



NEW PROFESSIONAL LIABILITY ENHANCEMENT AVAILABLE FOR YOUR INSTRUCTORS

To: Glider clubs and commercial operators insured through the SSA Group Insurance Plan

Costello Insurance has secured an enhancement to the SSA Group Insurance Plan that can help protect your organization and its flight instructors should there be a suit for negligent flight instruction arising from an accident that occurred during the policy period which resulted in bodily injury and/or property damage.

An example of a negligent instruction loss would be your instructor, while working on your behalf, taught a pilot stalls in 2006. In 2014 the pilot crashed from a stall. The pilot is hurt and the aircraft is damaged. The pilot sues your organization and instructor alleging the loss would not have occurred had he/she been instructed properly. Your organization and the instructor need insurance to mount a defense and coverage should the plaintiff prevail.

In the past the only way we could offer such coverage was via non-owned aircraft liability insurance policies to each instructor. This new enhancement would allow your organization to add the coverage for a small additional premium to an airport premises liability policy. \$1,000,000 coverage per occurrence with an annual aggregate of \$1,000,000 is approximately \$400 per year.

Note: The words your, policyholder, organization and named insured all refer to the entity listed as Named Insured on the policy.

Typical Questions and Answers:

1. Is the charge per instructor?
Ans. No. It's per policy.
2. What if our organization does not have an airport premises liability policy to which this coverage can be added?
Ans. Airport premises liability insurance is coverage any club or commercial operator should seriously consider having. We'd be happy to supply a quote for premises liability plus the add-on for negligent instruction.
3. What if we already have an airport premises liability policy through the SSA Plan?
Ans. Simply call us for a quote to add the negligent instruction endorsement to the policy.
4. Does it matter that this coverage was not a part of our policy when the instruction was given?
Ans. No.
5. What triggers the negligent instruction coverage?
Ans. The accident must result in bodily injury and/or property damage to others and occur at a time when the needed coverage was in force. The alleged negligent instruction must have been supplied on behalf of the policyholder (the insured club or commercial operator).
6. If a loss occurs next year and we did not renew the policy with the negligent instruction endorsement would our organization and affiliated CFI's have negligent instruction coverage?
Ans. No. The policy that is in force at the time of the loss must have the negligent instruction endorsement.
7. What if our relationship with the CFI terminated in 2013 and he/she is sued for negligent instruction in 2015?
Ans. It does not matter if the relationship has ended or is current. What matters is the alleged negligent instruction was given on behalf of the policyholder and that the loss occurred during a time when the airport liability policy had the negligent instruction endorsement.
8. What if the CFI was an independent contractor?
Ans. Coverage would apply to the CFI if the instruction given was on your behalf and all the other requirements were met.

What matters is that the alleged negligent instruction was given on behalf of the policyholder and that the actual loss occurred while an airport liability policy with the negligent instruction endorsement was in force.

The negligent instruction endorsement should assist your organization in creating or hiring ground and flight instructors as it will provide them defense and insurance protection for professional liability losses due to negligent instruction that was given on your organization's behalf. Simply call Costello Insurance for a quote.

Best regards,

Pat

Pat Costello

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