

INSURANCE

Most Frequently Asked Questions (FAQ)

FAQ: What does the Chapter General Liability Insurance cover?

The Chapter Insurance policy is **General Liability Insurance** that protects the Chapter, Officers and Members in the event that claims are made against the Chapter as a result of their role or actions in an activity or event. This insurance coverage is **ground liability only** and does not cover the Chapter for activities once they have taken off of the ground in their aircraft and it does not protect the Chapter's assets in terms of their hangar, tools, etc. For coverage concerning their clubhouse/hangar the Chapter needs to acquire separate policies that pertain to their building(s) and contents. If the Chapter stores aircraft within their hangar, Hangarkeeper's Insurance would be required in order to cover the aircraft in the event of a fire, etc.

FAQ: Can our Chapter request additional insured status for other organizations or individuals in conjunction with a Chapter activity?

Yes, additional insured status is available for local airports where your Chapter activity is being conducted. Other organizations may request additional insured status but there is an additional premium and the organization will be subject to the approval of Corporate Risk Management Office. Additional insured status means that you are sharing the Chapter Insurance Program with other organizations. We must be very selective in doing so in order to protect the plan for the Chapters.

FAQ: Can our Chapter conduct fly-bys at a Chapter Class 1 event?

The answer is yes and no. The Chapter Insurance program has been expanded in the past year to include General Liability Coverage for Fly-bys conducted at Chapter Events. However, this expanded coverage does stipulate certain limitations. The fly-bys should only be conducted by recreational type of aircraft and does not include large military aircraft such as DC-3's, bombers, etc. Formation flying is prohibited.

In addition, the fly-bys are only to be conducted over a runway where the attendees of the event are held in a separate secured area. It is not acceptable to conduct the fly-by over a parade, stadium, etc. where people are directly under the aircraft. Your Chapter Insurance Program does NOT provide coverage for these fly-bys and they are not allowed at Chapter events.

Aerobatic demonstrations are **NEVER** allowed at Class 1 Chapter activities. Demonstrations that include paid or unpaid performers or even a single aircraft doing a few loops or rolls prior to departure are not covered. If your Chapter wishes to conduct or bring in an aerobatic demonstration at an event your Chapter will be required to complete an insurance application at least 30 days in advance of the event in order to determine if insurance coverage will be available under Class 2/3 insurance (an additional premium will be required).

FAQ: Can our Chapter have an airworthy aircraft (flying club) within our Chapter?

Chapters are not set up to own or operate flying clubs within the Chapter structure. If your Chapter has completed an airplane project and is planning on using it as "flying club" type of aircraft, then it needs to be taken outside of the Chapter in a separate corporation prior to test flying it, insuring it, licensing it, etc. If your Chapter has acquired or is thinking about acquiring an airworthy plane a separate corporation must be set up outside of the Chapter, with no direct ties back to the Chapter and/or EAA (i.e. membership in the Chapter or EAA should not be required to join the flying club).

It may be difficult to understand from a Chapter's point of view why an aviation based association such as EAA does not allow flying clubs to exist within Chapters. There are several reasons. First is the liability exposure that is created. Unfortunately in this day and age, should an incident occur where a claim is filed, the Chapter, its officers, members and EAA could all be responsible. In order to protect the interests of the Chapter and EAA we require that the flying club remain outside of the Chapter Structure. Second, flying clubs have proven to be divisive within Chapters. There will be members within the Chapter that have no interest in flying the plane, do not want the liability exposure and do not want the Chapter's funds going to support it. With a separate flying club established, those that are interested can participate and those that do not want to, don't have to.

A good reference document for people interested in setting up flying club is the book "Keeping the Peace in Partnerships ~ A Guide to Aircraft Co-Ownership" by Bruce Luedeman. This book can be ordered through membership services at 1-800-564-6322.

FAQ: Can our Chapter own, operate, manage or maintain an airport or airpark?

A Chapter is not set up to be the owner, manager or operator of an airport or airpark. It exceeds the boundaries of the Chapter structure. It is acceptable for a Chapter to rent out hangar space, in their own Chapter hangar, to fellow Chapter Members only but it is recommended that additional insurance be acquired to cover these activities. Chapters should not own or manage a hangar complex and be the managing authority over them. In addition, the Chapters should not be conducting fuelling operations, maintaining runways, leasing aircraft, conducting flight instruction, maintaining runway lights, collecting money or performing any other managerial functions of the airport/airpark.

Why is it inappropriate for the Chapter to be involved in the above-mentioned activities? The Chapter Insurance Program does not extend coverage for these actions. In addition, there is a problem with short-term versus long-term goals and resources of the Chapter. Perhaps at this point in time there is an enthusiastic group that wants to spend their time and money to manage the airport. But what happens in five or ten years when your Chapter suddenly finds itself unable to keep up with the maintenance or the funds required to repair a runway or building is beyond the financial capabilities of the Chapter? Finally, a Chapter is meant to be fun and running an airport/airpark requires a great deal of effort that many of the Chapter Members may not be interested in participating in, thus limiting the scope of the Chapter to a very narrow focus.

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FAQ: Can our Chapter participate in or organize an airshow as a Class 1 Event?

