



INSURANCE

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INSURANCE FOR AGING AIRCRAFT AND PILOTS

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One of the most frequent questions I am asked is, "Do older aircraft and/or pilots pay higher premiums?" The answer is simple: Yes, they may, but they don't have to!

As aircraft and pilots get older, two things happen with the insurance. One, it becomes less available (i.e. some of the insurance companies will not offer it for older aircraft or senior pilots). Second, those companies that will offer insurance may charge more, however the point at which they start charging more varies from one company to the next.

Is this discrimination? Not really. Insurance companies have identified that pilots with older airplanes may have accidents resulting from mechanical failure more frequently than newer aircraft. And it may be more difficult to repair older airplanes because of parts availability or mechanic knowledge of older aircraft designs and construction.

However, when aviation insurance companies cite losses involving pilots who are senior, the statistical credibility of this information is very thin because the overall population of these groups is extremely small. Unlike the automobile insurance industry, where there are hundreds of thousands of drivers in varying age categories, the aviation community is much smaller and therefore the statistics are not as clear-cut. Regardless, some aviation insurance companies typically will either decline to offer insurance for older airplanes and senior pilots or they may charge a higher price.

What can you do?

There are two things you can do. If you have an older airplane, it's extremely important that you work with a professional agency that knows how to get over the hurdles to secure quality aviation insurance companies without price surcharges. You and your agent can work together to provide the underwriter with information on the most recent annual inspection, upgrades that you've made to the aircraft, the availability of parts and the repairability of your airplane.

If you and your agent show the underwriters that your pride-and-joy aircraft is maintained in tip-top shape and you are staying connected through organizations like the American Bonanza Society, the message to the insurance

underwriters is "Fear not, this aircraft, even though it may be older, is just as good as a late-model airplane!"

My suggestion to you is to keep a running list of all the upgrades you've made to your airplane and include this when your agent works on lining up your aircraft insurance. I have a friend who flies an older Bonanza and frankly, if you saw it you'd think it was a 1985 model, not a 1965 model.

Because of Falcon Insurance Agency's strong relationship with the aircraft insurance industry, we are often able to arrange coverage for ABS members through the ABS Insurance Program that otherwise might be difficult to obtain.

How about the pilot's age?

Here again, just because some companies have an issue of age, you can still get excellent coverage without surcharges.

Start with recurrent training—one of the best things you can do. For instance, the Beechcraft Pilot Proficiency program (BPPP) is well known and highly respected by aviation insurance companies.

So if you are using this outstanding program or any others, make sure you tell us. Actually, we'll ask you. Make sure you keep your records so we can maximize all available credits for your efforts to stay on top of your pilot skills.

Keep flying! The worst thing you can do, regardless of age, is to cut back on your flying. The aviation insurers like to see active pilots because they are skilled pilots which translates to safer pilots.

Just a few days ago I talked with an 80-year old pilot who on his own takes an annual physical, participates in the BPPP recurrent training programs, and he also gets an annual flight review and IPC. Setting up his aircraft insurance was a piece of cake and he was really surprised by the low price he got on his insurance. Frankly, I've found that as pilots get older they know the importance of maintaining their physical condition and this makes age not a factor.

Older airplanes and older pilots do not equal higher cost for aircraft insurance...and no, you don't have to quit flying or struggle to get quality aircraft insurance. Keep your airplane and yourself in top condition and the ABS Aircraft Insurance Plan will keep the cost of your aircraft insurance where it should be—without surcharges!

Happy flying.

If you are not insured in the ABS Aircraft Insurance Plan, please check it out when your policy comes up for renewal or when you purchase that new aircraft. Call the ABS Plan at 800-259-4ABS (4227).

Thanks to all members who have their insurance coverage through the ABS program administered by Falcon Insurance Agency. There is no extra charge to the individual member, and Falcon's active sponsorship of ABS programs helps us expand services to all members. The more members who use Falcon, the more clout the agency has in the aviation insurance industry on our behalf. If you're not part of the ABS Insurance Program, we urge you to obtain a quote from Falcon prior to your next renewal.