

Aviation and space insurance

Purpose

At the end of this unit, candidates should be able to demonstrate an understanding of aviation and space insurance and related issues.

Assumed knowledge

It is assumed that the candidate already has knowledge of the fundamental principles of insurance as covered in IF1 Insurance, legal and regulatory or equivalent examinations.

Summary of learning outcomes	Number of questions in the examination*
1. Know the main elements of aviation risk.	4
2. Understand the main international and national measures impacting on aviation risk.	9
3. Understand the scope of cover under the main and related classes of aviation insurance.	11
4. Understand the market practices of aviation insurance.	6
5. Understand risk assessment and underwriting of aviation insurance.	9
6. Understand claims investigation, handling and settlement procedures in aviation insurance.	7
7. Understand key aspects of space insurance.	4

* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- Method of assessment:

Mixed assessment consisting of two components, both of which must be passed. One component is a coursework assignment and one is a multiple choice question (MCQ) examination. The details are:

 1. an online coursework assignment using RevisionMate consisting of 10 questions which sequentially follow the learning outcomes. This must be successfully completed within 6 months of enrolment; and
 2. an MCQ exam consisting of 50 MCQs. 1 hour is allowed for this exam. This exam must be successfully passed within 18 months of enrolment.
- This syllabus will be examined from 1 May 2024 until 30 April 2025.
- Candidates will be examined on the basis of English law and practice unless otherwise stated.
- This PDF document has been designed to be accessible with screen reader technology. If for accessibility reasons you require this document in an alternative format, please contact us at online.exams@cii.co.uk to discuss your needs.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit from the list provided
 4. Select qualification update on the right hand side of the page

1. Know the main elements of aviation risk.

- 1.1 Describe the key principles concerning how an aircraft flies.
- 1.2 Explain the types of aviation risk.
- 1.3 Describe the measures taken to prevent and reduce accidents.
- 1.4 Describe key developments in global air navigation.

2. Understand the main international and national measures impacting on aviation risk.

- 2.1 Explain the purpose and main features of international conventions.
- 2.2 Explain the purpose and main features of key global aviation organisations.
- 2.3 Explain the purpose and main features of key European aviation organisations.
- 2.4 Explain the main aircraft legislation in the UK, the EU and the US.

3. Understand the scope of cover under the main and related classes of aviation insurance.

- 3.1 Understand the scope of the core aviation insurance cover.
- 3.2 Describe the scope of additional aviation insurance cover.

4. Understand the market practices of aviation insurance.

- 4.1 Examine and application of endorsements and clauses.
- 4.2 Describe typical deductible amounts.
- 4.3 Analyse how the insurance market responds to bank/leasing agreements and contractual requirements.
- 4.4 Analyse how aviation insurance responds to airline and service provider agreements and contractual arrangements.
- 4.5 Explain the marketing of aviation risks.

5. Understand risk assessment and underwriting of aviation insurance.

- 5.1 Examine the factors to be considered by an aviation underwriter when assessing risks.
- 5.2 Examine different rating factors and methods of rating for the main classes of aviation insurance and their application.
- 5.3 Explain the key use of underwriting tools.
- 5.4 Examine key account management considerations for the underwriter.
- 5.5 Describe the various types of captive and mutual insurance arrangements available to the aviation industry.
- 5.6 Explain the alternative forms of reinsurance that can be used by an aviation underwriter.

6. Understand claims investigation, handling and settlement procedures in aviation insurance.

- 6.1 Examine the claims process for hull and spares claims.
- 6.2 Examine the claims process for liability claims.
- 6.3 Describe the role of the UK and US accident investigation agencies and related EU regulations.

7. Understand key aspects of space insurance.

- 7.1 Describe the commercial space industry and the UN regulations which govern the use of space.
- 7.2 Explain satellite technology and its uses.
- 7.3 Examine types of cover available.
- 7.4 Examine claims handling and procedures for space insurance.
- 7.5 Examine the factors affecting the underwriting of space and satellite insurances.

Reading list

The following list provides details of further reading which may assist you with your studies.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

CII study texts

Aviation and space insurance. London: CII.
Study text: M91

Insurance, legal and regulatory. London: CII.
Study text IF1

Books (and eBooks)

A guide to general aviation claims handling.
Tim Scorer. London: Ince & CO, 2010.

Air cargo insurance. Malcolm Clarke, George Leloudas. London: Informa Law, 2016. *

'Aviation and corporate social responsibility'.
Simon Bennett. Chapter – Innovative thinking in risk, crisis and disaster management. Farnham: Gower, 2012.

'Aviation insurance'. Chapter – MacGillivray on insurance law: relating to all risks other than marine. 13th ed. John Birds. London: Sweet & Maxwell, 2015.

Aviation insurance. Rod D Margo. 4th ed.
London: Butterworths, 2014.

Aviation law: cases, laws and related sources. 2nd ed. P B Larsen et al. Lieden: Martinus Nijhoff, 2012.

Aviation insurance: a planeman's guide. 2nd ed. Peter Viccars. London: Witherby, 2012.

Margo on aviation insurance: the law and practice of aviation insurance, including hovercraft and spacecraft insurance. Philip Chrystal, et al. 4th ed. London: LexisNexis, 2014.

Risk and liability in air law. George Leloudas. London: Informa, 2009. *

eBooks

The following eBooks are available via www.cii.co.uk/elibrary (CII/PFS members only):

Insuring the air transport industry against aviation war and terrorism risks and allied

perils. YOM Nyampong. Heidelberg: Springer-Verlag, 2013.

Foundations of aviation law. Michael W Pearsom, Daniel S Riley. Farnham: Routledge, 2015.

Routledge handbook of public aviation law. Paul Dempsey. New York: Routledge, 2016.

Journals and magazines

Post magazine. London: Incisive Financial Publishing. Monthly. Contents searchable online at www.postonline.co.uk.

The Journal. London: CII. Six issues a year.

Access to further periodical publications is available from the Knowledge website at thejournal.cii.co.uk (CII/PFS members only).

Reference materials

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010. *

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004.

Insurance: Conduct of Business sourcebook (ICOBS). Available via www.handbook.fca.org.uk/handbook/ICOBS.

* Also available as an eBook through eLibrary via www.cii.co.uk/elibrary (CII/PFS members only).