Chapters can participate in an air show by putting up an informational booth, manning a food tent, putting on a static display and still fall within the boundaries of a regular Class 1 Event.

However, they need to be aware that if they become more closely involved in the formal planning sessions of the event, profit sharing, organizing acts, then they have moved themselves from a participant role to that of a sponsor. Sponsoring an air show exceeds the boundaries of a Class 1 Event and the Chapter will be required to obtain additional insurance in order to protect themselves for the more involved role that the Chapter is playing in the event. The Chapter should make sure to complete an insurance application at a minimum of 30 days prior to the event to determine what insurance and additional premiums will be required.

Exposure is also incurred by being listed as a co-sponsor of an event on posters and promotional materials. If the Chapter has not formally taken on this role they do not want to be listed as a sponsor, rather they should be listed as a participant and recognized for their limited role (i.e. hamburger stand).

FAQ: Can our Chapter give rides at our Chapter fly-in that are in addition to the Young Eagle rides?

Yes, your Chapter can give rides at a Chapter function. Additional paperwork is required for insurance purposes. Your Chapter will need to complete the **Event Insurance Application** as with any other event. In addition a **Passenger Release of Liability** form will need to be complete by each person taking a ride and a **Chapter Orientation Ride Information Form** for the Chapter will need to be completed in advance. All of the forms are available in the Chapter Handbook, on the web and by calling the Chapter Office. Keep in mind this is for Chapter Members giving the rides.

If your Chapter has a commercial operator coming to the event giving rides then the Chapter, officers, members and EAA need to be listed on the operators policy as an **additional insured** and proof of the this additional insured status should be forwarded to the Corporate Risk Management Office a minimum of one week prior to the event. For specific wording required on the paperwork, contact the Corporate Risk Manager at 800-236-4800 ext. 4822.

If your Chapter is giving rides away for a donation then you will also be required to complete the Drug Testing Exemption information as required by the FAA.

FAQ: What should we do if we have a change in facility mid-year or are building a facility?

If your Chapter acquires a clubhouse or hangar mid-year, an updated annual insurance application should be filed that denotes the new facility. There will be an additional premium amount based on the type of facility. For an application, please contact the Corporate Risk Management Office at 800-236-4800 ext. 4822. If your Chapter does not update its insurance information as noted above and a claim is filed, the Chapter will not have the appropriate coverage and could possibly be with no coverage.

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If your Chapter is building or physically moving a facility, then your Chapter needs to be insured for these activities. Your annual General Liability Policy does not cover your Chapter for these additional responsibilities. Should someone get hurt at the building site, there would not be any insurance in place to cover the potential liability. Therefore, the Chapter needs to acquire additional insurance for this time period to cover these acts. Please contact the Corporate Risk Management Office at the above number, prior to beginning construction, to obtain the necessary coverage.

FAQ: Can we participate in a parade, do candy drops and bomb drops?

The Chapters insurance policy does not cover parades. If your Chapter plans to have a float in a parade then the auto insurance of the car/truck pulling the float would be responsible. Also, if an aircraft is on the float, then the owner of the plane would need to have coverage under their insurance policy.

Candy drops can be conducted at Chapter activities if strict guidelines are followed. The crowd must be held back behind a restricted area. Under no circumstances should the candy be dropped directly over the crowd. The candy cannot be dropped on a runway (active or temporarily closed) but should be dropped in a separate open area.

Bomb drops are not allowed at Chapter events. The concern is in the fact that pilots tend to substantially cut back on power and altitude to do the drops and thereby significantly increase the risk of an accident. Only **Ultralights** may conduct a beanbag toss over a target using the official Pilot Proficiency Guidelines.

FAQ: Can our Chapter participate in or co-sponsor a Wings and Wheels type of event?

Events that bring together cars and airplanes can be terrific events and good opportunities for Chapters to work together with local organizations. A Wings and Wheels type of event is fine as long as a few guidelines are followed. The cars should be restricted to static display only. Proficiency events, burnouts and high-speed demonstrations may not be conducted. The Chapter's insurance policy is an aviation based policy and does not provide for automobile coverage in these cases. If the car club participating in the event does have insurance and lists the Chapter, its members and officers as additional insured, then these activities may possibly take place. The Chapter must request the additional insured status, receive a certificate from the car clubs insurance company (mail a copy to the EAA Corporate Risk Management Office) and complete an Event Insurance Application a minimum of 30 days in advance. Please be aware, that if your Chapter is being listed as a co-sponsor of the event, the car club must have their own insurance in order to conduct any of these activities.

FAQ: Can we have Introductory Flight Lessons in an Ultralight at our event?

An Introductory Flight Lesson can be conducted at an event, in an ultralight, as long as certain criteria are met. The Instructor must be registered with EAA, USUA or ASC and be operating with a two-place training exemption. The ultralight and training flight must be registered with EAA, USUA or ASC. The Chapter should make sure to file an Event Insurance Application that includes all

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activities being conducted at the event, including the Introductory Flight Lessons. Keep in mind that the Chapter Insurance will only cover the Chapter in any negligence. The instructor will not be covered for the flight.