

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:5400
ANSWERED ON:28.04.2003
WAR RISK INSURANCE
RAMDAS ATHAWALE

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Air India and Indian Airlines held talks with international insurance companies regarding their demand of huge war risk insurance premium from all the airlines operating via Kuwait;
- (b) if so, the outcome thereof along with details of insurance companies; and
- (c) the amount being spent by the domestic airlines of the country on insurance?

Answer

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK)

(a) and (b): After the outbreak of Iraq war in March, 2003, Air India and Indian Airlines had received notices from their insurers that the International insurance Under-writers had decided to levy additional insurance premium towards hull war risk to the Airlines operating to Kuwait. After successful negotiation with the insurers, the levy of the additional insurance premium for these flights was waived. As such, there is no additional outgo of premium on this account.

(c): The amount on aviation insurance for the renewal year 2002-03 (from 1.10.2002 to 30.9.2003) estimated by Indian Airlines is about USD 35.4 million equivalent to Rs. 182.13 crores (including service tax).