

— LATEST BRIEFING —

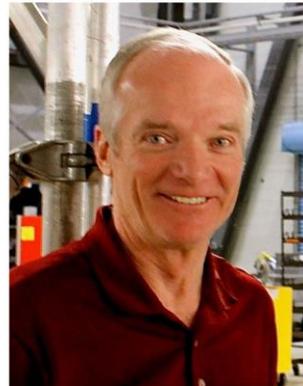
Hitting 2020 at Full Power

Safety Committee work accelerates on multiple fronts.

by Charlie Precourt, CJP Safety Committee Chairman

We have a lot to report to the membership this first quarter of 2020. The list we'll cover in this edition of Right Seat includes:

- Citation Insurance Premiums
- The CJP Flight Operations Quality Assurance (FOQA) Initiative
- Recent Accidents/Incidents and Your Blogs on Safety
- CJP Gold Standard Safety Award Criteria Adjustments
- CJP-Specific 61.58 Training Program
- Evaluating SIMCOM Training in the Mustang
- Upcoming Regional Event Safety Seminars



Before diving into the list, however, I want to acknowledge that this extensive amount of work is being met with a welcome organizational change. David Miller has taken on the role of **Director of Programs and Safety Education**, which will bring a full-time focus to our various initiatives. I guess this means I'm reporting to David (again?).

On a serious note, what it really means is CJP has committed to ensuring our initiatives make rapid progress to bring value to the membership. David is already diving into the number one issue at hand - the rapid rise in our Citation insurance premiums. I wrote about this topic in the last edition of Right Seat, and David has responded with his commentary on the challenge, as well as included a recent AOPA article on the subject in this edition of Right Seat.

The CJP Flight Operations Quality Assurance (FOQA) Initiative

Closely tied to the work CJP is doing to address the insurance issue is our FOQA initiative. What in the world is FOQA? It's more than a silly acronym. It stands for Flight Operational Quality Assurance. And it's one of the reasons the safety record for airlines, large flight departments and fractional operators is so good. FOQA is simply a method of capturing aircraft and pilot performance and using that data to improve safety. FOQA data allows operators to focus on safety of flight issues such as excessive approach speeds, touchdown points and un-stabilized approaches, then use that data to improve safety through training. Recently, Chris Provencio, director of flight safety and security at Textron Aviation, and I hosted a day-long conference to examine how FOQA could benefit CJP members. Here's my recap:

Given the challenge we have with insurance premiums, one approach we can take with the underwriters is to show that CJP operators are in a unique risk pool that is worthy of reduced premiums. Our Gold Standard Safety Award is one measure, as well as our annual convention and regional events focused on safety. Another avenue for us to pursue is a CJP-specific FOQA program that demonstrates our low-risk performance in flight. FOQA is a well-established practice in the airlines, the military and with many business aircraft flight departments. It involves capturing data on a number of parameters in flight from each aircraft that can be aggregated with the "fleet" to determine the mean for operating performance and discover trends that can prevent accidents. An example might be seeing recurrent issues with a particular airport where a fleet operator sees repeated overshoots to final to a particular runway. This unusual occurrence would be flagged for corrective action and an alert sent out to operators signaling the trend. Perhaps this hypothetical problem is with flight controller vectoring procedures, perhaps something else, but FOQA data enables the problem to be identified and corrected.

The challenge for single-pilot owner-operators, like most CJP members, is twofold. We are not part of a flight department and most of our aircraft are not equipped to record the data. The "flight department" could easily just be CJP creating our own FOQA system that we control and maintain for members who opt into the program. The bigger issue is the onboard equipment. To explore the options available to us, Textron hosted a FOQA summit in mid-January. Companies like Collins, Garmin, Avidyne, FlightAware, Flight Data Services, ForeFlight, Cloud Ahoy, Shepard Aero and Mitre Corp. all presented capabilities that could be economically delivered to enable CJP to have its own FOQA system. With this capability, CJP could demonstrate a risk to underwriters that is no greater than many Part 135 flight departments, driving down our premiums.

