

Glider Flight Instructor Protection (Updated March 2008)
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If you are a flight instructor teaching in non-owned aircraft including gliders or thinking of becoming one you probably want to read this. Let us start with a hypothetical loss.

Today, while giving dual instruction in ABC Flight School's Grob 103, you negligently caused a loss resulting in injury to your student and a person outside the glider. The glider was totaled in the process.

Since you caused the accident all the injured parties are looking to you for reparations. Just where do you stand? Can you transfer this risk of financial devastation to an insurance company? Or will you be springing for your defense costs and the damages out of your own pocket? The answer is---it all depends!

If ABC carried hull and liability insurance on the Grob you'll probably be able to transfer your risk of loss to their insurance company provided you are ABC's employee. If not an employee, but only an independent contractor glider flight instructor (CFIG), their insurance company will not consider you an additional insured and you'll be on your own.

Independent contractor pilots operating commercially are excluded as additional insureds in aviation insurance contracts even if they are approved pilots in the insurance policy. The insurance carriers feel freelance pilots operating commercially should have their own insurance and should not be protected under the flight school's policy. So what's to be done if the flight school will not bring the CFIG on as an employee? The answer is to acquire your own non-owned aircraft liability insurance (aka. Renter Pilot Liability insurance). This policy must approve dual instruction including flight reviews for hire in non-owned gliders to be any good.

Until May 2001 a non-owned policy that provided coverage for flight instructors (including glider flight instructors) did not exist. Sure, non-ownership policies have been available for decades. But these policies were for Pleasure use only. Commercial operations of any kind were excluded. They were no help to the CFI or CFIG.

In 2001 AIG Aviation Inc., an aviation insurance carrier, began offering non-owned coverage for the pleasure operation of non-owned single engine land aircraft. They later extended coverage to the operation of Standard, Experimental, and Light Sport single engine aircraft as well as gliders. (i). For an additional premium they will provide coverage for dual instruction and flight reviews for hire provided by CFI's and CFIG's.

Now let us look at another type of loss that may negatively impact a CFG.

Three months ago you finished teaching Jim to fly gliders. He was a bright student, caught on quickly, and obtained his Private license in near record time. Last month he had a loss with his glider and was injured. His medical bills may run into the thousands of dollars. Suddenly, you are on the receiving end of a lawsuit. The allegation is you didn't teach a certain procedure correctly, for if you had he would not have sustained the loss.

It matters not whether you were an employee or an independent contractor CFG for ABC Flight School at the time you taught Jim that procedure. It matters not if you had aircraft liability insurance under ABC's policy or from your own non-owned aircraft liability policy. Those policies provide coverage for bodily injury and property damage you negligently cause while operating the aircraft. It's accident insurance. For this loss you need Professional Liability Insurance for negligent instruction.

Professional liability insurance provides coverage for negligently performing a task that results in someone else having a loss at a later date. i.e. Forgetting to teach a procedure or teaching it incorrectly.

AIG, when flight instructor liability is purchased, includes Professional liability coverage for no additional premium.

Here is a sample loss. You have an AIG non-ownership policy for flight instruction that started 1-1-07 and ended 1-1-08. You gave instruction to someone in a non-owned glider on 6-1-05. They have a loss on 5-30-07, which is within the policy period. The pilot sued you for negligent instruction. Would your non-ownership policy apply? Yes, for the coverage trigger is not when the instruction was provided but when the loss occurred. In this case the loss occurred two years after the instruction was given, but during the 2007 policy period. Had the loss occurred in 2008 the policy would not have afforded coverage as it would have expired. You would have needed to buy a policy for 2008 to cover a loss occurring in 2008.

While Professional Liability losses for flight instructors are rare, a non-owned policy for flight instructors is still highly recommended.

Glider flight instructors who want to take their liability protection into their own hands, whether an employee of a flight school or not, should contact Costello Insurance for a no obligation quotation. (ii)

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(i) Covered Aircraft under the AIG Non-Owned Aircraft insurance policy: This coverage is for your pleasure and business related flying and your flight

instruction to others in non-owned, fixed wing, non-pressurized, land aircraft having non-turbine single engine of 450 horsepower or less (including non-powered sailplanes) and a capacity of no more than seven (7) total passengers and/or seats and having a Standard, Experimental, Restricted, or Light Sport Aircraft certificate.

(ii) Contact Costello Insurance Associates, Inc. at 800-528-6483, by Email at insure@aviationi.com, or via their website www.gliderinsurance.com.