

# Avemco Insurance Company



**James Lauerman,  
President, Avemco Insurance Company**

James Lauerman is the president of the Avemco Insurance Company headquartered in Frederick, MD. Avemco was recently acknowledged for having been rated "A+" for more than 25 years. Mr Lauerman has a distinguished record as a pilot and flight instructor. His aviation insurance forums at AirVenture at Oshkosh are typically standing room only.

**FA: If I have an accident/incident that results in a claim, and it is later determined that there are some violations of the FARs (i.e., pilot doesn't haven't currency, doesn't have a current medical, airplane's encoding altimeter hasn't been inspected, those kinds of things), will that automatically cause the insurer to deny a claim?**

JL: You would have to read your policy to

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see if one of the items you've listed would cause a denial of a claim. I can tell you that the Avemco Direct Approach Aircraft Policy does not contain any exclusions or denial of coverage based solely on a violation of, or, non-compliance with an FAR.

**FA: Is there typically a grace period after a policy expires in which a pilot can renew with no lapse in coverage?**

JL: No, I am not aware of any aviation policy that has a renewal grace period. If the policy is not renewed by the expiration date you will be without coverage until a new policy is put in place.

**FA: With respect to insurance, what precautions to do you recommend**

**before deciding to allow any other pilot to fly your aircraft?**

JL: The best situation is to name the other pilot on your policy. Some policies contain a provision called an Open Pilot Warranty. This provision allows any pilot to fly your aircraft if they meet certain minimum criteria. It is prudent to have the pilot show you documents and a log book to prove they meet the requirements of your policy.

**FA: Do you recommend Renter's Insurance? Why/why not?**

JL: I definitely recommend it. Any pilot who flies an aircraft for personal business and/or pleasure and doesn't own the aircraft should have their own non-owned aircraft insurance policy. The common terminology is renters insurance but the policy is really written to provide the operating pilot protection for the liabilities they assume and incur while piloting an aircraft they do not own. Regardless of whether they are renting, borrowing, or just given use of the aircraft.

When you fly someone else's aircraft you most likely will not know the terms and conditions of the aircraft owners policy. When you have a non-owned or renters policy it is

your policy, you know the coverages, terms, conditions, and policy period so you know what protections you have. Your renter's insurance may even pay the deductible on the aircraft owner's policy should you need to make a claim.

**FA: Should you have a claim, does that mean your premium will automatically explode upon renewal?**

JL: Other than perhaps losing the policy's claims free discount, typically the answer is no.

**FA: Does the typical policy cover a pilot when he flies other people's aircraft?**

JL: A good aircraft policy will include coverage for you and your airplane, and also cover you when you fly an aircraft you don't own. If you have questions talk directly to your insurance company for specifics.

**FA: Any advice for pilots who are looking to upgrade to a more complex, higher performance aircraft?**

JL: Get an insurance quote before you buy the airplane. You'll want to know that before you put the deposit on an aircraft, not after. Also keep in mind that anytime you move into an aircraft that is mechanically more complex, the pilot has to think faster (Mooney Ovation speed vs. Cessna 150 speed). Given these differences the likelihood of something

happening increases, and the insurance companies set their rates accordingly. When owning a more complex, high performance aircraft, you wouldn't scrimp on preventative maintenance, annuals, or your pilot training. The "don't scrimp" advice also applies to the insurance policy you buy.

These questions and answers are general in nature and are not intended to address the specific requirements of an individual's policy. These should be discussed directly with your insurance company or agent. In all cases, the terms, conditions of the policy and endorsements will determine the outcome of a specific situation.

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