An additional element of the FOQA system we are designing would be focused on feedback directly to each of us as participants after each flight we complete. This could include a summary report via an app or e-mail with our individualized stabilized approach results, flight parameters relative to operating limits and several other interest items. This would be a capability exceeding the FOQA programs of most flight departments. Having this feedback will make us all more proficient in our flying and further our goal of demonstrating to our underwriters that CJP members are a low-risk group of operators.

To further this initiative, several of our members have volunteered to participate in a beta test of the capabilities offered by the OEMs. In the next edition of Right Seat, we will report what we're learning from this test. This could be a game changer for CJP and lead the way for much of general aviation if we are successful in leveraging advancements in technology that result in a low-cost FOQA capability.

Recent Accidents/Incidents and Your Blogs on Safety

Recent posts on the CJP Forum have led us to take a more in-depth look at a few recent accidents. Unfortunately, we have seen Citation accidents since the New Year that continue to raise concerns in the community, and further contribute to our issues with insurance underwriters. A Citation lost control in weather in Georgia, resulting in four fatalities. There were some indications of autopilot problems, but we'll have to wait on the NTSB report to learn more. This was not a CJP member-operated Citation. There was also a Mustang that landed gear up at the Daytona airport. More to follow on that one as well. Finally, there was a CJ4 runway excursion at the Heber, Utah airport in January. You can read about the incident here: <https://www.citationjetpilots.com/forums/viewtopic.php?f=11&t=5565>

There were no fatalities in the CJ4 incident, but the aircraft had extensive damage when it departed the runway, likely due to contamination from snow. The blog post included some very good discussions on the anti-skid systems in our Citations. They don't all perform or behave in the same manner, and there are differences by model you should be aware of. Kolton Bruce also added to the discussion with a question about calculating performance on contaminated runways. Here is Kolton's question and the Safety Committee's response:

"Can I throw a wrench in this conversation and ask about actual contaminated runway numbers. My home base is 5700. When I crunch my contaminated landing numbers, after factoring rwy. slope, weight, type of contamination (slush, ice, compact snow...), worst case comes out to about 5500ft. As per the AFM those are ACTUAL landing distance number? Correct? They do not account for any factor such as 80% or 60%. So, if I want to use my 80% rule, I'd need to be down and stopped in 4560ft (5700 x .8). Is my thinking on the right path? If this is a question for another thread let me know. Thanks guys!!"

Kolton's scenario is a good occasion to refer to our CJP inflight guide. If you don't have a copy, go to the safety page on the CJP website and download a PDF copy. For the CJ3 (your aircraft, Kolton), refer to pages 16-18 in the inflight guide.

To answer your questions directly...

Are these contaminated landing distances in the AFM the ACTUAL landing numbers?

No, they are analytically calculated, not demonstrated by actual flight test. Conditions are just too variable to determine ACTUAL numbers through flight test. Therefore, the numbers should be used with extreme caution.

Do they account for any factor such as 80% or 60%?

No, there is no factoring in the adverse runway condition tables.

For a scenario into your airport at Ames, IA, using Cesnav data with Rwy1, dry, calm, +7 C, 30.04 in. For a landing weight of 12,500 lb, flaps at land, you get a dry runway landing of 2980 ft. - call it 3000 ft.

Go to the table on page 18 of the inflight guide and enter with a 3000 ft. dry landing distance and read across. You will see worst case is 1/8 in slush/wet snow (note the wet ice column is blank though, meaning that situation would EXCEED the 15,450 ft. listed for a dry landing of 2450 ft.). Yikes!

The column for 1/8 in slush shows an adjusted landing distance of 5500 ft. (as you found in your own calculations). The factoring method is described on page 16 of the inflight guide, and you use a factor of 1.25 to enable landing in 80% of the runway available. So, if you wanted a 1.25 factor of safety in the above conditions, you would need a total runway of 5500×1.25 or 6875 ft.

Since your runway is only 5701 ft., you need to back-calculate this problem to find the max landing weight that yields an adjusted landing distance of $5701/1.25$ or 4561 ft., as you also correctly calculated.

You can get that max landing weight by working backward through the chart on page 18. In the 1/8-inch slush column, there is a 4550 value (close enough) just three rows up from the current scenario. Reading over to the left, that answer comes from a dry runway distance of 2400 ft. (vs. the 3000 ft. above).

