

# Air crash payouts hit new heights

**Brian Woodley**

THE \$US400,000-plus (\$770,000) compensation packages offered by Singapore Airlines to families of victims of last week's crash in Taipei reflect a new era of apparently unlimited liability in world aviation.

While the airline's offer — a record in terms of public disclosure of a cash payout — was driven partly by reaction to earlier misreadings of what the public was prepared to tolerate, it had a more pragmatic motive, aviation sources said yesterday.

People have always been able to sue airlines for damages over loss of life, personal injury or lost luggage. But until recently they have been limited in what they can claim — outside the realms of outright negligence — by a 70-year-old convention setting maximum amounts on the liability of member airlines.

Those caps were removed last year by the International Civil Aviation Organisation, exposing airlines and their insurers to more uncertain but undoubtedly bigger claims.

Singapore Airlines is setting an example of what others are likely to do in the event of future disasters.

Late last week, the airline accepted responsibility for the disaster at Taipei, in which a Boeing 747 crashed while taking off from the

wrong runway — a disused strip littered with construction equipment. It is unusual for an airline to admit liability so early in an investigation. It is even more so for the airline to try at such an early stage to satisfy prospective litigants with a blanket offer of substantial compensation.

A spokesman for Singapore Airlines in Australia, Stephen Forshaw, said the airline believed its package — totalling almost \$US40 million and already rejected as insufficient by the relatives of some victims — would be funded by the carrier's insurance companies.

Mr Forshaw said the offer was "towards the high end" of payouts.

Centre for Asia-Pacific Aviation managing director Peter Harbison said the offer probably set a record.

However, he predicted the ultimate payment for the Taipei tragedy could be much higher.

The 1929 Warsaw Convention limited the liability of international air carriers to maximum payouts of 125,000 French francs, equivalent at that time to \$US10,000, to relatives of dead victims. In 1966, this was raised to \$US75,000. But last year the cap was removed.

The amendment had yet to be ratified, "but it's on the horizon and is influencing Singapore Airlines", Mr Harbison said.

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Nominations close on April 27 and

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A nomination form is enclosed in this

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Please contact the APLA office if you

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