

MARKET BULLETIN

REF: Y4209

Title Issuance of Proof of Insurance to the German Office of Civil Aviation (Luftfahrt-Bundesamt)

Purpose New procedures for underwriting of German aviation business

Type Event

From Cameron Murray, Senior Manager, International Regulatory Affairs
International Market Access

Date 28 November 2008

Deadline With effect from 1 January 2009

Related links

Background

Underwriters of German aviation business will be aware that at present the Luftfahrt-Bundesamt (LBA) requires that a proof of insurance document (attached) be completed by the underwriter/coverholder and presented to the LBA with the requisite insurance documentation.

However, the LBA has approached us on a number of occasions and expressed its concerns that the proof of insurance provided by Lloyd's underwriters/coverholders does not provide it with sufficient certainty and comfort that the insurance is placed at Lloyd's. Further, the LBA finds it difficult to reconcile syndicates and coverholders to Lloyd's. As a result the LBA has requested that a more robust system be implemented. Separately, we have been made aware by market participants involved in German aviation insurance that as a consequence of this issue, insurance coverage has occasionally been delayed.

Lloyd's has discussed this matter with the LBA and a new procedure has been agreed that will provide the LBA with greater comfort and assist in accelerating the process of insuring German aircraft. We would kindly request the cooperation of managing agents.

Procedure for open market business and certificates of insurance issued by coverholders located outside Germany

Lloyd's will be providing the LBA with a letter confirming that each managing agent on behalf of its syndicate(s) is authorised to issue, or to delegate to the placing broker or its authorised coverholder issuance of, the requisite proof of insurance. In order that the LBA can verify the proof of insurance, it will, with effect from 1 January 2009, require either the broker or the coverholder to submit on behalf of the lead underwriter a copy of this letter along with the proof of insurance document.

This letter will be sent to the Compliance Officer of each managing agent shortly.

It is recommended that managing agents reference and keep a record of each letter issued in order to monitor its distribution and use.

Procedure for coverholders located in Germany

With regard to coverholders located in Germany, in order to simplify the process, Lloyd's General Representative, Burkard von Siegfried, will provide the LBA with confirmation of those coverholders authorised by Lloyd's managing agents to bind German aviation business. This letter will confirm the binding authority reference number, inception and expiry date and syndicate participation. The LBA will, therefore, have Lloyd's German coverholder details readily available and will not need to see a copy of the aforementioned letter when receiving the proof of insurance.

Further Information

If you require additional information or wish to discuss this matter in more detail, please contact initially:

Lloyd's International Trading Advice
Lloyd's Desk, Ground Floor, Underwriting Room
Telephone: 020 7327 6677
Email: LITA@Lloyds.com
www.lloyds.com/crystal

Proof of Insurance
in accordance with § 106 combined with § 102 LuftVZO
(Air Navigation Certification Order)
for Aircraft Registration and Certification with the
Luftfahrt-Bundesamt
(Third Party Liability Insurance for Aircraft Operators)

We herewith certify that
name and address of insurance company

for a third liability insurance
name of the operator

under the contract number pursuant to § 102 subparagraph 1
number of policy

LuftVZO (air navigation certification order) to cover personal injury and damage to property arising

during the operation of the aircraft
type, serial number, registration mark and maximum take-off mass (MTOW)

to third persons not carried aboard the aircraft has been concluded

as from
date

The insurance sum is in compliance with the conditions of the Regulation (EC) No 785/2004 of 21 April 2004 combined with § 102 subparagraph 2 LuftVZO.

Concerning the operation of an aircraft for the purpose of § 102 subparagraph 3 LuftVZO we certify at the same time that the insurance contract meets the requirements.

In case the insurance cover is interrupted or is not extended beyond the period mentioned above we will be obliged pursuant to § 102a LuftVZO to immediately inform notify the Luftfahrt-Bundesamt.

We declare that we are authorized pursuant to § 105 LuftVZO to carry on business as an insurance company in Germany.

.....
Date of issue

.....
Signature and stamp of the insurance company or of the
lead insurance company

To:
Luftfahrt-Bundesamt
Referat B5
Postfach 3054
38020 Braunschweig