Again using Cesnav, the answer shows **reducing the landing weight to the minimum (9000 lbs.) is required** to get a dry 2400 ft. If you play around with Cesnav using these conditions, you'll notice how little effect you get in shortening the dry runway landing (3000 to 2400) when you go from 12,500 to 9000 pounds!

So, if you really had 1/8 in slush on this runway, you'd need to land at min landing weight and also keep in mind the dry landing numbers that are the reference point ARE demonstrated by flight test, and came from being on Vref at 50 ft., no use of flare, and having ground flaps and max braking within 1 second of touchdown, test pilot performance.

These are conditions that suggest strong consideration of an alternate, longer runway. In the past two winters, I have diverted four times from OGDEN to Salt Lake City for this same kind of scenario. Don't take chances in contaminated runway situations.

Neil's Performance Tips

Another tip for everyone is to consider the various performance apps from CESNAV, APG and AIRINC. For example, the iPreFlight App from APG will do all the calculations above automatically, including reverse engineering the max landing weight part of the problem and adding factoring. You can find it at <https://www.flyapg.com/ipreflight.html>



Still Loving Minimums Set Using Radar Altimeter

Another forum post, authored by Marc Dulude, discussed the use of the radar altimeter to cross-check height at the threshold. You can read it here: <https://www.citationjetpilots.com/forums/viewtopic.php?f=17&t=5673&start=10>

“One of the things I learned from Charlie Precourt was to set up minimums to be 50' using the radar altimeter. He had said that you should then hear the “minimums” callout as you cross the threshold. Of course, if you're doing an approach where you expect to get anywhere near the charted minimums, you wouldn't want to use this but for the vast majority of flights where you are visual or well above chart minimums, it works great to keep improving your technique. I still use it on almost every flight where possible and I find myself focusing on ensuring I am right at Vref and hearing that callout as I cross the threshold. It's rare I miss but, when I do, it certainly is very clear that I was not as good as I should be. If you haven't been doing this, give it a few tries.”

This post brought out two interesting lines of thought. The primary purpose of the tip is to use 50 ft. radar minimum to accurately check yourself for proper threshold crossing height. The other line of thought in the thread had to do with stabilized approaches. The Safety Committee has had extensive discussions about updating the stabilized approach criteria in our SOPs. Specifically, the intent of stabilized approach criteria is to establish rules for going around. So if the criteria are not realistic, pilots are unlikely to actually execute a go-around.

For example, if the criteria were (hypothetically) Vref to Vref + 10, would you go around at Vref - 1, or Vref + 15 out at 1,000 ft. AGL? Unlikely right? The updates we're discussing for our SOPs will be a topic for a later edition of Right Seat and will address the go around criteria more clearly. We also want to address an SOP for “speed to fly,” which is different than “go around criteria.” The speed to fly should be what you really want to target at different points on approach, so more to come on that topic as well.

But back to the primary purpose of the “tip” I offered Marc. The reason I like setting 50 ft. in the radar altimeter window and using that as my “minimums” reference is so I get an alert at a precise altitude of 50 ft. AGL. If my sight picture and glide path are correct, I will get the alert as the threshold goes underneath me in my peripheral vision. This continually trains my eye/sight picture for the correct threshold crossing altitude. I only do this on visual/VMC approaches, as I use the Baro minimums if I'm shooting an approach in real weather. And as Marc pointed out, you should also be at Vref by that point, so that's another cross-check you can make when you hear the “minimums” alert.

CJP Gold Standard Application Criteria Adjustments

We've had two very successful years now with the CJP Gold Standard Safety Award program. Based on member feedback, we've adjusted some of the criteria slightly and we're planning to augment the awards to potentially include a jacket with a Gold Standard commemorative patch for those who achieve the award multiple years. You can review the new application

[here](#). Don't forget to submit your application before the July 31 deadline to be included in this year's convention, and more importantly, to get an insurance premium discount.

