

# INSURANCE POP QUIZ: DOES YOUR POLICY PASS THE TEST?

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Here's a little quiz that examines some of the more misunderstood and overlooked areas of aviation coverage. See if you know the answers—and if your policy measures up.

**1. If you have a prop strike, will your policy pay for the resulting tear-down inspection (probably costing \$5,000 or more) required by Transport Canada?**

Some do, some don't. Since prop strikes are fairly common, this can be a very valuable coverage to have. Check your policy or ask your broker which companies offer this coverage.

**2. Will your \$2,000 hand-held GPS (or other unattached equipment) be covered under your policy?**

Usually not. If it isn't permanently attached it isn't considered part of the aircraft and is not covered under the hull insurance. Your home insurance may cover this type of item, but some companies have been reluctant to pay similar claims. Find out how your home insurer deals with aviation-related items.

**3. Does your policy have a restriction on liability coverage for passengers or family members?**

This is one of the most misunderstood areas of aviation insurance. I often talk to owners who are not even aware that their policies have such restrictions. Many have purchased their insurance directly from a company which pushes "bargain" policies with limits of \$100,000 or even less per person in the event of an accident. This means that you will be personally liable for any amounts awarded by a court above this limit. What will you do if the injuries are to members of your own family? With court awards in serious injury cases often reaching millions and long-term care costs and lost lifetime income estimates added, this is not a pleasant thought is it? Make sure you know your policy and carry adequate limits. Saving a few bucks on your premium just isn't worth the risk.

**4. Let's say you have a forced landing in which your aircraft sustains no damage, but it is unsafe to take off again from your location. Will your policy pay to have your aircraft recovered to the nearest airport?**

Most policies do cover this, but there is usually a limit based on a percentage of your hull coverage. For example, a 20% limit on a \$50,000 aircraft will give you \$10,000 maximum coverage for moving the aircraft to a nearby airport.

**5. Will your policy cover you if you have an accident while operating your aircraft on a grass or gravel strip?**

Some policies restrict the types of landing areas from which you may operate. If you fly to remote areas or simply enjoy grass or gravel strips make sure your policy covers you.

**6. Does your policy cover you if you fly to Alaska or far northern regions of Canada?**

Each policy is different. Some do have restrictions on where you may operate and will not cover you in places

like Alaska or northern Canada due to liability concerns. If you fly to these areas, confirm that your policy does in fact cover you there.

**7. What is the deductible on your policy and is it different if the aircraft is in motion or not in motion?**

Some policies have nil deductibles while others can be \$10,000 or even higher. There can also be different deductibles based on the status of the aircraft at the time of the accident. Make sure that these facts don't come as a shocking surprise after you have a claim.

**8. Who can fly your aircraft and be insured under your policy?**

Usually it's only the pilot(s) named on the policy. Some policies can have an "open pilot clause" which allows anyone who meets the criteria spelled out in the clause to pilot the aircraft. Keep in mind that these criteria are very strictly enforced.

**9. If you damage the hangar that you rent, will your policy cover the damage to the hangar?**

Most policies do not cover hangar damage. In some cases you can add an endorsement to give you some (although usually not enough) tenant's coverage. If you rent a hangar consider a "hangar premises liability" policy.

So how did you—and your policy—fare? If you're not sure, or if you are unhappy with some of the answers you arrived at, don't waste any time contacting your aviation insurance broker and getting the answers you want. Paying for a policy that won't cover you adequately doesn't make too much sense, does it?



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