

Maintenance Shop Insurance

HAVING purchased Aircraft Hull Coverage, you rightly assume your maintenance shop has what the industry calls "Aviation Hangarkeepers and Products Liability Insurance". Often have I heard the comment "I don't need hull cover yet as it will be covered by my engineer's insurance when it's in his hangar".

The facts are that this may not be the case. Hangarkeepers Insurance only covers the negligence and legal liability of the hangar owner with regard to aircraft held in their care and custody. If your engineering organisation denies they are responsible or the circumstances of the loss won't stand up in court, then you can't expect any compensation from their insurers. It is very important then, that you maintain your own insurance even for a construction project or lengthy refurbishment programme.

Having clarified that, let's consider a couple of scenarios that might occur totally beyond your control ie, the hangar burns down, the aircraft (or parts) are stolen or during an engine run the apprentice taxis into something requiring a replacement prop and bulk strip (even worse if your

engine is running on condition and you have to overhaul the engine).

If you have your own hull insurance, you may be reluctant to claim under your own policy as there is the policy deductible to consider, loss of No Claims Bonus, a possible premium increase next renewal and a claim that you could be accountable for, for years to come. If the shop readily admits liability and their insurers step up to the mark then it could be convenient to let them get on and rectify the damage.

However, even if there is no dispute with the shop or their insurers denying liability it's always best to lodge a claim under your own policy and let your own insurers appoint a Loss Adjuster to sort out the mess. They will do the negotiations, pay any legal fees that arise and isolate you from the nitty gritty negotiations. By assigning the claim to your insurance company you will have an adjuster that will be on your side and like you will want your aircraft repaired quickly and properly. In addition, your insurance company will have every expectation of recovering all the costs from the negligent party.

Even though the loss will be a claim under your policy, a loss due to someone else's negligence will not generally be considered adversely in future renewal evaluations. Your insurance adjuster will take charge and if necessary redirect repairs to an alternative repairer (only with your approval) who may be able to get the job done quicker. Your insurers will in turn pursue the negligent party and their insurers for full reimbursement and also assist in the recovery of the deductible and any other relevant expenses. Your insurance company assumes your Rights of Recovery when they pay the repair costs – this is called Subrogation.

Things naturally take an entirely different course if you or your repair shop are not insured. My best advice therefore is to firstly ascertain your maintenance provider has the necessary Hangarkeepers/Products Liability Cover and their level of coverage is enough to cover the full value of your aircraft. Low cost maintenance is a bad option when it comes at the cost of no insurance back-up.

To discuss this topic or any other aviation insurance questions, contact Bill Beard at Avsure on 0800 322 206.

Accident and Incident Reports are provided courtesy of

Type: Rans S-6ES Coyote II XAC
Location: Rangitata Island **POB:** 2
Operation: Private Other **Injuries:** Minor
Date: 11 January 2103
Report: Aircraft bounced while conducting a three-point landing, became airborne and landed heavily in a paddock beside the runway. The main gear collapsed, the propeller struck the ground, and the passenger received minor injuries.

Type: Robinson R44 II IPY
Location: Glenorchy **POB:** 3
Operation: Other **Injuries:** Nil
Date: 11 January 2013
Report: Main rotor blade struck the tail boom during start-up due to a wind gust. Damage was caused to the tail boom, with associated damage to the rotor blades.

Type: Robinson R22 Beta IMZ
Location: Nokomai Station **POB:** 1
Operation: Private Other **Injuries:** Nil
Date: 19 January 2013
Report: Helicopter was flying up a valley and suddenly lost altitude due to a suspected downdraft. Helicopter hit ground and rolled 6 times, breaking off the tail.

Type: Cessna 152 KTZ
Location: KIWITEA **POB:** 2
Operation: Training Dual **Injuries:** Nil
Date: 6 February 2013
Report: Aircraft stalled during terrain awareness training, impacting the ground. The student and instructor exited the aircraft without injury, which then caught fire approximately 20 minutes later.

Type: Robinson R22 Beta HIY
Location: Karama **POB:** 2
Operation: Private Other **Injuries:** Nil
Date: 21 January 2013
Report: Helicopter experienced unusual vibrations while flying at 4500ft. Pilot decided to make a precautionary landing but the tail struck the ground during landing and helicopter rolled over.

Type: Robinson R44 II HXM
Location: Wanaka **POB:** 3
Operation: Private Other **Injuries:** Nil
Date: 1 January 2013
Report: Pilot lost visual contact with the ground due to condensation on the windshield while hover-taxiing to takeoff. Tail rotor contacted the ground and directional control was lost. Collective was reduced, with minor damage to skids from a resulting hard landing. Tail rotor drive shaft had sheared, with the whole assembly partially sheared from the tail boom.

Type: Titan T51 Mustang WUH
Location: Motueka **POB:** 1
Operation: Private Other **Injuries:** Nil
Date: 8 February 2013
Report: Aircraft made a wheels up landing. The pilot reported that there was no malfunction on the aircraft's part.

Type: Cessna 172N EKG
Location: Whitianga **POB:** 4
Operation: Private Other **Injuries:** Nil
Date: 27 January 2013
Report: Aircraft had a hard landing which caused the gear to collapse, bending the propeller and damaging the cowling.

Type: Pacific Aerospace Cresco LTT
Location: Ohura **POB:** 1
Operation: Agricultural **Injuries:** Nil
Date: 25 January 2013
Report: Aircraft hit several sheep on its take-off roll after they broke onto the airstrip while being mustered.

Type: PZL-104 Wilga 35 PZL
Location: Omaka **POB:** 2
Operation: Private Other **Injuries:** Nil
Date: 31 January 2013
Report: Aircraft stalled in the flare causing the wing to drop and contact the ground resulting in the aircraft overturning.

These accident reports are sourced from www.caa.govt.nz and contain information as reported to the CAA recently. As such, the accuracy of the information supplied cannot be guaranteed. See www.caa.govt.nz for other details which may be added as more information is received.

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