CJP-Specific 61.58 Training Program

We have been making progress on improving the simulator curriculum for our members. FlightSafety Textron Aviation Training partner has drafted the first CJP-specific curriculum, which will incorporate CJP SOPs and include a focus on scenario-based training. Many flight departments tailor their simulator training to their needs and this initiative seeks to provide CJP members with a similar product when we go to training at FSTAT. The CJP-specific program covers initial and recurrent training. The program is being reviewed by the CJP Safety Committee and will be submitted to the FAA for approval for our use. FSTAT is also completing work towards an online ground school, as well as a hybrid of online and in-classroom ground school for recurrent training programs.

Additionally, FSTAT is working on a program where their instructors can fly with us in our aircraft (after a simulator visit, for example). Obviously, this would enhance their instructor's experience as well as ours. Finally, they are also finalizing a companion's training course. All great progress! We appreciate the effort that Rich High and Jack Tessman and their team at FSTAT have put into improving our simulator experience.

Evaluating SIMCOM Training in the Mustang

I had the opportunity to complete a recurrent 61.58 in the Mustang at SIMCOM in Scottsdale, AZ over the holidays. If you have hesitated in the past about simulator training, this is another good option for Mustang owner-operators. We have discussed the merits of simulator versus in-aircraft training in the past, and I came away once again thankful that simulator options like this are available to us. Many will say that simulators "don't fly like the airplane" or that the "training in the aircraft is superior," but the reality is there is only one place to really learn the muscle memory for most emergency procedures, and that's in a good simulator. The SIMCOM Scottsdale Mustang is a good option, particularly if you live on the west coast.

I had a 3-day course with Joel Turner as my instructor and had a great experience. Joel has a lot of corporate flight experience and is the lead for Mustang training there in Scottsdale. The simulator is top notch and they also have a fixed-base training device for the G1000 avionics suite. I was able to do ground school preparation online and then received individualized classroom instruction from Joel for the aircraft systems review. We covered the full range of emergency and instrument work and I came away quite pleased with the result. Give it a look, particularly if you have been doing your training exclusively in the airplane as of late.

Upcoming Regional Event Safety Seminars

Our 2020 plan for Regional events has been firmed up, with the first one less than two weeks away in Charleston, SC. David Miller and Neil Singer will be hosting the safety seminar there, with a focus on runway excursions.

- March 12-15: Regional Event Charleston, SC
- April 27-29: FRI, Mojave, CA
- May TBD: Garmin, Olathe, KS
- June 18-21: Regional Event Santa Fe, NM
- August TBD: Collins, Cedar Rapids, Iowa

Be sure to sign up for these events and get credit towards the Gold Standard Safety Award.

Fly safe!

Charlie

Citation Insurance Premiums

by David Miller, Director of Programs and Safety Education

If you stand around the CJP “water cooler” lately, you might hear the following comments:

“I would be happy with a 19% increase in my premiums! Mine just went up 29.5% and that’s after I lowered my hull \$100,000.”

“My CJ3 coverage went up 25% and I’ve never had an accident or claim.”

“I turn 70 next year and I am really worried about keeping my coverage.”

For many CJP members, the cost of insurance is becoming their number one operating challenge. Fewer underwriters, increased losses and heightened training requirements are dramatically changing the marketplace. CJP’s board is closely examining this issue as well as the increased costs of owning jet aircraft.

With permission from AOPA, we have included an excellent article on the insurance market as it stands today. See Tom Haines’ article below on “why insurance rates are increasing 10 to 100 percent.”



Why Insurance Rates are Increasing 10 to 100 Percent

Q&A with CEO of Assured Partners Aerospace

(Presented with permission as originally published by AOPA)

by Tom Haines



AOPA has received many calls in recent months from members concerned about the hull and liability insurance premium increases they are seeing during their renewal period.

AOPA President Mark Baker and other AOPA leaders have met with numerous underwriters and insurance executives to understand what is happening in the insurance market to cause premium increases of 10 percent to 100 percent or more in some cases.

