COVID-19 | Impact on the Aviation Industry

January 20, 2021

Governmental travel restrictions, self-imposed quarantines, and other measures to control the spread of COVID-19 continue to affect the aviation industry. The availability of two COVID-19 vaccines presents further challenges for the industry. Below are the some of the challenges, followed by suggestions airline operators can follow to mitigate potential losses.

Vaccine Shipments/Dry Ice

The Federal Aviation Administration (FAA) in the U.S. recently published guidance on shipping the large quantities of dry ice required for some COVID-19 vaccines. Challenges include:

- The Pfizer-BioNTech COVID-19 vaccine must be stored at a temperature between -80°C and -60°C (-112°F and -76°F) for proper preservation. Maintaining this temperature primarily involves packing the vaccine container with dry ice.

- To transport COVID-19 vaccines, it may be necessary to carry a large amount of dry ice. With so much dry ice on board, a high level of CO_2 gas can build inside the aircraft, potentially shifting its center of gravity as the ice sublimates.

To mitigate these risks, operators should:

- Carefully review the FAA's guidance before transporting COVID-19 vaccines and large quantities of dry ice, paying special attention to [Safety Alert for Operators (SAFO 20017)](#).

- Evaluate if the "cargo" limits on the FAA's aircraft policies are adequate for carrying vaccines. A USI Insurance Services representative can assist with this evaluation.

Maintaining Valid Medical Certificates

Pilots and air traffic controllers are required to maintain FAA Medical Certificates to perform safety-sensitive aviation duties. Operating an aircraft without a valid medical certificate would violate pilot requirements on most insurance policies, potentially invalidating coverage.

Following a COVID-19 vaccine's approval by the U.S. Food & Drug Administration (FDA), the FAA will independently review the vaccine before it can be administered to flight crew and air traffic controllers who are FAA Medical Certificate holders. If flight crew and air traffic controllers receive the vaccine before FAA approval is granted, their medical certificates can be invalidated. The process is repeated for each COVID-19 vaccine introduced.

The FDA and FAA have recently approved vaccines from Pfizer and Moderna for emergency use authorization (EUA). The vaccines can be administered to pilots and air traffic controllers who are medical certificate holders. Each vaccine requires two doses: Pfizer's second dose is administered at 21 days after the first, and Moderna's second dose is administered 28 days later.

Pilots and air traffic controllers should:

- Ensure they receive a vaccine approved for EUA by both the FDA and FAA.
- Adhere to the required 48-hour waiting period after receiving each dose of a vaccine.
- Watch for FAA guidance and updates on the vaccines and corresponding waiting periods.

Crew Training Exemptions

Throughout the pandemic, the FAA has granted numerous exemptions related to crew training requirements. The current exemption will expire on March 31, 2021, and the FAA has warned that further exemptions are not likely. In addition, the FAA has indicated that the current timeframe is "sufficient for certificate holders to have implemented appropriate

plans, processes and procedures to effectively clean and disinfect emergency equipment so that crewmembers may complete training using the normal procedures." With this in mind, operators should plan for potential travel and quarantine complications.

FAA training requirements and those imposed by insurance companies are similar, but not identical. Insurance company rules are generally more restrictive and have specific time requirements. When reasonable, underwriters will consider granting exemptions and extensions, which must be explicitly approved. Crew members unable to attend insurance-required training should consult USI to discuss options for insurance company extensions or exemptions.

COVID-19 Testing at Airports

Numerous international and domestic destinations require travelers to present a negative COVID-19 test or submit to quarantine restrictions, in accordance with their entry requirements. More than 25 major U.S. airports are offering on-site COVID-19 testing (typically using Rapid Antigen or Polymerase Chain Reaction (PCR) tests) to help travelers meet destination requirements and boost their confidence in flying.

Airports generally do not conduct the tests themselves but instead offer them in partnership with medical testing providers or other third-party vendors. Most testing sites require proof of an upcoming flight and an appointment.

To mitigate potential risks related to COVID-19 testing, operators should:

- Obtain strong contractual protection and risk transfer from the medical testing providers or vendors.
- Ensure the vendors and testing providers carry adequate liability limits and recognize the airports as additional insureds.
- Review the airport's current liability policy to determine if COVID-19 testing exposure is covered or if it can be added. USI can assist with this review.

How USI Can Help

Through our USI ONE Advantage® approach, our aviation clients work closely with us to develop a comprehensive risk management strategy tailored to unique exposures and focused on mitigating the cost of risk.

Steps include:

- Generating complete analytics to understand and quantify exposures.
- Reviewing program options and retention opportunities.
- Evaluating program limits and coverage needs.
- Developing an extensive, comprehensive underwriting submission and loss mitigation narrative that highlights training and safety protocols, and risk control and claim management measures.
- Researching markets and identifying carriers with whom aviation companies can build strong relationships.

Your organization can benefit from USI's team-based, consultative approach and improve its chances of a favorable coverage outcome by following these suggestions:

- Provide detailed information to help us better understand your risk management situation and specific needs.
- Complete applications and questionnaires fully.
- Highlight how your organization has focused on safety and pilot training protocols, especially training that exceeds FAA requirements.
- Accommodate underwriter and loss control visits.

Learn More

To better understand the current aviation market conditions and learn how USI can help you develop an effective risk management strategy, contact your USI representative or visit www.usi.com.
For COVID-19 resources and materials, visit our Public Health Emergencies site.