

ABC – 60 Years Young and Still Going Strong

Controlled, powered and sustained heavier-than-air flight has been with us since the day the Wright Brothers tested their aircraft on December 17, 1903.

Yuri Gagarin became famous as the first man in space having completed an orbit of the earth on April 12, 1961.

From flying within Earth's atmosphere to breaking out of it took 58 years. This is a period of time less than the average lifespan of a person in the Western World.

Indeed, the advances in technology allowing these milestones to be achieved has occurred at such a pace that the lives of Orville Wright and of Neil Armstrong, who in 1969 became the first man to set foot on the moon, overlapped by 18 years (Orville's life overlapped with that of Yuri Gagarin by 24 years!).

The pace of the progression of these aviation endeavours has been little short of astounding. The first commercial jet engine propelled airliner (labelled at the time a jetliner) was the De Havilland Comet, which entered service in 1952. Modern airliners owe their heritage to these modern aircraft types, but have advanced greatly in the half century since their introduction. The introduction of the DC-3 in the late 1930's reduced the flight time from New York to Los Angeles by 8 hours, dropping from over 25 hours to a "mere" 17. But today this journey can be completed in less than 6 hours as compared to a DC-3, an airliner of today can carry 12 times as many people, take them 7 times further, and at a cruising speed 3 times faster.

It is no coincidence that around the time of the start of the "jet age", the Aircraft Builders Council (ABC) was formed. With a mandate to provide an aviation liability insurance solution to aircraft parts manufacturers, the ABC offered its first policy, with the first insured under this facility in 1954.

But have aviation insurers kept pace?

All manufacturers need to protect their balance sheets and their shareholder value, and thus the requirement for ever increasing limits with broader policy coverage is a feature of our industry. The need to transfer their risk to sophisticated insurers, who are empowered to provide, at a competitive cost, a policy which can meet these needs, is crucial basic requirement.

Further, manufacturers can be presented with claims many years after they purchased their insurance policy, as statutes of limitations allow claims to be presented a number of years after a loss event, and litigation and subrogation potentially extending this period to a point where losses are not finalized until 10 or more years after the inception of the policy. Thus the need for their insurance partners to have strong balance sheets remains of paramount importance.

The ABC is at the forefront of the insurance marketplace and is well positioned to meet these challenges. The insurance providers of the ABC program are resilient with financially strong balance sheets. The binding underwriters of the program are

acknowledged leaders in this class with great depth of knowledge and many years' experience offering this coverage.

Now offering policies with a limit up to USD1.5 billion, written on a policy form which is constantly reviewed to ensure it meets the needs of insureds, the ABC has constantly adapted and been continually ready to provide your aviation liability insurance solution.

For 60 years the ABC has provided these insurance solutions for manufacturers in this challenging and ever-changing environment, and we look forward to serving you for the next 60 years.

ABC Program Highlights

- A recognised market leader in coverage and knowledge
- Up to USD1.5 billion of insurance limit provided by a panel of insurers but requiring the agreement of only two underwriters to bind cover
- Product liability seminars and contract reviews held at your premises at no additional charge
- Centralized claims managements and defense by experienced aviation counsel
- Annual Conference acknowledged as premiere in its class with larger attendances every year

More about the past, present and future of ABC may be found at www.aircraftbuilders.com .