The change is a result of a “hardening” of the insurance market after more than a decade of flat to (in some cases) decreasing premiums. However, as the insurance companies have sustained significant losses in aviation and other markets in recent years (think hurricanes, tsunamis, floods, earthquakes, and fires), losses have outpaced premiums. That has caused some insurers to exit certain markets, including aviation. In order to be profitable, those that remain have increased premiums—in some cases dramatically, particularly in the owner-flown turbine market and for older pilots. AOPA continues to be involved in helping to educate insurance underwriters about the continually improving general aviation accident rate as the AOPA Air Safety Institute works to create training materials to help pilots fly safely.

To help understand the changes in the insurance market, we turned to Bill Behan, CEO of AssuredPartners Aerospace, AOPA’s partner in hull and liability insurance for members. In the in-depth interview, he uses his 40-plus years of experience to explain the dynamic marketplace and hints that more increases will come before things begin to flatten out in 2021. He also offers some suggestions for pilots on how to mitigate some of the increases they will face.

1. Please explain what is happening in the global insurance markets and, separately, inside the aviation markets, that is contributing to the increases owners are seeing in aviation.

Insignificant premium levels to support aviation industry losses are the prime culprit for the increases AOPA members, as well as others, are experiencing today. All the aviation insurance premium in the U.S. last year was between \$1.5 billion and \$1.6 billion. That premium included space (satellites), airlines, manufacturers products, and general aviation. The aircraft most AOPA

members fly are in the pleasure and business insurance niche, which is sustaining the least of the increases in premium costs thus far.

2. How many underwriters are active in the GA market, and how has that changed in recent years/months?

Currently there are technically 15 insurers, albeit one of those insurers has three franchises from which they market their product lines to consumers. This number was 20 a year ago. Maybe a more focused question for general aviation aircraft owners is how many insurers will provide coverages for AOPA members. Therein the problem lies. Every insurer has changed their appetite for risk in the past year, which means they can insure the same aircraft and member they insured last year, but they no longer wish to do so. Or, they will only provide coverage for a portion of the requested coverage, thereby requiring the broker to seek other insurers to add to that placement in order to fulfill a 100-percent capacity in order to assure coverage for the aircraft. This is titled a "quota-share placement," quite common in the Lloyd's market for centuries, but not the norm for the U.S. market. It spreads the risk among more than one insurer in the event of loss, normally seen on higher risk placements, such as owner-flown turbine fixed or rotor wing, or underqualified or older pilots. Any category which insurers look upon and in their sole judgment, they believe they don't want all the risk on a placement, they will offer a price for a percentage of the policy and it is then incumbent upon the broker to find additional insurers to complete the placement if another insurer is not available to offer a 100-percent placement for their client.

3. What causes the cyclical swings we see in insurance premiums?

Protracted periods of soft market pricing, large losses to a line of business, a [catastrophic] shock to the line of business, or poor performance by other lines of insurance business, which impacts insurers' need to increase revenue to support their financial balance sheet reserves. In the case of our current hardening swing, what has precipitated this has been the first two points mentioned. Twelve years of soft market pricing for the aviation insurance industry worldwide was unprecedented. Normally, hard markets occur every six to eight years, but this has been far longer and deeper than ever before. Pricing has gone far, far below prior historic levels for all classes of aviation insurance segments. When this happens, insurers have no reserves to pay for large losses if they occur, and in the past five to six years, a significant number of large losses have occurred which have not only depleted current annual premiums paid in those years, but have also hugely impacted insurers' reserves. Insurers now are trying to replenish reserves, "right-price" their products, and stay in the business. They can only do that if a particular line of insurance business is self-supporting and not requiring the insurer to draw from reserves to fund today's losses. If they can't be self-funded, those insurers will likely be out of the aviation insurance business, decreasing the number of insurers from 15, reducing the competition further, increasing pricing further, and tightening underwriting further. In my 40-plus years in this business, I've seen this go beyond the stage where it is today to a point where there were six insurers. That would not serve the AOPA membership at all. It should also be known that normally there is a lag between insurers underwriting a policy, resultant losses realized from those policies, and then corrective reactions by insurers—all of which takes three to five years. Accordingly, it can take a while for insurers to recognize the hole they've created, but quite often once realized, they usually respond swiftly, taking action to fill the hole which often is several years of results that have either been ignored or insurers have hoped their luck would change. As in any business plan, luck should not be a strong component from which future financial results are dependent.

