

# “Insurance 101”

all about your SAC insurance coverage

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**W**HILE THIS TOUCHES THE MAJOR POINTS, the plan coverage summary is available from your club treasurer and each private owner should receive the coverage summary along with their new insurance certificate on renewal. This helps 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 towplanes. Everyone receiving formal instruction as a regular club member should be a SAC member. 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 membership and dues have been submitted in a timely manner to the SAC office to ensure coverage. This is especially important to private glider owners, as their glider insurance coverage is dependent on being a current SAC member. Covered are:
  - Guest (FAI affiliated members eg. 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.
  - Towplanes – towing gliders and instruction of towpilots but *not* any other use of the towplane for hire or reward (this means club members and the towplane are *not* covered if members are using them for personal pleasure flying and log time accumulation).

## Hull coverage

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 “under-insure” 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.

## Glider trailer coverage

This optional coverage is available which pays for physi-

cal damage only to your glider trailer. It does not provide any payment of damage to towing vehicles and other vehicles or personal (self or others) injury in the case of an accident. Coverage is for a maximum of \$15000.

## 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 \$1M and \$2M limits per private aircraft and \$2M 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. 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 \$2500. 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 you purchase. We continue to have an excellent level of claims service from our insurance company. ❖