

UPS crash played part in insurers' losses

By Patrick Howington • phowington@courier-journal.com • January 19, 2011

The crash of a UPS cargo jet near Dubai last September was one reason **airline** insurers lost money on claims in 2010, according to insurance broker Aon Corp.

Preliminary figures show claims totaled about \$2.1 billion compared with premiums of \$1.9 billion, the Chicago-based company said in a report this week.

That continued the pattern of recent years. Claims outweighed premiums each of the past four years and topped \$2 billion in three of them, Aon said.

The trend's continuation raises "the **prospect** of far more challenging conditions as negotiations begin for 2011/2012 (coverage)," the company said in its January report on the airline insurance market.

Premiums rose 4 percent last year, the report said.

The UPS crash was one of several incidents that pushed claims totals upward last year. The crash, which killed the plane's two pilots, including Capt. Doug Lampe of Prospect, was caused by a cargo hold fire that filled the cockpit with smoke. The fire's cause has not been determined.

The **Boeing** 747-400 was valued at \$143 million, according to a report last fall by

Aon, one of the world's largest insurance brokers.

In other incidents, a jet operated by Australia's Qantas Airways had to make an emergency landing in Singapore in November after an engine failure, which caused about \$70 million in damage to the plane, Aon said.

Fatal accidents involving passenger flights in Colombia, Venezuela and China were among the other expensive claims of the year.

Last year's claims were not as great as the \$2.34 billion in 2009, when an Air France jet crashed into the Atlantic Ocean near Brazil, killing all 228 people on board.

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