



## Desert Flying Club Insurance Deductible Plan

Desert Flying Club (hereinafter referred to as “DFC”) has implemented the Desert Flying Club Insurance Deductible Plan (hereinafter referred to as "IDP"). The purpose of the IDP is to replace individual rented aircraft damage liability insurance in order to make the cost of flying more affordable. It is recommended that members purchase their own Bodily Injury, Medical, and Property Damage Liability Insurance as DFC aircraft policies do not cover members for this.

The IDP is used on a case-by-case basis to direct club resources to pay for damage to leased aircraft in lieu of submitting a formal damage claim to the Club's primary insurance carrier, to help members avoid having to make a renter's insurance claim in the event accidental damage occurs while operating an aircraft within the scope of the FAR's and DFC Rules and By-laws, and to cover the deductible should a claim to insurance be made. The IDP also provides compensation for loss of revenue to aircraft owners for aircraft downtime (subject to specific conditions). The IDP does not apply to social members and social members will not be charged for dues associated with the IDP.

The IDP is a mandatory program for club members who have Pilot, Student, and Family memberships and for those employees or volunteers of Desert Flying Club with private operational privileges. The Desert Flying Club Board of Directors is also required to participate in the IDP. Aircraft owners are exempt if they are flying their own aircraft *but will not receive IDP benefits if they choose not to participate in the plan*. If owners wish to operate other club aircraft, they will be required to participate in the plan. DFC CFIs who wish to rent DFC aircraft for personal use will also be subject to IDP membership. While providing instruction or check-outs, DFC approved instructors are covered by the renting member's IDP, however FAA considerations of who is PIC will be considered when assessing claims.

The fees associated with the plan will be collected with DFC member dues. There is no discount available for the IDP as there is available with monthly member dues, however members can choose to pay monthly, quarterly, or annually with their membership. The current fees for the IDP program are:

- a. Pilot Member
  - i. \$5.00 Monthly
  - ii. \$15.00 Quarterly
  - iii. \$60.00 Annually
- b. Student Member
  - i. \$7.50 Monthly
  - ii. \$22.50 Quarterly
  - iii. \$90.00 Annually

- c. Family Member
  - i. \$10.00 Monthly
  - ii. \$30.00 Quarterly
  - iii. \$120.00 Annually

Payments will be made automatically at the same interval as membership payments, unless specifically requested by the member.

These fees are subject to change based on frequency of IDP claims. Additionally, the DFC Board of Directors may amend any part of the IDP with a majority vote and will notify all members upon doing so. IDP Funds will be maintained in a separate account from DFC's general operating budget.

## 1.0 IDP Rules and Guidelines

The following rules apply to the DFC IDP plan effective November 1, 2020.

- a.) Grace period: Existing club members will have until April 1<sup>st</sup>, 2020 to terminate their personal hull insurance plans and become IDP members. All new members, or members who are reinstating a previous membership are subject to immediate participation.
- b.) In the event of an incident requiring the filing of an insurance claim, the IDP will pay the at-fault member's deductible for DFC's hull insurance coverage. The current insurance deductible for DFC aircraft is \$2,500.00. The deductible for the BE55 Baron is \$3,500.
- c.) The IDP will cover incidental damage to club aircraft, as specified in section 4.1.
- d.) Claims may be filed by the DFC Member, DFC aircraft Member-Owner, or DFC aircraft owner.
- e.) Any IDP payments exceeding 1,000.00 dollars require final review and approval by the DFC Board of Directors.
- f.) Damage caused by specific operations or actions by DFC members contrary to DFC operating By-laws, DFC Club Rules, or Federal Aviation Regulations (FARs) will void the DFC IDP. These specific operations or actions will subject the DFC member in violation to personal responsibility for any damages they may cause or incur. Members are welcome and encouraged to read a current copy of DFC's aircraft insurance policy and club rules and will be afforded reasonable opportunity to do so upon request. Any specific operation or action will be deferred to the DFC safety council for review before a final decision is made.
- g.) All claims must contain sufficient documentation supporting the claim. Lack of detailed documentation will be considered grounds for rejection of the claim.
- h.) The IDP will not be used to cover maintenance that is recurring, required by the FARs, or is the result of an AD issued by the FAA.

