

# AOPA Insurance:

## What You Didn't Know

by Tim Kern

**A**OPA's Insurance Agency originally started as a joint venture between AON, an insurance brokerage, and the Aircraft Owners and Pilots Association (AOPA) in 1993. Interestingly enough of the six original employees, two -- Cathy Knott and Brenda Jennings -- are still employed at the agency.

In 1998, the AOPA Insurance Agency (AOPAIA) purchased the pleasure and business policies from AON and started representing a majority of the A-rated aviation insurance companies. That move brought all the AON employees working on that business directly into AOPAIA.

AOPA expanded its direct involvement with the agency, and on April 1, 2007, AOPA became the 60 percent shareholder, making the staff full employees of AOPA. The last step in creating today's configuration came in 2009, when the AOPA Insurance Agency became a wholly-owned subsidiary of AOPA.

### FIRST WITH ONLINE QUOTES

It's accepted now, but no one knew in 2001 whether the Internet could be an effective way to give people access to complex information. But that's when AOPAIA broke new ground, becoming the first aviation insurance agency to provide online quoting and binding of renters insurance.

### SERVICES EXPANDED BEYOND THE NAME

Services continued to be added, so in 2012 AOPA Insurance Agency became known as AOPA Insurance Services, a name that better encompassed all the insurance products offered by AOPA.

Jim Pinegar, vice president and director of operations for aviation insurance, says, "There are very few aircraft for which we cannot obtain coverage. As a broker, we represent over a dozen companies, the major A-rated companies that provide aviation insurance. We're regularly shopping the companies for our members -- we want to be sure that our customers' needs are being met."

You don't need to be an AOPA member to get insurance through AOPA. Pinegar notes, "Membership is not required but some companies will offer an AOPA member discount."

### HOW TO SAVE MONEY ON INSURANCE

Experienced, current pilots have fewer accidents, and rates reflect this. Happily, that means one of the best ways to lower your rates is to fly more. Active, claim-free pilots could see reductions in rates at renewal time, sometimes as great as 10 percent.

And pilots can earn accident forgiveness by completing certain AOPA Air Safety Institute programs every six months. This waives all deductibles and, if you file a covered claim, also insulates you against a rate increase at renewal time.

### SIZE MATTERS

Working with so many pilots and so many underwriters gives AOPA a lot of experience, and a lot of chances to get the right match among underwriter, pilot, and aircraft. As in any industry, volume buying lends leverage to the negotiations. Pinegar says, "We know which underwriter at each insurance company is the best fit for a specific type of

aircraft, what a competitive rate should be on a particular account, and what coverages are available at no charge."

He is fond of saying, "From Cub to experimental, from jet to helicopter - we have you covered," but what isn't as well-known is that, "We can insure any aviation operation."

And that includes non-owners, too. A renter's policy with AOPA Insurance provides comprehensive coverage. Brenda Jennings, senior vice president for aviation insurance says, "Starting at just \$81 a year for liability coverage, you can get basic protection. And for just \$175, you can get comprehensive coverage that includes bodily injury to passengers, property damage as a result of an incident and claims for damage to a rented aircraft." It's quick and easy. You can bind online or by phone.

Though renter's insurance (non-owned aircraft insurance) has been around for a decade, many renters don't realize why it's important. "Many renters assume everything is covered by the airplane's owner," Jennings warns, "but that's not necessarily, or even usually, so."

Renters often think they are liable for the owner's deductible, and they usually are, but the renter's exposure doesn't always end there. Claims can go through the owner, to the renter-pilot, through a process known as subrogation. Basically, that's when the owner's insurance company goes after the renter!

In general terms, AOPA's renter policies provide coverage that the renter or borrower is legally responsible for and additionally provides legal defense coverage.

AOPA offers coverage for hangars and flying clubs, too, and can also provide comprehensive coverage for all aspects of aviation businesses. Pinegar notes, "We handle any type of aviation business, including aircraft sales, airports, aviation product manufacturers, charter

operators, fixed based operators, flights schools, and maintenance facilities."

#### BEYOND HULL AND LIABILITY

In 2015, AOPA started offering a hangar insurance program, and a flying club program, and began insuring drones.

AOPA offers term life and accidental death and dismemberment coverage, even travel assistance. And, for professional pilots, AOPA offers disability insurance for the loss of a medical certificate. Next year, expect auto and home insurance. As Pinegar says, "AOPA continues to search for other insurance products that our members need. And our revenues support AOPA, growing and protecting general aviation."

