

# KARACHI INSURANCE INSTITUTE

## The handling of a major aircraft accident

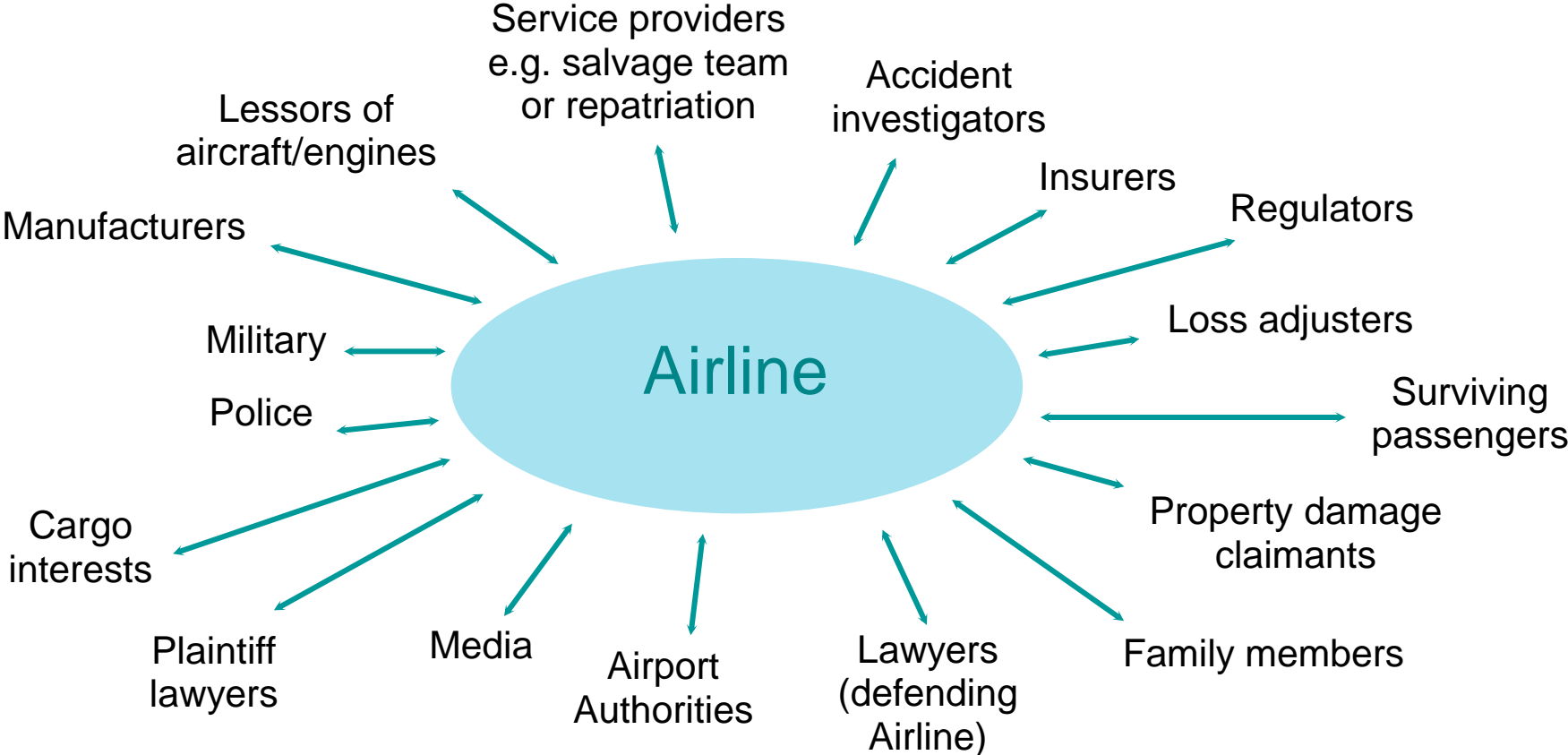
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# Insurance Coverage

- Airlines have **insurance coverage** protecting the airline's **legal liability** position “**vis-à-vis**” passengers and third parties.
- This cover is for **death, bodily injury** or **property damage** arising from an occurrence covered under this policy.

# For airlines just look at who might be involved after a major loss!



# How do insurers deal with the problems?

Insurers do **NOT** get involved directly

Appointment of outside experts:

- Lawyers
- Adjusters
- Specific experts e.g. Pollution/Contamination
- Psychological teams
- Medical experts
- Specialist teams re. Mass burial/funerals, body identification and repatriation.

