



FLYING WITHOUT INSURANCE? THINK AGAIN

BY DAVE FITZPATRICK

It's true that insurance rates have increased substantially over the past few years, especially for the commercial operator. In response some private aircraft owners are trying to cut costs, opting instead to fly their aircraft without coverage at all. As most know this is quite illegal.

I know many aircraft owners who are resorting to dire measures to keep costs down – measures they wouldn't even think of entertaining in their private lives. Driving an uninsured vehicle on the roads today is almost impossible, with police on the look-out for up-to-date license tags at every opportunity. Aircraft operators, on the other hand, are flying under the radar, taking risks and playing hide-and-seek with the law, putting their businesses at risk and flying without insurance.

So, let's take a moment and review the insurance requirements.

CARS 606.02 states that no aircraft owner "shall operate an aircraft unless, in respect of every incident related to the operation of the aircraft, the owner has subscribed for liability insurance covering risks of public liability." The smallest amount of liability insurance? \$100,000. The statute concludes, "No owner or operator of an aircraft shall operate the aircraft unless there is carried on board the aircraft proof that liability insurance is subscribed for."

So insurance, and proof of insurance, is mandatory. If that seems costly, think again. Have you ever wondered what it will cost you if you are caught without coverage? With enforcement being stepped up, you might very well find yourself being asked to show proof of your aircraft documents.

So what's the penalty for a first offence going to cost you?

For a first offence for a private aircraft owner, if it's shown that you did not have the required liability insurance in force, the fine is \$1000 for each and every flight. If you made 30 flights in the year without insurance, the fine would be \$30,000! For the 1st offence!

And what if you have your aircraft registered in a corporate name? The first offence for a commercial operator is \$5000 for each and every flight. If you made 30 flights in the year without insurance registered in a corporate name, your 1st offence would be \$150,000!

Now, what if you try it again – and get caught?

For the private aircraft owner with a second offence within 2 years of the 1st offence, the fine is \$2500 for each flight! If you tried the 30 flights again, you'd be writing a cheque for \$75,000. For the unlucky corporate aircraft owner, the fine is a whopping \$12,500 for each flight. 30 uninsured flights for this fellow and he'd be writing a cheque for a mere \$375,000.

Now that's a way to seriously impact your business.....

My advice? Think a little more about the cost savings of flying without insurance. Whether you're forced to pay \$1,000, \$2500, \$5,000, \$12,500 – or some multiple of these amounts – you're cutting costs only to incur much higher ones somewhere along the road. When you look at it that way, doesn't your insurance premium seem cheap when you consider the consequences of not carrying coverage?

Air 1 Insurance's Dave Fitzpatrick is a pilot, aircraft owner, and aviation insurance broker. Dave can provide you with the aviation insurance you need.



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