

Managing the Risks in the Air Charter Travel

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/EINPresswire.com/ -- Chartering an aircraft is the most flexible and convenient way to eliminate maintenance & capital costs of owning an aircraft or using the traditional commercial travel options. Proximity to airports, exclusive high-quality service, privacy, gourmet food and drink options, iconic 'full of character' travel are among the many benefits of private and group [charter](#) travel. Yes, the blessings of chartering are endless. However, chartering does come with its own set of baggage, especially for those who don't know how to conduct basic due diligence on the operator and/or broker involved.



The deficiency in standards of safety, quality, reliability and professionalism can cause client routs.

This article reviews the risks involved in the charter market and practical aspects of evaluation and management. In our earlier article "How to book your 1st successful private jet flight", we covered the various key aspects when making the first booking as well as the common terminology used in the industry. This article is a quick read and an incredibly practical citation for first timers and seasoned charter users so that they are aware of the risks of their travel and take necessary action to mitigate them and thus travel risk-proof as much as possible. Below we have captured the main 5 risks in the aircraft charter business, and have provided guidance on how to mitigate them:

1. Operator Default or Insolvency

Operator default is generally an uncommon event but not unheard of. In the following cases the operator can declare default resulting in the grounding of the aircraft:

- The airline operator fails in its obligations to pay dues under a finance lease to an aircraft lessor at the scheduled time.
- Operator of the aircraft continues to default in its obligations to the owner of aircraft.
- Operator's default in timely payment of the airport charges or any other third-party DOC's (direct operating costs).

A simple background check on the operator is essential. Charter Brokers can minimize the risk for their clients by taking appropriate measures such as the use of aviation insurance. This is their game and credible brokers know how to eliminate the risks for them and their clients. It would be appropriate to get the following questions answered beforehand: Have any personnel associated with the organization been convicted of a felony, filed for bankruptcy, or had tax liens or foreclosures?

2. Broker - Operator - Customer Errors & Disputes

What happens if it turns out a wrong airport code was communicated by someone in the 'service supply chain'? In fast-paced global businesses, mistakes like these and others can and do happen. Does the customer have all to lose? No, they don't if errors like these with big consequences have already been taken care of. "Errors and omissions insurance" is something

that hulls such transport risks. Customers should therefore eliminate the risks by requesting for Professional Liability Insurance certificate, commonly known as “errors & omissions” insurance.

3. Aircraft Repair & Maintenance

If you are going via the safer and straightforward route of hiring a charter through a broker, they should have all the information on the aircraft safety records, audit ratings, accidents or recordable incidents as well as full maintenance record, information on maintenance staff, approved parts, etc. You can request these at any time.

In case the aircraft is being chartered directly from the operator, you should request this information from them or get an independent audit performed by a recognized and accredited aviation audit company to mitigate the risks. Some third-party safety auditors include International Standard for Business Aircraft Operations (IS-BAO), Air Charter Safety Foundation (ACSF), Aviation Research Group U.S. (ARG/US), Wyvern, etc.

4. Pilot & Crew Members

A majority of air crashes are due to pilot error, fatigue or lack of skill. Again, if you are chartering through a credible/reputed broker, they would have already conducted background checks verifying the experience of pilots, their trainings & maintenance staff information and checked important documentation. In case of chartering direct, the information should be sought from the operator.

5. Stringent Refund Policies

After a charter agreement has been signed off, any cancellations are subject to a penalty charge. However, cancellations made by clients a few days before the departure may incur charges up to 100%.

Any additional termination penalties of the operator need to be incurred by the client. Thus, charter traveller’s need to plan their dates well to avoid facing high cancellation charges.

In addition to the above, if you are going to fly an older aircraft model, ensure they have been updated to an SMS (Safety Management System). This is the newest comprehensive safety program in the industry.

The risks may sound overwhelming, especially for first-time travellers. But you can steer away and reduce them either by choosing an accredited broker who verifies everything on your behalf or by conducting due diligence yourself. Alternatively, you can outsource it to an independent aviation consultant. Uncertainty and lack of knowledge can be expensive for you as a charter traveller, either in terms of time or money, or both, but hopefully the tips outlined above will help you in mitigating the risks.

At the bottom line of all the arguments is that air charter is the smartest alternative for flying private but with a little insider knowledge you can take things on with more confidence and ease. Happy smart travelling with your trusted charter partner!

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