- i.) The IDP is designed to be self-sustaining by dues contributions, however in the event of an IDP funding shortfall, Desert Flying Club will maintain a minimum balance of 5,000.00 dollars taken from the General Fund to satisfy claims.
- j.) The Desert Flying Club Board will annually review the balance of the IDP fund and will return amounts they deem excessive to the membership in the form of dividends as rental credit.
- k.) In no circumstance will the IDP be construed to protect an operator from civil liability, or damage to objects, property or aircraft not contractually controlled by DFC.
- l.) Damage to personal property including electronic equipment, luggage, and other valuable items aboard an aircraft incidental to a covered event are excluded.

## 2.0 Submitting a Claim

The following procedures apply to the DFC IDP plan for submitting a claim. The DFC Board of Directors may amend or update this process at any time.

- a.) A DFC member, DFC aircraft member-owner, or DFC aircraft owner who wishes to file a claim must do so in writing (electronic format is acceptable) to the DFC President within 15 days of an incident or discovery of aircraft damage.
- b.) Attached to the claim should be itemized receipts and/or logbook entries detailing the cost of repairs or travel expenses.
- c.) If aircraft damage occurs where the IDP would apply, away from KHND (Henderson Executive Airport) and the aircraft is not airworthy, DFC will automatically begin the IDP process for the aircraft. No claim would need to be submitted in this case.
- d.) If damage is discovered by a member/CFI during pre- or post-flight inspection and the IDP would apply, DFC will automatically begin the IDP process for the aircraft. No claim would need to be submitted in this case.

## 3.0 Members

### 3.0.1 Coverage

The IDP will cover Member expenses outlined below if a Member is stranded away from the aircraft's home base due to unscheduled maintenance or mechanical issues, not caused by a Member's negligent operations or actions, that cause the aircraft to be unairworthy or inoperable. Adverse weather conditions that cause a delay in return to the aircraft's home base are not covered under the IDP. It is the pilot in command's responsibility to check weather and plan accordingly.

- a.) A Member may claim reasonable lodging expenses and associated costs incurred while the airplane is being repaired. Meals and ancillary expenses not directly associated with lodging are excluded.
- b.) A Member may claim reasonable return-to-base travel expenses and associated costs if repair is not possible in a timely manner. The reimbursed travel expenses will be limited to the lower of actual expenses or \$1.00/nautical mile one-way GPS distance. For a covered event, the cost of retrieving the aircraft and returning it to its home base will be the responsibility of DFC and will be taken from the IDP cash reserve.
- c.) If, upon retrieval, an aircraft is found to have been operable and no significant deficiency is found, all reimbursements are void and the member will be responsible for the costs associated with returning the aircraft to base including fuel, rental fees, and pilot time if applicable. Stranded members are expected to coordinate with DFC personnel before abandoning an aircraft off-base whenever practical.
- d.) Medical expenses for DFC members are NOT covered and members are encouraged to obtain their own medical insurance coverage.
- e.) Liability insurance carried by DFC aircraft insurance does NOT cover DFC members in the event of an incident or accident. DFC members are strongly encouraged to obtain their own personal liability insurance coverage. DFC Insurance policies exclusively protect club property, and club aircraft.
- f.) All lodging and travel benefits apply solely to the IDP participating member as listed on the aircraft reservation acting as Pilot in Command, and not his passengers or guests.

### 3.0.2 Responsibility

All DFC Members will be obligated to pay up to 100% of the insurance policy deductible (\$2,500.00) for damage incurred to DFC aircraft or other property as a direct result of a Member's negligent operations or actions. Specific operations or actions are determined by the rules specified in Section 1 of this document.

- a.) The IDP cash reserve is not automatically applied to aircraft damage claims.
- b.) The IDP will not be applied to incidents/damage where a non-current or unapproved CFI was performing instruction. Non-current refers to DFC currency guidelines as specified in the DFC By-laws Section III.
- c.) Application of the IDP funds will be determined by the rules specified herein.
- d.) In the event a Member is found to be responsible for costs by the safety council, the Member has a right to appeal the decision to the DFC Board of Directors within 15 days. In the event a DFC aircraft owner disagrees with the reimbursement amount for repairs, the DFC aircraft owner has a right to appeal the claim amount to the DFC Board of Directors within 15 days.
- e.) The DFC IDP applies only to participating DFC members or DFC member-owners while operating DFC airplanes for which they are current and have received a checkout by a DFC CFI.

- f.) At the recommendation of the DFC President or the DFC safety council, the deductible can be assessed in part or full to the CFI for negligent damage that occurs during a training flight.
- g.) DFC Board of Directors has final authority on any IDP funding judgment.