4. How long might this hardening of the market continue?

Our prediction is that in Quarter 3 or Quarter 4 of 2021 some relief will be seen and 2022 will likely be even better. What does that mean? Pricing will likely stabilize on a higher plane for all aviation insurance and stay there for the next three to four years, but the underwriting usually starts to loosen after two years whereby some of these quota share placements might not be as prevalent and insurers may return to 100 percent placements (that's a guess). Training requirements which have stiffened will likely relax starting late 2021 and thereafter. Pilot age issues will likewise improve along those same timelines. All of these are our best estimates, but given our depth of experienced personnel on our team, this is historically what has occurred.

5. We have heard that owners of single-engine turboprops can expect increases of 25 percent or more in premiums in each of the next three years, while other categories might be closer to 10 to 15 percent. Does that sound accurate?

We are advising our owner flown turbines [policy holders] to expect more than the 25 percent for their next renewal. The following years will also increase, but likely by a lesser percentage. For example, we've had several clients renew their policies with increases between 20 and 110

percent depending upon their liability limit, their age, their experience level in the aircraft, value of the aircraft, etc., and we don't think next year's renewal will be similar. Likely a 15- to 20-percent increase may be expected, but at this time, it is too early to predict. In regard to piston-owned/operated aircraft, for the most part, not 100 percent, but mostly we are seeing a 10-percent or less increase in pricing if the liability limit is \$2 million or less. If over \$2 million, the insurance market may not offer the limit or it will be dramatically more expensive. There have been times when insurers have been unwilling to insure owner-flown aircraft with more than \$5 million liability for turbines and \$1 million for pistons. Today, we have some clients with \$20 million on pistons and \$100 million on turbines, which is a sign of how the insurers' underwriting guidelines have loosened in the 12 years of a soft market. Now, however, when they have all realized they are financially in trouble, they revert to their core underwriting knowledge, take as little risk as possible, placing more importance upon their survival compared to customer relationships because their existence is more important to them.

6. How does the hardening market affect owners' abilities to get higher liability limits?

It is painful now for an aircraft owner to secure liability limits higher than what they currently have in most cases. It's not a matter of paying a higher premium. It is simply not available in most cases. There is no set standard currently, but in canvassing insurers, their guidelines suggest they will not incur a loss greater than \$2.5 million for any pleasure and business policy. Some insurers' threshold levels are as high as \$5 million but only for exceptional risks. That is hull and liability combined. Some companies have thresholds lower than that, few higher. So, if you have a member with a new \$1 million hull, and they want to purchase a \$2 million liability limit, that places that insurer at a potential max exposure of \$3 million. That creates a series of underwriting hoops which the broker then has to share with the client, addressing training, where the aircraft is maintained, pilot age, etc. Every request for higher liability limits is scrutinized more fully today not only for premium cost, but also for whether it fits the underwriter's parameters for a higher limit.

7. Aside from 2019, GA has generally seen improving safety numbers over the past couple of decades. It appears that activity levels are up, so even with an increase in accidents in 2019, the actual rate may be flat. How much does the accident rate play into the setting of premiums—or is it more related to individual risks for a particular pilot?

This is a tough question to answer. Let us share an easier story to follow: Imagine living in Orlando, Florida, inland from the coasts. A hurricane impacts the state, damaging South Florida, both coasts heavily incurring Category 4 wind losses 150 miles from you. Nevertheless, there's \$70 billion of damage done to the state's infrastructure, roads, refineries, buildings, personal property of inhabitants of the state, marine property, businesses, airports—everything was impacted south of Fort Lauderdale and Fort Myers. Within the year, gasoline taxes, sales taxes, property taxes, auto insurance, and property insurance all go up 30 to 50 percent for everyone in Florida. While it didn't rain a drop in Orlando, not a shingle on your roof was disturbed, for the next five years, you get to enjoy those increased costs. Why? Because you're in Florida and a basic principle of insurance is best described as the sharing by "a group of people contributing premiums into a pool of monies to support a select few who may need financial assistance when one of those people of the group incurs an insured loss."

