

## What is APS?

Aviation and aerospace professionals such as auditors, engineers, safety experts, consultants, maintenance providers, FBOs and aircraft sales dealers face exposure to losses resulting from allegations of professional misconduct. Damages may be awarded for financial loss to a third party even in the absence of an accident causing bodily injury or property damage. Our **Aviation Professional Services (APS) Liability insurance policy** provides these professionals with protection from this exposure.

## Policy Features

We live in a fast-paced business world where mistakes can and do happen. Most aviation professionals already have insurance protecting them from claims for bodily injury or property damage arising from “occurrences” resulting from their aviation activities.

Our policy does not replace the traditional aviation liability policy, but compliments it by responding when a claim is made that the policyholder committed a “wrongful act”, as defined in the policy, that resulted in damages other than bodily injury or property damage. An inadequate pre-purchase inspection or improper advice concerning an engine overhaul are wrongful acts to which the professional services liability policy would likely respond. With this coverage gap filled, the aviation professional enjoys comprehensive protection.

## How much coverage is available?

- Limits of Liability from USD 1,000,000 up to USD 10,000,000
- Multiple deductible options
- Various endorsements to enhance coverage, if required.

**To learn how aviation businesses can benefit from Aviation Professional Services Liability insurance, contact your producer or our specialty underwriters directly:**

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Our APS policy can also incorporate standard aviation coverages, making the product even more valuable to policyholders.

Aviation professional services liability insurance policies are among the newest types of offerings in the aviation and aerospace industry. Consequently, many aviation professionals are unfamiliar with the product. To help clarify, some commonly discussed scenarios are presented below.

## Scenario 1: Engineering Firm's Error Results in Loss of Use Claims

An engineering firm is retained to review an airport commission's design of a bridge over part of a taxiway at its airport. The engineering firm approves the design. The bridge is constructed in accordance with the design, but because of its height, certain aircraft cannot pass beneath it.

The engineering firm's approval of the improper design of the bridge is a wrongful act arising out of the rendering of or failure to render professional services. The Professional Services Liability insurance will apply to financial losses that the firm becomes legally obligated to pay as damages arising from claims made by certain third parties, such as:

1. owners of large aircraft who have to alter their routes while taxiing, using more fuel than in the past, and
2. the airport commission, for expenses incurred by reassigning gates in an attempt to accommodate some airlines.

Note that the Professional Services Liability insurance will not apply to property damage suffered by an aircraft due to an unsuccessful attempt to pass under the bridge. Property damage is excluded under the Professional Services Liability policy.

## Scenario 2: Inaccurate Repair Assessment Causes Claim

An aircraft dealer performs pre-purchase inspections of aircraft not in its inventory and makes service, repair, and other recommendations, but does not perform any of the work. The dealer does an inspection but fails to notify a client of an Airworthiness Directive relating to the aircraft's landing gear. The client purchases the aircraft and soon learns of the Airworthiness Directive. The client decides to sell the aircraft but receives less than was paid.

The failure of the aircraft dealer to notify the client of the Airworthiness Directive is a wrongful act arising out of the rendering of or failure to render professional services. The Professional Services Liability insurance will apply to financial losses that the dealer becomes legally obligated to pay as damages to the client resulting from the sale of the aircraft.

## Scenario 3: Engineering Firm's Failure to Secure Confidential Information Causes Claim

An engineering consultant provides aerodynamic calculations and CAD work related to the design and development of a new jet aircraft for a manufacturer. An employee of the engineering company leaves a folder containing confidential documents in a taxi during his journey to work. Extracts of these documents appear on a blog on the internet, forcing the manufacturer to publicly respond. The manufacturer, in turn, makes a claim against the engineering company for commercial loss stemming from the leak of confidential information.

The failure of the engineering consultant to protect confidential material is a wrongful act arising out of the rendering of or failure to render professional services. The Professional Services Liability insurance will apply to financial losses that the engineering company becomes legally obligated to pay as damages to the manufacturer resulting from the wrongful disclosure.

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