AOPA Insurance also takes the time to help you navigate the industry's myriad terms, terms that can be subtle, yet mean a lot in your policy and rate.

Even if an individual pilot has the time and the understanding to ask just the right questions, most insurance companies won't deal with anyone but a broker, and they'll all deal with AOPA.

So talk with AOPA. Are you planning on transitioning to a different aircraft? Do you fly rentals or club aircraft? Are you a sole owner or a partner? Are you planning additional ratings, taking aerobatic or unusual-attitude training? Will you be flying your airplane outside the United States? Do you have friends who fly your airplane? The answers can translate into a better fitting or lower cost policy.

#### WHAT DON'T THEY COVER?

While AOPA's companies can provide coverage for travel outside the United States, they do not cover aircraft permanently based outside the United States.



## IMPORTANT AND OFT-OVERLOOKED ITEMS

Pinegar says that insurance is generally and vaguely understood, but it's an intricate industry, and what look like nuances to outsiders can become critical when a claim is filed. For example, "With bodily injury coverage, options exist for either a per-passenger or a per-person sub-limit. The broader coverage is the per-passenger coverage, and AOPA only offers this more comprehensive coverage."

Another old favorite: "Best price doesn't always equal best coverage. Insurance is not a commodity. Sometimes for just a few extra dollars, you can have additional coverages that may be substantial," says Pinegar. "It's a cliché, but it's true: Not all policies are the same. AOPA Insurance guides the customer through the purchasing process to identify and advocate on their behalf."

And coverage is individual. Pinegar remembers, "A member came to us with a significant claim. Two other brokers had failed to help him. We asked enough questions, advocated on the member's behalf and found him the coverage that he needed. We were able to keep him flying!"



## AND FROM THE "WHAT HAVE YOU DONE FOR ME LATELY?" DEPARTMENT

AOPA Insurance, of course, supports AOPA itself, particularly its emphases on advocacy, education, and safety. To that end, just since 2009, the insurance agency has donated over \$2.7 million dollars to the AOPA Air Safety Institute to fund safety initiatives. Pinegar asks, "What other agency or company supports general aviation like we do? From growing the pilot population, to third class medical reform, to You Can Fly, which helps members start flying clubs, works with high schools to develop aviation based STEM programs, works to increase student pilot completion rates, and gets lapsed pilots flying again; our revenue provides value to all pilots."

When asked for any last thoughts, he paused for a moment, then said, "While we believe that our customers choose us because of how we support aviation and safety, we also feel that our strength in technology, product knowledge, and outstanding service continue to remain our tremendous advantages over the competition. Our attention to our clients is reflected in the fact that we are the largest light aircraft aviation insurance agency in the world." ■




**AOPA INSURANCE**

Download our  
Guide to Protecting Yourself When You Fly:  
[www.aopainsurance.org/ownerguide](http://www.aopainsurance.org/ownerguide)

Call or visit us online today!

**800.622.2672 • [www.aopainsurance.org](http://www.aopainsurance.org)**

[www.aircraftforsale.com](http://www.aircraftforsale.com)



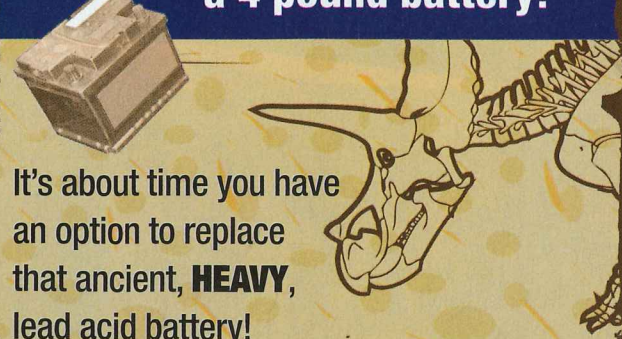
**earthX**  
charge your ride

## THEY REALLY ARE THAT LIGHT!

When weight and performance matter, EarthX is the most trusted and used lithium iron phosphate (LiFePo<sub>4</sub>) battery in the experimental aircraft market!

EarthX has 4 aircraft specific models designed with LED battery fault monitoring and redundant battery management system that protects the cells from over discharge, over charge, short circuit, excessive cranking (heat), and built in cell balancing technology.

### Get 680 cranking amps in a 4 pound battery!



It's about time you have an option to replace that ancient, **HEAVY**, lead acid battery!

**Call (970) 674-8884 or visit [earthxbatteries.com](http://earthxbatteries.com)**