workers who may be able to return to working more quickly following injury/illness, can often cause significant long-term issues for aviation professionals, who will not be able to have their license reinstated until they pass a thorough medical examination.

The product provides a fixed benefit payout where an insured crew member suffers injury/illness that causes them to not be able to maintain their medical certificate on either a temporary or long-term basis. This is intended to cover financial loss (loss of earnings) associated with loss of medical certificate subject to a specified 'waiting period.' Structure of these benefits is selected by the insured 'group' e.g. airline and tailored to meet specific requirements of the group and its members. Aviation professionals are well aware of the impact that injury/illness can have on their ability to work and generally take specific interest in ensuring that they have cover in place (through an airline, association or on an individual basis). Airlines/associations and agencies often purchase the product as a key part of their benefits package to attract and retain employees by ensuring security is in place to protect their earnings.

Target market

This product is specifically designed for aviation organisations that need to protect their crew members against financial loss if they are unable to maintain their licence or medical certificate due to illness or injury. It supports airlines and aviation employers in fulfilling their duty of care and providing income security for critical personnel. Key characteristics include:

(1) Business Size & Type:

- Commercial airlines, general aviation operators, pilot associations, and aviation staffing agencies.
- Applicable across small, mid-sized, and large aviation businesses, including those managing fleets or specialist aviation services.

(2) Insurance Profile:

- Group policy covering licensed aviation professionals, including:
 - a) Commercial pilots.
 - b) Air traffic controllers.
 - c) Cabin crew.
- Provides:
 - 1) Long-term inability to fly benefits (up to 100% of the maximum sum insured, typically capped at 3x annual salary).
 - 2) Temporary inability to fly benefits (monthly payments up to 75% of pre-disability earnings after a waiting period).
- Optional extensions:
 - a) Mental and behavioural disorders cover.
 - b) Cyber-related injury/illness cover.

(3) Customer Needs & Behaviours:

- Organisations seeking:
 - a) Employee benefit solutions to attract and retain skilled aviation professionals.
 - b) Financial protection for crew members whose ability to work depends on maintaining strict medical standards.



- Likely to value:
 - a) Certainty and clarity in cover triggers (loss of licence is objectively determined by aviation authorities).
 - b) Flexibility to tailor benefit structures and waiting periods to align with internal policies.
- (4) Geographic Scope:
 - Distributed globally where Lloyd's is licensed, including UK, EEA, and selected international markets.
 - Not available in restricted territories (e.g., USA, Russia, Afghanistan, Iran, etc.).
- (5) Distribution Channel:
 - Sold via aviation specialist brokers through advised processes.
 - Typically placed on Lineslip or Open Market basis, ensuring suitability checks and compliance with aviation-specific requirements.
- (6) Circumstances Where Product Delivers Greatest Value:
 - When an aviation professional:
 - a) Suffers illness or injury preventing renewal of their licence or medical certificate.
 - b) Faces extended or permanent inability to fly, resulting in significant income loss.
 - Particularly valuable for:
 - a) Airlines and operators seeking to mitigate workforce risk and maintain operational resilience.
 - b) Pilot associations offering member benefits to enhance retention and welfare.

This product appeals to aviation organisations that prioritise crew welfare and operational continuity, offering structured financial protection for licensed professionals whose ability to work depends on maintaining medical certification.

Types of customer for whom the product would be unsuitable

The Loss of Licence (Aviation) product is designed for aviation organisations covering licensed professionals against income loss due to inability to maintain their licence or medical certificate. It would not be suitable for:

- (1) Individual Consumers
 - Private individuals seeking personal accident or income protection cover.
 - This product is structured as a group policy, not for standalone individual purchase.
- (2) Non-Aviation Professions
 - Any group policyholder seeking to insure persons not engaged in aviation roles such as:
 - a) Commercial pilots.
 - b) Air traffic controllers.
 - c) Cabin crew.
 - Cover is specifically tied to the loss of an aviation licence or medical certificate.
- (3) Pilots Without Required Licences
 - Pilots who do not hold a valid commercial pilot's licence or equivalent certification.
 - Individuals who cannot meet regulatory medical standards at inception.
- (4) Customers Expecting Comprehensive Health or Disability Cover
 - Organisations or individuals seeking:
 - a) Full medical expense coverage.
 - b) Broader disability income protection beyond aviation-related licence loss.
 - This product is specialist and limited to aviation licence loss scenarios.
- (5) Residents or Risks in Restricted Territories
 - Policyholders or insured persons domiciled in prohibited jurisdictions (e.g., USA, Russia, Afghanistan, Iran, North Korea, etc.), or where Lloyd's is not licensed.

The product is not appropriate for individuals, non-aviation professions, pilots without valid licences, customers seeking general health/disability cover, or risks in restricted territories. It is designed as a specialist solution for aviation organisations managing workforce risk linked to licence dependency.


Any notable exclusions or circumstances where the product will not respond
Exclusions

- Deliberate attempt to sustain injury or illness;
- Criminal act;
- Active duty with any armed force;
- Pre-existing conditions;
- Pregnancy or childbirth;
- Breach of sanctions/restrictions imposed by law / regulation;
- Disclosure and accuracy of information / change of circumstances that are notified.
- Injury or illness derived from Cyber Acts will be excluded where not specifically selected by the policyholder at the point of purchase;
- Mental and behavioural disorder will be excluded where not specifically selected by the policyholder at the point of purchase.

Other Restrictions / Conditions

- Long Term Inability to Fly
 - Age related restrictions on cover are applicable, a maximum age limit is stated in the schedule beyond which, benefits will not be payable. It is noted that benefits reduce by 20% for each year commencing 5 years prior to the insured crew member reaching the maximum age limit.
 - Benefits will not be payable where an insured crew member dies within 30 days of the start of disability.
- Temporary Inability to Fly
 - The policy pays out subsequent to the waiting period as long as the crew member remains disabled;
 - The policy will not pay more than 75% of pre-disability earnings of the insured crew member and this is reduced by any other benefits, insurance held;
 - Age related restriction are applicable;
 - Benefits stop where a crew member ceases to be employed for reasons other than the disability or if they attain the maximum age limit, the maximum benefit period expires, a payment for long-term inability to fly becomes due, or due to death.

Limits of Liability / Excesses

The main limits of liability utilised relate to:

- Waiting period. The waiting period refers to a period of time selected by the insured (60/90/180 days) that must be exceeded before the policy will start paying out monthly temporary inability to fly benefits. The limits TMK's exposure as it does not have to pay benefit amounts during the waiting period, and when the waiting period has elapse, the insured crew member will generally be closer to a point of recovery, than at the initial point that illness or injury has occurred. Waiting period is a key rating factor and significantly impacts price; the product is intended to kick-in at a point in time where the insured's self-insured retention has expired (i.e. the insured will generally be expected to be making payments to the insured crew member themselves during the waiting period);
- The Policy Schedule contains a schedule of insured crew members and specifies a salary and maximum sum insured for each named person. If the policy responds, it will only respond for each individual up to a % of the stated maximum sum insured e.g. long term inability to fly = up to 100%, and temporary inability to fly = on average 2% per month;
- There are no excesses / deductibles.

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.

Distributors are expected to fully understand the eligibility criteria, covers and exclusions of the product.

This product can be sold face to face or via telephone 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.

Commission & Fees

Total commissions must not exceed 35% of the gross written premium charged to the customer.

No additional fees, charges or other remuneration arrangements are in place.

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.

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	April 2026
Expected date of next assessment	April 2027