## 4.0 Owners

### 4.1 Coverage

#### 4.1.1 Hull Damage

- a) The DFC aircraft insurance deductible is \$2,500.00. The insurance deductible on the BE55 Baron is \$3,500.00. Damage exceeding 5,000.00 dollars is subject to the discretion of the DFC Board of Directors to make an insurance claim on DFC aircraft, or fund the repair directly from IDP reserves.
- b) Aircraft downtime will be compensated to aircraft owners at the rate of one net hour per each day of downtime directly attributed to the repair of the aircraft as a result of an IDP claim. This will occur each day of downtime up to a maximum of 20 days. The amount of downtime approved will be subject to the DFC Board of Directors and may be amended at any time. Net rate is as established in individual lease-back contracts.
- c) Any downtime in excess of seven days will require documentation detailing the reason for the extended delay. Excessive delay is not covered if the repair is delayed due to part shipping or part availability, or circumstances beyond the control of DFC.
- d) Downtime claims will not be applicable to Simulators.

#### 4.1.2 Excessive “Wear and Tear” or Member Damage

Examples of damage include, but are not limited to, blown tires and tubes, cracked wheel fairings, broken seats, broken sun visors, bent doors, cracked windows, dented prop spinners, etc. Damage caused by DFC Members or Excessive “Wear and Tear” is subject to the following reimbursement:

- 1. Covered items:
  - a) Tires
    - a. Tire Cost: Market Cost.
    - b. Tube Cost: Market Cost.
    - c. Labor Cost: The lesser of \$165.00 or 1.5 hours labor.
  - b) Battery
    - a. Battery replacement cost: Market Cost.
    - b. Labor cost: The lesser of \$110.00 or 1.0 hour of labor.

- c) Interior Plastics
    - a. Interior plastics older than 10 years as documented in the aircraft logbook are not subject to the IDP.
    - b. Interior plastics less than 10 years old as documented in the aircraft logbook will be subject to the IDP provided there is proof damage was caused by abuse.
  - d) Avionics
    - a. Physical damage to screens or controls caused by user negligence is covered.
    - b. Internal faults, failures not caused by abuse, and other regular degradation of electronics is excluded.
    - c. Electrical damage caused by overvoltage from the aircraft electrical buss, including if caused by shore power, is excluded.
  - e) Steam Gauges, Static Pitot system
    - a. Failures caused by gyro failure incidental to unusual attitudes is excluded.
    - b. Failures to static tubing and other components of systems are not covered, unless physical damage was caused by a member.
  - f) Upholstery
    - a. Seats, carpet, and other soft-goods that are torn or damaged provided that the damage was not due to age or long-term wear. Only the specific area damaged (e.g. one seat back, one side panel) will be repaired under the IDP, and no consideration will be given to correct the appearance of older fabric or leather that does not match the repair. Repairs will be made with the same quality of material and workmanship as the original item.
  - g) Propellers, control surfaces, paint, covers/shades
    - a. Damage caused by rock chips or other hazards due to willfull operation on non-paved surfaces are excluded, unless incidental to an off-airport landing.
    - b. Sun damage is excluded.
  - h) All Other Minor Repairs
    - a. Cost of purchase and installation will be covered by DFC and parts will be ordered and installed by a DFC mechanic at DFC's discretion.
  - i) Airsickness- Costs for cleaning after an airsickness event are covered, however DFC's contracted cleaning company must be used.
  - j) Damage caused by domestic pets is NOT covered in any circumstance.
2. If repairs must be made away from the aircraft's home base for the aircraft to become airworthy, the DFC president may approve the repairs if the costs are in compliance with section this document. DFC Board approval may be required if repairs exceed the cost specified in section 1.e. All repairs must be made by an authorized Aircraft repair facility.
  3. Cost of purchase and installation will be covered by DFC and parts will be ordered and installed by a DFC mechanic.
  4. All claims must be accompanied by logbook entries and/or receipts detailing when the damaged items were originally installed or purchased.

5. Tire claims must be accompanied by a photo to document tread depth. It is recommended that a tire depth gauge be used to substantiate the claim.

## 5.0 Responsibility

DFC aircraft owners must use DFC mechanics to the maximum extent possible when the IDP is being utilized for aircraft repair. In the event that a DFC aircraft is not accessible to DFC mechanics, the best effort must be made to select a repair facility to provide services at a reasonable cost. The DFC President in conjunction with DFC aircraft owners will have the authority to select the repair facility when the IDP funds are to be used. No language in this document will supersede DFC operating rules, or aircraft lease-back contracts. DFC's primary insurance provider retains ultimate authority over insurance claims, and the IDP is solely offered as method to reduce deductible expenses to members in the event of an incident.