

Japan Airlines estimates \$105m loss from collision

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Tokyo : Insurance industry sources have told that AIG is the lead insurer on a \$130 million “all-risks” policy for the Japan Airlines airbus 350 that was destroyed in a collision with a Japan Coast Guard plane at Tokyo’s Haneda airport .

Japan Airlines (JAL) said that it expects losses of around \$105 million from the destruction of one of its A350 widebody planes this week.

All 379 people on board the JAL jet escaped in time, but five of the six people on board the Japan Coast Guard plane, which was reportedly on its third mission to deliver aid to quake-hit regions, lost their lives.

Japanese authorities are working to understand what caused the devastating crash. It’s been reported that the passenger jet had been given permission to land, but the Coast Guard plane had not been cleared for take-off, based on air traffic control transcripts released by authorities yesterday.

It's early days in the investigation and there's uncertainty around how a runway collision of this nature occurred, with experts noting that it typically takes numerous safety failures for this type of thing to happen.

The loss of the aircraft is expected to result in an operating loss of roughly \$105 million (15 billion yen), but JAL has said that it expects the loss to be covered by insurance.

Sources told Reuters that large U.S. insurer AIG is the lead insurer on a \$130 million aviation insurance policy for the destroyed plane, although AIG declined to comment on the matter.

According to Aviation Safety Network, it was the first-ever hull loss globally for the airbus 350 model, which entered commercial service in 2015.