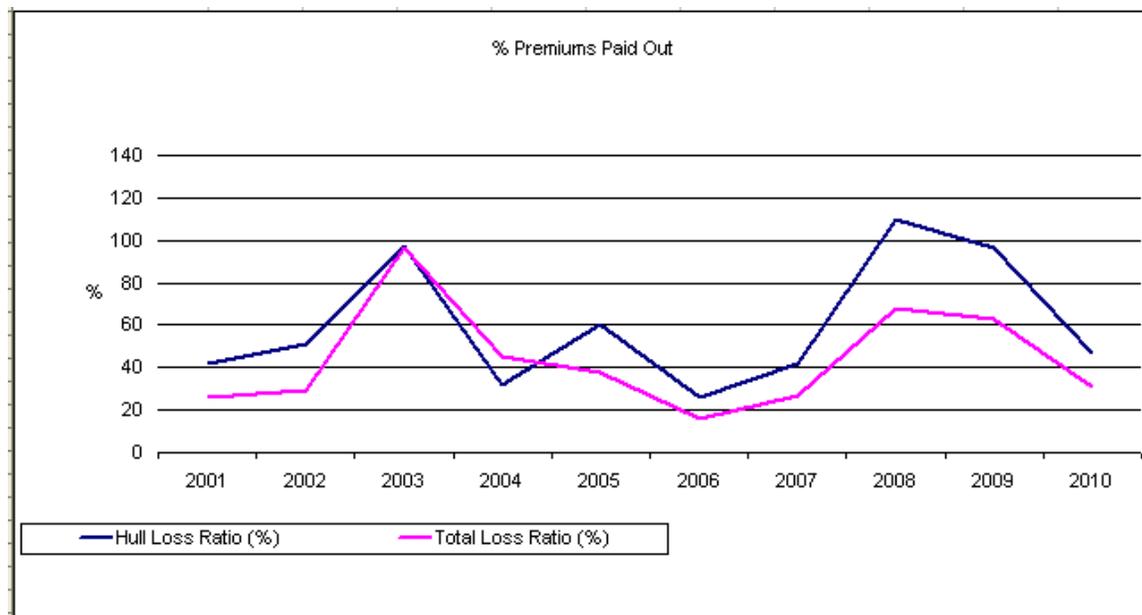


For those with questions or comments regarding the insurance plan, please use the SAC insurance committee address, insurance@sac.ca, as it is usually the quickest and easiest way to reach me. I do try to reply back to people within a couple of days, though it sometimes may take somewhat longer depending on holidays and more complex issues.

I want to thank all the club treasurers in distributing and collecting the renewals for their club and private owners. Their work helps ensure that both insurance and SAC membership are both processed and kept as close in sync as practical.

Thanks to all.

SAC Insurance History										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Insured Clubs	38	35	33	36	32	29	29	23	24	25
Total Aircraft	306	276	351	368	337	336	313	288	278	295
Hull Value (\$M)	9.5	8.6	13.4	13.6	12.7	12.3	11.7	11.5	12.0	13.1
Hull Loss Ratio (%)	42	51	97	32	60	26	42	110	96	47
Total Loss Ratio (%)	26	29	96	45	38	16	27	68	63	31
NoClaim Bonus Paid (\$)					9538	7632	8400	6586	5140	6987
Claims Surcharge (\$)					8166	9173	8139.5	4357.5	8845.7	9504



As you can see, our loss ratio continued to moderate from its peak in 2008 which stabilizes our longer term averages. We had fewer losses this year, and those that we did have, in large part, were smaller partial damage claims rather than complete losses.

SAC continues to apply a "Claims Surcharge" to those with claims in the last 3 years. This amount is in turn credited to all owners with a Claims-free record in the form of a No Claim Bonus at each renewal. For 2010 the plan credited a total of \$6987 to those owners with claims-free records.

As I write this report, we are in the process of reading Requests for Proposals to send to interested underwriters in the Canadian market. The responses will be evaluated and we will finalize any

changes for the 2011 plan. At this time we are not anticipating an increase to our premium rates. The 2011 policy year will run from 31 March 2011 to 31 March 2012. Coverage normally extends through April to renewing owners to allow for the renewal process, however it is important to complete your renewal as early as possible before 30 April. Failure to renew your coverage and submit premiums can cause your coverage to be void in case of an incident, with no payment of your claim.

