

RENTERS INSURANCE MEMO TO MEMBERS (4-13-21)

A recent mishap has brought to light the issue of Oakland Flyer's requirement that all renters (including student pilots) acting as PIC have a current renters insurance policy covering any damage to an aircraft being rented. Without such insurance, renters would be financially responsible for any damage to the aircraft that was not covered by the existing insurance (that's been issued to the aircraft owners & Oakland Flyers.) Until now, we have been lax in enforcing this requirement, and, we have not provided adequate information and guidance in procuring this insurance. Toward that end we are providing more specific information and guidance.

As per the Oakland Flyers "Club Rules", renter's insurance is required for any pilots acting as PIC (including student pilots when flying solo). For a number of reasons (including a lack of sufficient information and guidance, and the ability to track member's coverage), we have not actively enforced this requirement. However, we will start enforcing this requirement effect June 1st.

POLICY: Effective June 1, 2021, all renters who will be acting as PIC (including student pilots) that are not in the company of an Oakland Flyers authorized CFI must have a current Renter's insurance policy. The minimum coverage required is **\$1000** for aircraft property damage. Renters are required to:

1. Provide a copy of the proof of coverage page(s).
2. Keep track of the date of expiration, and, renew as necessary.

PROCEDURES:

1. Upon obtaining coverage renters will provide the proof of coverage to Oakland Flyers.
2. A copy of the proof of coverage will be kept in the renter's file.
3. A database of renters insurance policies has been developed for the purpose of tracking coverage, and verifying adequate coverage prior to rental, as well as reminding renter's of upcoming coverage expiration.

GUIDANCE AND Q&A

1, WHAT DOES THE INSURANCE OBTAINED BY OAKLAND FLYERS / AIRCRAFT OWNERS COVER?

The existing coverage protects the aircraft owner, Oakland Flyers, instructors, and renters from liability not due to negligence or recklessness. This includes damage to the rental aircraft, damage to the property of other parties, bodily injury or death of passengers, as well as liability for such. The coverage is conditional upon the pilot meeting the requirements of the policy (certification and currency in aircraft) and the aircraft being airworthy. However, the insurance company has the option of subrogation against a pilot in certain cases. There is a **\$1000** deductible for damage to the aircraft.

“SUBROGATION” is a process in which the owner’s (or clubs) insurance provider can file a claim against the renter in the event of negligence in order to recover the amount of the claim paid to the insured.

2. WHAT SPECIFIC COVERAGE IS AVAILABLE TO RENTERS, AND WHAT COVERAGE IS REQUIRED? Insurance providers offer coverage for personal injury liability, damage liability, and damage to the rental aircraft. In selecting a policy there are two main areas of coverage.

The first area covers liability to injured persons (bodily injury) and damage to the property of others (not including the rented/borrowed aircraft). You can specify the amount of coverage you want from several listed options. This coverage is made mandatory by the insurance providers.

The second area includes coverage that the insurance provider deems to be optional. These areas include damage to the rented aircraft as well as things like coverage for sea planes, gliders, specialty aircraft, etc. It does not provide coverage for commercial operations (including coverage for CFIs providing instruction, or flights for hire).

Here is the trap many renters (and CFIs) fall into when purchasing these policies. Most flight schools (including clubs) require renters to obtain “Renter’s Insurance”. Renters mistakenly believe that the first area of coverage (the part required by the issuer) covers the rental aircraft. It does not !

Instead, renters need to purchase the “optional” insurance for damage to the rental aircraft. Unfortunately, the insurance providers don’t emphasize that. The amount of insurance that is required by Oakland Flyers is **\$1000**, which will cover the deductible of the Oakland Flyers / owner’s coverage. You have the option of purchasing additional insurance coverage to cover the cost of the aircraft in the event of subrogation. See the chart below for the insured value of each aircraft. It’s generally advisable to purchase as much coverage as you can afford to match your financial exposure.

3. WHERE CAN COVERAGE BE OBTAINED? See the chart (below) the most popular providers that our members have used. Note that regular homeowners/renters insurance does not provide coverage related to aircraft usage.

4. WHAT DOES IT COST? See the chart (below) for the most popular providers. Generally speaking, most of the providers are close in cost and coverage, although there are specific differences in coverage and provisions. Overall, the cost for the minimal insurance (liability, bodily injury, and \$1,000 damage to rental aircraft) is about **\$175**. Each provider provides quotes based on:

- a. The individual pilot’s certifications, experience & history;
- b. The amount of coverage desired;

MOST POPULAR PROVIDERS (4-13-21)

PROVIDER / ORG	AOPA *1 (4-11--21)	AVIATION MARINE (4-11-21)	AVEMCO (4-11-21)
BROKER	Assured Partners	Aviation Marine	AVEMCO
INSURANCE CO	AIG	STARR	AVEMCO
PHONE	316-942-2233	800-972-0907	888-241-7891
LINK	https://www.ap-aerospace.com/aircraft-renters-insurance	https://www.aviation-marine.com/	https://www.avemco.com/products/renter
LIABILITY (PROPERTY & INJURY) (annual)	25/250 = *86 /81 50/500 = *116 / 109 100/500= *181 / 172 100/1M- *220 / 209 *Non-member rate	25/250/250 = 114 50/500/500 = 143 100/500/500=228 100/1M/1M =749	25/250 = 95 50/500 = 105 100/500= 170 100/1M = 205
RENTER AIRCRAFT DAMAGE (annual)	1000 - NA 5000 = *99 / 94 60000= *600/ 570 100000= *975 / 926 * Non-member rate	1000= 107 5000= 128 55000= 763 100000=1283 *Includes loss of use (which others do not include)	1000 = 60 5000 = 120 50000 =500 100000 =925

OAKLAND FLYERS AIRCRAFT INSURED VALUE EFFECTIVE 4-1-21 (UPDATED 4-13-21)

AIRCRAFT	N49004	N35469	N6MB	N7310G	N43434	N2874Z	N533TP	N64605
MAKE & MODEL	C152	C172-I	C172-K	C172-K	PA280151	PA28-161	PA28-181	8CAB
INSURED VALUE	35,000	95,000	50,000	95,000	70,000	65,000	70,000	90,000

6. USEFUL LINKS FOR IN-DEPTH INFORMATION ON RENTERS INSURANCE:

<https://studentpilotnews.com/2018/08/16/need-renters-insurance/>

<https://www.sportys.com/blog/non-owned-aircraft-insurance-pilots-need-know/>

<https://www.ap-aerospace.com/aircraft-renters-insurance>

<https://www.avweb.com/ownership/renters-insurance-know-the-exclusions/>

https://philip.greenspun.com/bboard/q-and-a-fetch-msg?msg_id=000uLL&topic_id=21&topic=Aviation

<https://www.aopa.org/news-and-media/all-news/2014/december/23/renter-insurance>