

New aviation insurance offering takes flight in SA

iTOO Special Risks has announced the introduction of its aviation insurance offering, hailed as a game-changer for both the speciality insurance and aviation sectors. The move aims to capitalise on the burgeoning local and African aviation markets, which exhibit significant growth potential. Lorenzo Bettini, iTOO's aviation underwriter, highlights that the company's decision to venture into aviation stems from its expertise in specialist and niche risks, aligning seamlessly with the aviation domain.



Source: fanjianhua via [Freepik](#)

"The aviation market ticks all the boxes because it needs a niche insurance product that requires special expertise and, at the same time, it is also a substantial size market. For many years, the South African aviation market has been tough, soft and challenging, but it has recently hardened and started to correct," says Bettini.

"For us, it was simply the right time to get into this market. We also noticed there has traditionally been a shortage of capacity in this space, so iTOO is now here to bring some credible capacity to the sector with a strong brand and licence."

Bettini explains that iTOO also sees opportunities beyond South Africa, given that the company has operations in six other African countries. The African continent provides an exciting opportunity for aviation insurers because this is where the majority of this business is written.

Aviation insurance to boost local, African sectors

He notes that aviation is often the only mode of transport that is capable of accessing many remote areas around the world, which makes a substantial difference in the lives of many people who inhabit such areas. "By getting into aviation insurance, we can insure and ensure that these types of operations continue to reach these areas. Knowing that their aircraft are covered gives operators peace of mind, while also knowing that the majority of their operations are also covered," he says.

Bettini points out that previously, due to a lack of capacity within the local insurance industry, about 50% of local risk would see placement in London while the rest would be with local insurers. "iTOO has come in to bridge that gap, act as a support market and save the day for local aircraft operators. We will help keep our risks locally placed," he says.

He adds that some exciting things are coming to the local market, with the significant rise of hydrogen-powered aircraft and electric aircraft. It is expected that hydrogen-powered will first have to undergo rigorous testing before being approved in South Africa, while the demand for electric aircraft is climbing steadily in the local market.

"These developments are obviously environmentally friendly, which is important to us, and so these are products that we would look at insuring further down the line if we get the supporting figures," he says.

"Most aircraft in South Africa are reaching a certain age and are getting more expensive to maintain. The increased cost of repairs and the shortage of spares in South Africa also makes life difficult for insurers and operators alike."

Promising future for drone, aircraft convergence

However, Bettini says that there is a lot of new technology coming through in aviation at the moment, with one of the main trends being the convergence of drones and aircraft, with drones increasingly being used for purposes such as crop spraying, security, data analytics in surveillance or the delivery of goods.

"So, there are a lot of exciting developments around drones and iTOO happens to be one of the leading drone insurers in this country already. The aviation space is a dollar-based and difficult market and that's why having an expert who understands the market, as well as the backing of the iTOO brand is key for us to bring something unique to this market. We are also really excited about the potential to grow this business into Africa," Bettini concludes.

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