



11 June 2025

SUMMARY

RUSSIAN AIRCRAFT LESSOR POLICY CLAIMS

[2025] EWHC 1430 (Comm)

MR JUSTICE BUTCHER

1. Judgment is handed down today in relation to six actions, in which the owners and lessors of aircraft and engines which were in Russia at the time of the invasion of Ukraine claimed against their insurers.
2. The judgment relates to 147 aircraft, 16 standalone engines and 1 piece of other equipment. The insured value of these amounted to over US\$4.5 billion.
3. The trial took place over five months, and involved over 50 counsel.
4. The insurances under which lessors claimed are described as the ‘Lessor Policies’, since they are taken out directly by the lessors. Each claimant’s Lessor Policy was in turn divided into an ‘all risks’ policy, which covered loss occurring as a result of any cause except a defined ‘war risk’, and a ‘war risks’ policy, which only covered losses occurring as a result of a ‘war risk’.
5. The claimants’ Lessor Policies consisted of both ‘Contingent’ cover, which broadly speaking was to respond where there could be no recovery under other insurances taken out by the operators of the aircraft (‘Operator’ or ‘OP’ insurances), and ‘Possessed’ cover which was to respond, broadly, when the aircraft were in the possession of the lessors. The circumstances in which those covers were to respond was a central issue in the trial.
6. The judgment finds that the claimants were entitled to recover under the Contingent and not under the Possessed covers of their insurances.
7. There was also a key issue as to whether the aircraft had been lost to the claimants, and if so when and what caused such a loss. In particular, there was a dispute between all risk insurers and war risk insurers as to whether the cause of any loss of the aircraft was a commercial decision of the Russian airlines leasing the aircraft, in which case the all risks insurers would be liable to the claimants, or an act or order of the Russian government, in which case the war risks insurers would be so liable.

8. The judgment concludes that the aircraft have been lost, and that that loss occurred on 10 March 2022, when a piece of Russian legislation banned the export of aircraft and aircraft equipment from Russia.
9. Given that conclusion as to the timing and cause of the loss, the judgment also finds that it is from their war risks insurers, not their all risks insurers that each of the claimants can recover.
10. There was also an issue as to whether EU or US sanctions prevented the insurers from indemnifying the claimants for the loss of aircraft which had been leased to Russian airlines. The judgment concludes that insurers were not so prevented by sanctions.

“Important note for the press and the public: This summary is provided to assist in understanding the Court’s decision. It does not form part of the reasons for the decision. The full written judgment of the Court is the only authoritative document. The judgment is a public document and a copy can be obtained at <https://www.judiciary.uk/judgments/> or at <https://caselaw.nationalarchives.gov.uk>.”