



## **Chartered, Leased & Loaned Aircraft Insurance & Pilot Qualification Requirements**

### **Purpose**

The University of Alabama (“University”) is exposed to a financial risk from the operation of chartered and non-owned aircraft should an accident occur. In most cases, chartered and non-owned situations include aircraft chartered for a specific trip or series of trips, a lease or rental of a temporary replacement aircraft while a University-owned aircraft is out of service, and when aircraft are offered by persons or businesses with close ties to the University for use by University officials while any owned aircraft is out of service or there is a greater demand than what can be supported by the University-owned aircraft. To reduce this financial exposure, the University requires liability insurance from owners/operators of chartered, leased/rented or loaned aircraft.

This policy was developed based on requirement imposed by the University’s aircraft insurer that provides coverage on chartered, leased/rented or loaned aircraft on a secondary basis or excess of other valid and collectable aviation liability insurance.

This policy was developed with the understanding most charter arrangements are for the transport of athletic teams, University officials and persons that support the University. These charter arrangements typically include aircraft provided by notable commercial airlines and include a qualified flight crew.

The policy also anticipates leased/rented or loaned aircraft are typically a business jet or turbo-prop (See Note on Piston-Driven Aircraft) with a passenger capacity (plus flight crew) that is typically no less than 4 or more than 10.

As circumstances arise, a case-by-case review will be necessary for situations that fall outside of this anticipated use of chartered, leased/rented or loaned aircraft.

### **Policy**

Owners/operators of chartered, leased/rented or loaned aircraft must provide evidence of aviation liability insurance with limits of liability as defined below based on the type and use of the chartered, leased/rented or loaned aircraft.

Any owner/operator of chartered, leased/rented or loaned aircraft may seek an exemption of this policy based on the financial ability to self-insure all or a part of the required coverage and/or limit of liability. In most cases, the audited financials of the owner/operator will be reviewed to determine if there are adequate financial resources to absorb the obligations of self-insurance.

## **Aviation Liability Insurance Requirements**

Unless adjusted or waived by the University, the following aviation liability insurance limits apply:

### **Charter Aircraft**

Under 10 Passengers	\$20,000,000 Per Accident
11-20 Passengers	\$30,000,000 Per Accident
21-30 Passengers	\$40,000,000 Per Accident
31-40 Passengers	\$50,000,000 Per Accident
41-50 Passengers	\$60,000,000 Per Accident
Over 50 Passenger	\$60,000,000 Per Accident Plus \$1,000,000 Per Passenger Above 50 Subject to a Maximum of \$250,000,000

Charter Pilot Requirements – Charter Aircraft fall under a FAA classification that requires all pilots to hold an Air Transport Pilot (ATP) license, which is the most stringent requirement for a commercial pilot. Unless the Charter pilot is operating in violation of the FAA licensing requirements, it is reasonable for the University to assume the Charter operator has reliable procedures in place to confirm pilot qualifications.

### **Leased/Rented or Loaned Aircraft**

Under 2 Passengers	\$5,000,000 Per Accident
3-4 Passengers	\$10,000,000 Per Accident
5-6 Passengers	\$15,000,000 Per Accident
7-8 Passengers	\$20,000,000 Per Accident
9-10 Passengers	\$25,000,000 Per Accident
Over 10 Passengers	\$25,000,000 Per Accident Plus \$2,500,000 Per Passenger Above 10

Pilot Requirement – All leased/rented or loaned aircraft must be flown by a qualified flight crew with a chief pilot and co-pilot. Single pilot flights are not allowed by the University's aviation liability insurer. It is preferred for all pilots to have ATP license with no less than 75 hours of flight time in the aircraft being flown or an aircraft of a similar design. The pilots should also have successfully completed a Ground and Flight school approved by the aircraft manufacturer in the make & model aircraft being flown within the preceding 12 months of the flight. If the pilot does not have an ATP license, a commercial license is acceptable, but only with a minimum of 200 hours of flight time in the aircraft being flown or an aircraft of a similar design and the pilot should also have successfully completed a Ground and Flight school approved by the manufacturer in the make & model aircraft being flown within the preceding 12 months of the flight. The University's aviation insurance underwriter must review all owners that also act as the pilot-in-command and the Office of Risk Management can arrange this review.

**Piston-Driven Aircraft Limitation – The University's aviation insurer has certain limitations and restrictions on the use of piston-driven aircraft and each situation is subject to review and approval by the underwriter in advance of the anticipated use. Contact the Office of Risk Management for additional information on the review and approval process.**

### **Insurance Carriers**

The policies must be issued by an insurance company licensed or admitted as a surplus lines insurer in the State of Alabama carrying a minimum *A.M. Best's* rating of A- VIII.

### **Certificates of Insurance**

The University must receive a Certificate of Insurance prior to the scheduled event. The certificate of insurance must include the following elements:

Insured Entity

Insurance Carrier(s)

Policy Effective/Expiration Dates

Policy Number(s)

Policy Limits

Cancellation Notice Provision (Min. 10 days for non-payment - 30 days otherwise)

Additional Insured and Waiver of Subrogation Language as Follows:

*The Board of Trustees of the University of Alabama, its individual trustees, officers, directors, employees, agents and representatives are included as an additional insured as respect to the Aviation Liability policy. Unless precluded by law, all policies waive the right to recovery or subrogation against the Board of Trustees of the University of Alabama, its individual trustees, officers, directors, employees, agents and representatives.*