Back to AOPA and your question: You're in the group! Many, many of the commercial aviation businesses are seeing well over 50-percent increases. Point is this, the insurers are trying to apportion the increases to where the damage has come. The pleasure and business segment has hurt them the least—with some exceptions, like high valued aircraft with high liability limits. Helicopters are up 30 to 150 percent. Airlines are facing 35- to 50-percent increases and that still won't be enough. Satellite insurance will likely double. Airports, up plus 50 percent. Manufacturers products liability insurance, up plus 25 percent.

8. Has the Boeing 737 Max situation impacted GA premiums?

Absolutely, as have other airline-related accidents.

9. What can individual pilots do to help mitigate potential premium increases?

Work with their insurance brokers to provide all the updated flight experience information, aircraft information, and training updates possible. Some aircraft owners may want to consider higher hull deductibles in order to trade premium concessions for self-insuring deductibles. Some insurers simply are not interested in such trades; others may show some premium breaks for enough increases in deductibles, especially of turbine aircraft. Deductibles of \$25,000 to as high as \$100,000 are not considered unrealistic by some turbine aircraft owners who may want to trade their ability to sustain a hull loss of that size for the need to have high liability limits,

which have become very expensive, and an aircraft owner chooses to limit their insurance spend accordingly. This is a strategy which could be employed for two to three years and modified when the market begins to improve. Remember this, however, hull deductibles apply to foreign object damage as well, so increasing deductibles for turbine engine aircraft places more risk upon the aircraft owner for those uncontrollable birds, rocks, etc., which can cause costly damage to turbine engines.

10. How much does pilot age affect premiums, and what can older pilots do to help manage their insurance costs?

Obviously the members cannot change their age, but if they are willing to secure the most demanding medical possible in lieu of their normal third class medical, that sometimes helps. Attending recurrency training helps, whether in their aircraft or in another make and model for which they receive a certificate of completion. These are helpful to then present to the member's insurance broker and have the broker make certain insurers take this into consideration that this pilot may be age "X," but look at what they have done in the past six to 12 months, setting this pilot above the norm. If they want treatment above the norm by insurers, at this time, they have to be proactive. We encourage that, but it is up to the pilot to do so, providing us the resources to negotiate with insurers on their behalf.

11. The insurance industry seems to place a lot of emphasis on the importance of simulator-based training. However, with so many aftermarket avionics solutions now available, often the simulators don't reflect the panels that pilots are flying behind, particularly in legacy airplanes, including turbines. Is there any movement toward placing greater value on in-airplane recurrency flights?

Unfortunately, underwriters today are much less skilled aviators versus gamers. Honestly, the percentage of pilot underwriters who are making decisions for your membership may be at an all-time low, which is problematic as these underwriters understand sim training is good because there are standards that they've been told, "sim training is good." That is not to say sim training is not good. We strongly believe [in] and support it. However, your point is well taken, especially given the myriad of avionics packages out there which populate aircraft, especially legacy aircraft, and that makes this a very, very challenging matter. Take into consideration the scenario where an insurer who historically has covered a member's aircraft and now says they want 30 percent more and only want 50 percent of the risk and will not agree to the \$10 million limit but will agree to offer only a \$5 million limit. That renewal which consumed five to eight hours of a broker's time last year, just went to about 30 to 40 hours to thoroughly serve just that one client. The broker must approach a dozen other insurers now to find that other 50 percent—some of which may have already rejected it at 100 percent. Then, after submitting to the dozen insurers, phone calls discussing the aircraft, loss history, avionics packages, training history, and oh, by the way, we don't want to use SimCom because our panel is different than what SimCom has in their Meridian, and one, by one, by one, the dozen insurers drop to one or two and the price keeps going up. I think you get the picture. In the melee of the process of a renewal, right now, the first year of the market turning hard, these insurers just don't want to hear it. This will be something which, in 2021 and 2022, brokers can use to help loosen the grip insurers have upon us all to bring reason and common sense back into the market, hopefully.

12. We are hearing that some underwriters are unwilling to accept BasicMed for older pilots and that some are even requiring pilots take a third class medical exam every year. What are you hearing?

