

Is it always “nice to share?”

What adding an “Additional Insured” to your policy means

By Belinda Bryce, the Magnes Group

I’m getting a lot of requests to name “additional insureds” to my insurance policy. My FBO, the Airport Authority, even my CFI. What does this mean and how can it affect my coverage?

Just as the term implies, an “additional insured” shares your insurance, specifically, your liability coverage. Your coverage is extended to cover them as well as you in the event of a loss. Understanding what this means to you as a policyholder is an important part of your individual aviation risk management.

Some common “additional insureds” and why they want to be added to your policy.

When it comes to liability, these days both businesses and individuals are trying to limit their exposure and maximize their coverage. Want to base your airplane at our airport or hangar it in our hangar? Then add us to your coverage in case we get sued following a loss because we let you keep it here. Want to fly on business for your company? Your employer will likely request to be covered on your insurance policy as well.

Remember, additional insureds do not mean additional limits of coverage .

While your policy will respond to liability claims against additional insureds just as it would claims against you, adding them to your policy doesn’t increase the amount of your coverage. Say, for example, you have a \$1 million limit of liability. In the event of a loss, all insureds must share that same \$1 million in coverage. So keep in mind that, after a loss, there’ll be more mouths to feed at the coverage table. And, while your coverage won’t increase, your insurance carrier’s potential costs may, since the costs of defending and administering each insured’s claim are covered *in addition to* whatever limit of coverage you have. So additional *insureds* may carry an additional *charge*.

Some additional insureds are easily added to your policy. Not so with some others.

While additional insureds aren't added automatically, most insurance companies will accommodate reasonable requests, especially where there is little additional exposure (such as your employer) or an inherent benefit in doing so. For example, if required to have your aircraft hangared and thus better protected from loss, or in order for you to attend a recognized recurrent training facility.

Certain entities however, can present your carrier with a much different and significantly greater exposure than what they originally signed on for. As such, they may charge a significant additional cost or even deny them outright. Examples might include a repair shop, an FBO or an independent CFI since, as commercial aviation entities which you contract with to provide a service, it is customary for them to carry their own insurance, rather than riding along on yours.

Aviation insurance can be confusing, and just like in the cockpit, confusion can lead to poor and often hazardous choices. Thankfully, there's the COPA VIP Insurance Program.

Any broker or company can sell you aircraft insurance, but in today's confusing and potentially catastrophic liability environment, you need more than just a salesperson. You need The Magnes Group who administer COPA's VIP Insurance Program. The only one with direct access to the expertise of COPA's 60+ year commitment to helping pilots. Take control of your aircraft insurance and find out why more COPA members place their trust in Magnes and the VIP Insurance Program than any other aviation broker. We invite you to contact us, experience first-hand our special brand of "member" service, and put the power of COPA to work for you today.