

WINTER LIABILITY DANGERS MAKE SURE YOU'RE COVERED FOR THESE TWO AREAS OF INCREASED RISK

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Once again we are approaching the dark and rainy days of winter, and judging by many of the conversations I have had recently with aircraft owners it would be a good time to review a couple of winter insurance issues that I discussed last fall.

As winter descends on us, the amount of flying done by private pilots decreases significantly. Many aircraft go into storage, often in rented hangar space. Others are scheduled for maintenance work, including mechanical repairs, annual inspections, hull repairs, and painting. These owners often leave their aircraft with their maintenance engineers for the necessary work to be done during the off-season.

Many owners are unaware of the increased exposure they face for liability claims against them as a result of these common activities, claims for which their regular aviation insurance does not cover them.

Here are the two major areas of liability you should know about.

Premises Liability

The first area to consider is the risks arising from premises you rent, lease, or use for storage of your aircraft. Hangar space rental agreements often stipulate that you carry liability insurance. But even if there is no written agreement—or perhaps especially so in those cases—you should make sure to have liability coverage.

One aircraft owner I know, Peter, found out just how valuable this coverage can be. He rented hangar space during the winter months and took advantage of the lay-up to do some painting on his plane. While he worked, some over-spray found its way through openings in the wall to the executive jet stored next door. Removing the unwanted paint from the jet produced a cleaning bill of \$60,000. Since Peter did not have liability insurance, he was responsible for the entire amount.

The hull insurance you carry on your airplane—even if you have liability coverage—does not cover the premises in which it is stored. This coverage must be specifically requested from your insurance provider. It can be added as an endorsement on your existing policy or as a separate policy.

This insurance will also cover you in the event that you cause building damage or if someone injures themselves on the premises that you occupy. Even if the building owner is insured against some of these

risks, you will still find yourself on the hook when their insurance company sues you for the damages you caused.

Air Maintenance Liability

The second area of risk to watch for arises from your dealings with air maintenance shops. It is surprising how many of them do not have liability insurance which protects their clients in cases of faulty work, negligence, or other problems.

Here is an example of what can happen. Jeff took his Cessna 172 to his local air maintenance engineer to have some minor engine work carried out. After the work was completed, he took the Cessna out for a short flight. Shortly after take-off, the throttle cable disengaged causing an engine failure. Although Jeff was able to land in a nearby field and did not suffer any injuries, the Cessna was not as fortunate—it sustained about \$45,000 worth of airframe damage. The cause of the accident was traced back to an incorrect assembly of the throttle cable and the air maintenance engineer was held at fault.

Jeff only carried ground and taxi coverage and therefore wasn't covered for this incident. Unfortunately, the maintenance shop didn't have liability coverage to protect its clients either so Jeff was faced with paying for the repairs himself.

The lesson from Jeff's experience is simple: don't take anything for granted! When you take your aircraft in for repair or maintenance, always ask if the shop carries liability insurance.

Hopefully this information will prevent you from falling prey to these common liability risks this winter. I strongly advise everyone to make the small extra effort and/or expense required to protect themselves: it is always better to make sure you are covered before trouble occurs or your assets are threatened.



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