## The role of the lawyer

- Appointed by Insurers to represent interests of Insured and Insurers asap after an accident
- Insurers retain claims control
- Investigate the circumstances and report via Marsh to Insurers on the extent of liability and nature of potential claims in order to comply with policy conditions
- Manage claims and their settlement worldwide
- Marsh will negotiate request for funds with Insurers and lawyer holds funds to facilitate handling of claims and settlement process
- Advise in relation to ICAO air accident investigation under Annex 13 of International Civil Aviation Convention

## Information Gathering to collect and preserve evidence

- Aircraft type
- Certificates of Airworthiness and Registration
- Maintenance records
- Weight and balance schedule
- Crew  
licenses/medicals/ratings/checks/training records
- Crew hours - total/type/90 days/30 days/24 hours
- Load/trim sheet
- Cargo details
- Passenger/cargo manifest - passenger contracts.

## Information Gathering to collect and preserve evidence...continue

- Crew details
- Flight Plan
- Weather en route/destination actual/forecast
- Airport charts & Enroute charts - Jeppesen
- Details of aircraft ownership i.e. leases/liens etc
- Ascertain cause if possible
- Ground Handling Contracts
- Charter Agreements

## Reporting to insurers

- Issue report to Marsh with all information regarding loss
- Potential conflict re Airline's duty of confidentiality re Annex 13 investigation and duty to inform Insurers
- Set preliminary reserves and advise Insurers in respect of overall liability exposure and expenses when possible
- Liaise with Lawyers for Lessor (as required) to obtain Hull Release
- Facilitate Advance Payments and settlement of claims in due course with funds negotiated by Marsh
- Preservation of evidence



# Duty to Preserve Evidence

- **Spoliation:** intentional destruction of, or the material alteration of evidence or the failure to preserve property for another's use as evidence, in pending or reasonable foreseeable litigation.
- Secure retention / storage
- of wreckage
- For how long?

# Duty to Preserve Evidence

- Extends to all physical evidence & electronically stored data
- Failure to preserve evidence can result in sanctions, adverse inference, striking of pleadings or even cause of action

# Types of Passenger Claims

## Death

Claims from:

1. Dependants
2. Employers

## Bodily Injury

1. Medical costs
2. Hospital Bills  
(direct from hospitals)
3. Compensation

## Property

1. Personal effects
2. Checked baggage

# Foreign Lawyers - why increased activity?

Revenue hunting



Competition



## Media Issues

- **All** press statements and letters from the airline should be **reviewed by lawyers**
- **Factual information** should be released to media and relatives in a **controlled** manner
- Careful management of information including employees' social media and websites to protect airline

# Operation Control Centre

- **Verify** passenger manifest
- Set up **local information centres** – ready list of key vendors such as hotels, hospitals and funeral directors
- Ensure passenger names are **not released publicly** until families are informed
- Be prepared for language barriers

- Publish **toll free** numbers



## Ready supply of **cash**





# Logistics



# Site Access?



# Specific Expenses

## Funeral Expenses

## Repatriation of bodies

**Identification of remains**  
(reasonable expenses)

## Media

**Mass funeral service(s)**  
(reasonable expenses)

**Airline's emergency team**  
(subsistence, travel, accommodation)

**Memorial services**  
(reasonable expenses)

**Medical costs**  
(reasonable expenses)

**Memorial gardens/cemetery**  
(reasonable expenses)

**Expenses from emergency services and local authorities**  
(reasonable expenses)

# Internal Pressures

- \* Resources

- People, money, equipment
- Have a ready supply of cash

- \* Information overload, call centres

- \* Employee grief and stress

- \* Volunteers (buddies)

- \* Do you have a policy to care for & assist your employees



# Pressure

- \* NOK and family associations
- \* Media
- \* Government authorities
- \* Bureaucracy
- \* Hostile environments
- \* Investigating authorities and emergency services
- \* Powerful Consumer Protection organisations and other NGOs
- \* Plaintiff lawyers

## Some Do's and Don'ts

- Engage the media as much as possible without compromising liability
- Release factual information to the media & passengers / relatives
- Do not admit liability
- Do not mention figures
- Lawyers to assist with drafting / reviewing statements to help protect airline's brand and reputation
- Public contact via Chief Executive or other Senior Management

## Some Do's and Don'ts (cont.)

- Compensation to be dealt with in accordance with applicable principles
- Do not comment on accident investigation except co-operation
- Think before you Tweet!
- *-Achieving a balance between disclosure and co-operation and protecting the airline's position on liability*
- *-Remember postings may be disclosable!*



## Points to Remember

- **Preservation of information**
- **Compensation** - a matter for insurers with claims control in consultation with the insurers and the airline.
- **Timely** and **accurate** information is vital
- Keep in **regular contact with NOKs and Paxs**
- Consult your brokers and insurers and **keep them closely advised**
- Build a **constructive relationship** with the Media
- **Document** all expenditure
- Plaintiff lawyers act very quickly



# Questions and answers

