

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1350

ANSWERED ON:09.02.2017

Payment of Insurance Premium of Grounded Aircraft

Dhotre Shri Sanjay Shamrao;Shewale Shri Rahul Ramesh;Singh Shri Satya Pal

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Air India has made huge payments on account of insurance premium of grounded aircrafts across the country during each of the last three years;
- (b) if so, the details thereof and the reasons therefor;
- (c) the number of complaints/ suggestions received by the Government from various quarters in this regard along with the action taken/being taken by the Government on such complaints/ suggestions so far;
- (d) whether the cases of any deviation from the existing policy of Air India pertaining to insurance grounded aircraft has come to the notice of the Government during the said period; and
- (e) if so, the details thereof and the reasons therefor along with the action taken/ being taken by the Government in such cases so far?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a) & (b): The insurance of the aircraft is necessary for Ground Risk, though the same is not flying, to cover the same from any eventuality happening on ground for damage which can be caused to it by any climatic conditions, error of mankind or in any eventuality of war/riot like situation. This is an industry practice to insure the assets for ground risk to cover the loss for damage caused. It is mandatory to insure the leased aircraft, whether on ground or otherwise, till the aircraft is delivered back to the Lessor. The details of Premium paid for Grounded Aircraft are as under:

Year Premium in USD Premium INR

2013-14 31,840.00 19,63,355.52

2014-15 41,341.51 25,72,799.82

2015-16 12,235.44 8,18,319.27 ;

;

(c) to (e): Air India has not received any complaints/suggestions from various quarters so far in this regard. Air India, since inception has been insuring all the registered aircraft in its fleet, whether flying or on ground, to protect itself from loss which can be caused by damage to the aircraft and has not deviated from this standard practice. Hence, no action has been taken by the Government for the same.