Club renewal packages this year will be sent out to each club treasurer or contact as soon as available in late March, in advance of the April renewal period.

New for 2011

New for this year, we hope to have a new facility up and running allowing for online renewal and payment for private owners. This should ease the season start-up task for club treasurers as they will not have to process private owner premiums. Due primarily to the size of club renewal payments, we will likely need to continue to do club renewals the current way, via email and cheque, at least for this year.

Further information will be sent out to private owners late March as we complete testing and finalize the details.

Your SAC Insurance Coverage – Major Points

While this touches on the major points, both the plan coverage summary and policy document are available from your club treasurer. It should be required reading for all club executives and private owners. This helps to ensure that not only do you know what is being provided, but also what your responsibilities are. Claims reporting guides are also available to keep in your aircraft should an accident occur.

Who and What is covered?

- All SAC members (student and licensed) when piloting SAC insured gliders and tow planes.
There are currently no requirements for specific experience. It is important for both members and clubs to ensure that all(both student and licensed) club members' SAC dues have been submitted in a timely manner to ensure coverage. This is especially important to private glider owners, as their glider insurance coverage is dependent on being a current SAC member.
- Guests (FAI affiliated members e.g. SSA, BGA) members when piloting SAC insured aircraft.
- Private and club aircraft listed under the plan are insured for "pleasure and club business".
 - Gliders – instruction and rental to club members and guests
Everyone receiving formal instruction as a regular club member should be a SAC member.
 - Tow planes – towing gliders and instruction of tow pilots but **NOT** any other use of the tow plane for hire or reward (this means club members and the tow plane are NOT covered if members are using them for personal pleasure flying and log time accumulation)

Hull liability

This is the coverage that covers most accident damage to your aircraft. It covers the aircraft and its normally installed permanent equipment. You purchase a specified value of coverage for each aircraft that should reflect the value of the aircraft and its normally mounted equipment and instruments. This does NOT include your glider trailer. It is not a good idea to "underinsure" your glider. One way to view this is that the insured value should be an amount that you would be happy to receive if your glider suddenly disappeared from your trailer.

There is currently a \$500 deductible per incident for hull coverage. There are options to increase the hull deductible to either 5% or 10% of the hull value, providing a decrease in the premium. Many other aviation policies and recent proposals have higher minimum deductibles

General Aircraft liability

This coverage provides payment in the case of damage to third party property, and bodily injury to third parties that may occur involving your aircraft while it is "in motion". An example of covered property damage would be crop damage during an outlanding, This is also the coverage which provides protection to the club and SAC in the event of an injury during an aircraft incident to a bystander, intro passenger or other guest who is not a SAC member or FAI guest. Claims in this area are the ones that are potentially HUGE. Imagine the medical bills should a bystander or passenger be injured while operating your glider. Coverage is

available in 1 and 2 million limits per private aircraft and 2 million limit for each club aircraft. There is no deductible for this coverage.

Minimum liability coverage on all private gliders under the plan is \$1,000,000 per seat. Minimum liability coverage for club aircraft is \$2,000,000 per aircraft. One of the primary reasons for the higher club limit is that past club liability settlements have exceeded \$1,000,000, at least in part because clubs are seen to be held to a higher standard of "duty of care" than private owners.

Airport Premises liability

Coverage for all clubs in the plan is mandatory. This covers airport premises and operations other than aircraft to a liability limit of \$2,000,000. This coverage provides important protection to clubs for damages and injuries that could occur on their airfield (owned or leased), which do not involve aircraft. An example of this would be a guest being seriously injured by tripping in a gopher hole. Note this does NOT provide general liability or property coverage for your clubhouse or other facilities. This coverage in the general marketplace typically costs a minimum of \$2,500. Our cost is \$185/club. The Premises liability coverage also provides \$100,000 of additional coverage specifically for "Instructor Errors and Omissions".

Claims service and legal representation

The insurance company provides claims adjustment and legal representation for all claims. Legal costs of defending a claim, particularly liability claims, can be substantial and are paid over and above the coverage limits purchased. We continue to have an excellent level of claims service from our insurance company.

Here's hoping a fun, challenging and safe year of flying for everyone in 2011.

Keith Hay
Chairman
SAC Insurance Committee