We're hearing the same mixed messages. I suspect insurers are looking at BasicMed and in some cases, opting to revert to the third class medical protocol and requesting that it be done annually, just to be able to respond to those above them in the organization when asked, "Why did you underwrite this risk?" As noted earlier, "If they want treatment above the norm by insurers, at this time, they have to be proactive," which a third class medical certainly would be proactive at this time for aging pilots. And, as I also noted, "Unfortunately, underwriters today are much less skilled aviators versus gamers," which in our opinion, their belief is third class medicals are better than BasicMed approvals for pilots and will result in fewer losses. We've not seen any data to support that as yet, but underwriting today is more in the hands of actuaries and not those who have any aviation knowledge, skills, or passion.

13. How are the changes in the market affecting insurance for flight schools and those who lease airplanes to flight schools?

Flight schools are being hammered with increases and liability limits are being curtailed by insurers wherever possible. Many flight schools are requiring their students to purchase non-ownership liability coverage (often called "renter's insurance"), the same as what is available to

the AOPA membership, in order to provide some insulation of the flight school's insurance policy if a student damages a flight school aircraft or incurs a bodily injury claim.

ARTICLE SIDEBAR

What You Can Do

Three tips for mitigating insurance premium increases in this “hardening” market.

1. Be proactive in presenting to your broker evidence that you have exceeded FAA minimums for recurrent training. The broker can use that as leverage with the underwriters to help make a case for why you as an individual should get preferential treatment. Specialized training in your particular model of aircraft and adding a new rating or certificate are great ways to demonstrate you are serious about safety.
2. Establish a relationship with an underwriter and stick with it unless there is a strong reason to change. Underwriters are more comfortable underwriting a pilot they have dealt with before. This is especially critical for older pilots who are already considered a higher risk by underwriters. Changing companies to save a couple of hundred bucks this year may mean that next year the “new” company may be less willing to insure you at all or may require an even higher premium.
3. Consider changing how and what you fly, especially as you age. There's no set age when an underwriter begins to expect a pilot will present a higher risk, but it seems to be in the 70 to 75 age range and certainly by age 80. At that point, and especially in this hardening market, insurers may refuse to underwrite a pilot or may require significant changes to provide coverage. Among the things they may ask for are annual physicals to ensure good health. Also, consider stepping down in complexity. A pilot turning age 80, for example, flying a Beech Baron may see a dramatic increase in premium, even if she has years of experience in the twin. To mitigate that, she might consider stepping down to something simpler, such as a fixed-gear Cessna 182. The slower, simpler airplane gives the underwriters comfort. An alternative is to always fly with another pilot experienced in make and model—that too, however, comes at its own cost if you must hire and insure another pilot.

Five Minutes with Rich High - New CEO of FSTAT

Rich High, a big supporter of Citation Jet Pilots since its founding, has recently been named Chief Executive Officer of Flight Safety Textron Aviation Training (FSTAT). “Right Seat” recently sat down with Rich in Wichita to talk about how his responsibilities have changed.



Right Seat: How has your experience at FlightSafety prepared you for this job?

Rich: I joined FlightSafety 15 years ago and have seen the organization grow from various positions in the company, including as a center manager, so I have a pretty good understanding of the challenges our customers face operating Citations.

Right Seat: How have your responsibilities changed?

Rich: I now oversee 18 joint venture training centers with 88 simulators. That's a lot of moving parts and it represents about 25 percent of FlightSafety's revenue.

Right Seat: So, are you on the phone all day now?

Rich (laughing): That's a part of it since now I interface directly with our corporate office in New York. Brian Moore, who moved from my position to Vice President of Operations, and I are on the same page with respect to our commitment to the customer. My focus today is blending the operations of TRU and FlightSafety into a seamless training experience.

Right Seat: What kind of new programs should we expect to see?

Rich: There's a lot going on. We are working directly with CJP to develop a totally new simulator training program for companions. It will lead the industry in terms of a classroom and simulator experience, and we hope to have it up and running later this year.

Right Seat: Sounds exciting. Welcome to the new job!

Citation Jet Pilots is the world's premier Cessna Citation aircraft owner-pilot organization. If you are a Citation owner-pilot who wants to operate your aircraft more safely, professionally, and economically, this is the place to be.