



Navigating an Insurance Claim

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Insurance policies are paper. They are a part of all of that stuff that aircraft owners and pilots must deal with if they are to responsibly fly airplanes in today's environment. When an aircraft operator buys a policy, there are usually three copies of that policy issued: The original for the insured, a copy for his agent, and a copy for the insurance company. Fortunately for both the insured and the insurance company, in most cases all three of these copies are filed in a drawer (or put on a computer disc) never to be seen again until the policy comes up for renewal a year later. When an accident or a loss occurs involving the insured's aircraft, these almost forgotten pieces of paper suddenly become the object of a great deal of attention. This is especially true for the aircraft owner who, unlike the agent and company, has not had much experience navigating his way through the IFR conditions that always seem to exist between the pages of most insurance contracts.

Somewhere buried in all aircraft policies is a section that outlines the insured's responsibilities in the event of a loss. Although the wording of this section may vary somewhat from company to company, when a loss occurs certain actions are required of the aircraft owner under the terms of all policies. Aircraft owners should review their policy for these requirements and question their agent if anything is unclear.

Like most other aspects of flying, the best way to assure that all of the details have been covered is to develop a good checklist to be used in the event of an accident. A copy of that checklist should be kept in the aircraft and a copy with the risk manager or whoever is responsible for managing your organization's insurance program. Corporate flight operations manuals and Part 135 manuals should all include a section that the pilot can refer to when the unthinkable happens, and he or she crawls out of a pile of scrap aluminum that only a few minutes before was an airplane. An insurance claims checklist should be a part of this section of the manual.

A good Insurance Claims Checklist should include the following:

1) Provide first aid medical assistance to any and all injured persons. Of course, this is the most important item on the list. Do what you can to protect the lives of those involved. Most policies will pay for the costs under the medical payments section of the policy with no question of liability. Since the pilot may be one of the injured, he or she may not be able to assume this responsibility so the owner/operator should have some contingent plan to insure that the injured people are taken care of.

2) Secure the aircraft from further damage. This is especially important if the aircraft cannot be moved for a period of time. A broken airplane in a place where it should not be can be an attractive nuisance with a potential of not only additional physical damage to the aircraft, but also an additional liability loss. It may be necessary to place a guard at the loss site until the aircraft can be safely transported. The insurance carrier will also pay for the cost of a guard service.

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3) File a report with the insurance company as soon as possible after the loss occurs. The sooner the adjuster can start gathering all of the information regarding the loss the less likely that any of that information will be lost. This should make the claim process go smoother. Once the insurance company is notified and involved, payments can be made for such things as first aid expenses and wreckage moving expenses.

In most cases, claims are reported to the one that you purchased the policy from, your aircraft insurance agent. Some insurance companies provide a phone number to report the loss directly to the company. In either case, be prepared to provide the following information:

- 1) Name and address of the named insured on the policy and, if you have it handy, the policy number.
- 2) Name and phone number of the insured's representative that will deal with the adjuster.
- 3) Name and phone number of the pilot.
- 4) Names of all passengers.
- 5) Make, model, and FAA N-number of the aircraft.
- 6) Date, time and location of the accident.
- 7) Description of damage to the aircraft.
- 8) Description of any property damage or injuries to persons on the ground.
- 9) Current location of the aircraft. If it has been moved, where is it now?
- 10) Any other information that you have that may be related to the loss such as weather conditions or mechanical problems.

An early advocate of the use of aviation checklists was none other than Charles Lindbergh himself. How many accidents have been avoided over the years because he encouraged early airlines to require the use of checklists? Unfortunately some accidents still happen and, when they do, the insured should refer to a claims checklist to get the recovery started as soon as possible.