

Do You Know Your Policy?

By Chris Davis

Accident:

On November 22, 2006, at approximately 1500 PST, a McDonnell Douglas 369E helicopter was substantially damaged when it impacted terrain near Lyons, Oregon. The commercial pilot, the sole occupant in the helicopter, was not injured. The flight was being operated under Title 14 CFR Part 133. Visual meteorological conditions prevailed for the local external-load flight that originated at approximately 1455 from an off field refueling location. No flight plan had been filed.

The pilot said that he was moving Christmas trees during harvesting operations. He said that one of the two slings holding the load failed, and as the trees fell to the ground, the second sling “popped” into his rotor head. The pilot said that both the cyclic and collective were compromised, and the aircraft fell to the ground. The helicopter came to rest on its right side.

Insurance thoughts:

In operations such as this, there are many variables that are brought into the equation when an accident occurs. Additionally, there are a number of questions that need to be answered before an insurer will write the first check. For example; Who owns the rotorcraft? Who are the protected parties? Was the rotorcraft working within the scope of the coverage provided? Was this contract work? Are there additional insured's? Was the cargo insured?

When looking at who is protected under the policy, we start by identifying the Named Insured? The Named Insured, which in many cases is the aircraft owner, should be protected provided he has obtained adequate insurance and is in compliance with the terms of the policy (no sling load exclusion in this case).

In many cases, the pilot would meet the definition of Insured provided he is an employee of the company and he meets the pilot requirements stated within the policy. If a “contract pilot” is used, he may need to be listed as an additional insured with a waiver of subrogation to be protected for his liability under the policy even though he is an approved pilot or one who meets the requirements listed in the Open Pilot Warranty.

If this was a contract job (the tree owner hired an independent company to harvest his trees), the tree owner may not have any coverage for his liability under the aircraft policy unless specifically added as an additional insured. In some cases you may be able to cover the cargo with a Cargo Liability Endorsement.

Did the policy allow for this type of use of the rotorcraft? Both rotorcraft and aircraft are rated based on many factors, one of which is the purpose of use. The coverage may be voided if a charge is being made for its use when it was written as a pleasure and business

policy. In addition to the restriction on charging for its use, was there a sling load exclusion in the policy? Sling load exclusions are common in rotor wing policies so coverage could be denied if it's used for any purpose that is specifically excluded.

As always, you must read your entire policy to determine what types of coverage's are in place and what operations are specifically excluded. Check with your agent if you have any questions. Discovering what coverage is available and what actions can void your policy should not be done while leaning on a bent rotorcraft...at that point the chips are down.

Accident:

On December 11, 2006, at 2217 CST, a Bell 407 operated as an air ambulance helicopter, executed an emergency landing on an elementary school parking lot near Raytown, Missouri. Night visual meteorological conditions prevailed at the time of the accident. The pilot stated that he heard a bang and got a low frequency vibration during cruise flight. The helicopter received minor damage due to internal engine components exiting the engine collector and exhaust stack. The air ambulance flight was operating under Title 14 CFR Part 135. The pilot, two paramedics, and patient were uninjured. The flight last departed from Golden Valley Hospital, Clinton, Missouri, at 2154, for a patient transfer.

Insurance Thoughts:

In an accident caused by an engine failure, the insurance will respond according to the policy wording. What is meant by that statement? Your policy will exclude any "wear and tear" items. The component that failed is considered a wear and tear item and therefore will not be covered for its replacement. However, the resulting damage caused by the failed part should be covered as well as any bodily injury or property damage associated with the accident. Additionally, a good policy will cover the transportation cost to return the rotorcraft to its home base or the nearest repair facility in the event of an off airport landing. One other item to note is that the value of "time-life" parts may be prorated based on how much time is left before overhaul or replacement is required.