

Aviation List

A

Admitted Liability: In aviation insurance, payments to an injured passenger made without the need of establishing liability.

Advance Freight: The partial payment of a freight bill-of-lading prior to shipment. Typically, payment is made when the freight is accepted for shipment by the carrier.

Air Bill: (air waybill): A bill of lading issued by an airline, acknowledging receipt of merchandise and indication conditions for carriage.

Air Cargo Insurance: A form of aviation insurance covering an air carrier's liability arising from damage, destruction or loss of cargo during shipment.

Aircraft Hull Insurance: An aviation contract that indemnifies the insured for damage to or loss of the hull of an aircraft.

Aircraft Insurance: A specialized segment of the insurance industry that covers both physical damage to the hull or parts of an aircraft and liability for bodily injury and property damage to others arising out of the operation of the aircraft.

Aircraft Non-owned Coverage: (non-owned aircraft liability insurance): Liability coverage for an employer when employees or agents use their aircraft on behalf of the employer. The coverage can be provided by an aviation policy, or by an endorsement to the commercial general liability policy. This is also a coverage included in many umbrella liability policies.

Aircraft Passenger Insurance: (air travel insurance): A form of life insurance that may be purchased by passengers of scheduled airlines. The policy face value is paid to the named beneficiary in the event that death results from a particular flight.

Aircraft Product Liability Insurance: A form of product liability insurance designed for manufacturers and dealers of aircraft and for fixed base operators who repair and maintain aircraft. Most insurance companies do not write this insurance because of the catastrophic loss potential of a key aircraft component failing while in flight. The coverage is usually written by special aviation insurers or specialized Lloyd's of London syndicates.

Aircraft Spare Parts Insurance: All-risk coverage on leased aircraft parts--including aircraft engines, spare parts, and equipment--while the property is on the ground or is being carried as cargo by air, land or waterborne transit.

Air Passenger Insurance: (air travel insurance): A form of life insurance that may be purchased by passengers of scheduled airlines. The policy face value is paid to the named beneficiary in the event that death results from a particular flight.

Airport Owners and Operators Liability Insurance: A form of general liability insurance tailored to the needs of airport owners and operators and underwritten by aviation insurers.

Air Taxi: An aircraft principally used in the business of carrying passengers or freight for hire, but excluding aircraft used for instruction, unscheduled service, or rental to others. Also called charter aircraft, air taxis differ from airlines in that the entire aircraft is hired by a single individual or organization.

Air Transport Insurance: (aviation insurance): Protection of an insured against losses arising out of the manufacture, use or operation of aircraft. The insured is likely to be an airport, aircraft manufacturer, airline, pilot, flight instructor, fixed base operator, or transportation company that uses aircraft. Coverage's may include liability for bodily injury, property damage or medical payments, and various types of first-party property loss, including hull coverage.

Air Travel Insurance: A form of life insurance that may be purchased by passengers of scheduled airlines. The policy face value is paid to the named beneficiary in the event that death results from a particular flight.

Air Waybill: A bill of lading issued by an airline, acknowledging receipt of merchandise and indicating conditions for carriage.

Associated Aviation Underwriters: An underwriting syndicate specializing in aircraft risks.

Available Seat Miles: A measure of an airline's seating capacity available for sale. Each available seat mile is one seat flown one mile. This is one factor used by aviation underwriters to measure an airline's exposure to liability risks.

Aviation Insurance: Protection of an insured against losses arising out of the manufacture, use or operation of aircraft. The insured is likely to be an airport, aircraft manufacturer, airline, pilot, flight instructor, fixed base operator, or transportation company that uses aircraft. Coverage's may include liability for bodily injury, property damage or medical payments, and various types of first-party property loss, including hull coverage.

Aviation Passenger Liability Insurance: Coverage for aircraft operators in the event a passenger is injured, killed or disabled during an accident while aboard an insured aircraft. Aviation policies divide liability coverage into two parts--general liability (excluding passengers), and passenger liability.

B

Business and Pleasure: A general aviation rating classification that applies when the aircraft operator is an individual, business or corporation owning and operating an aircraft for both business and pleasure, but not employing professional, full-time pilots.

C

Charter: (air taxi): An aircraft principally used in the business of carrying passengers or freight for hire, but excluding aircraft used for instruction, unscheduled service, or rental to others. Also called charter aircraft, air taxis differ from airlines in that the entire aircraft is hired by a single individual or organization.

Charter Aircraft: (air taxi): An aircraft principally used in the business of carrying passengers or freight for hire, but excluding aircraft used for instruction, unscheduled service, or rental to others. Also called charter aircraft, air taxis differ from airlines in that the entire aircraft is hired by a single individual or organization.

Commercial Aircraft: Aircraft used principally in an insured's business, including student instruction, carrying passengers or freight, carrying for hire or reward, and rental to others.

E

Federal Aviation Administration (FAA): The U.S. federal agency charged with regulating air commerce, fostering aviation safety, promoting civil aviation, maintaining a national system of airports, achieving efficient use of navigable airspace, and operating a common system of air traffic control.

Federal Aviation Regulations (FAR): Rules and regulations administered by the Federal Aviation Administration, to control and maintain safety in airspace over the United States.

Fixed Base Liability: Aircraft liability insurance specifically designed for fixed base operators such as aircraft dealers, charters, and flight instructors.

Fixed Base Operators: A general aviation rating classification applying to businesses that are located (based) on the premises of airports and that own, operate, buy, sell, rent, or lease aircraft. They also may perform such services as fueling, repairs or flight instruction.

Flight Coverage: Coverage on a fixed-wing aircraft from its take-off run until it completes its landing roll. For a rotorcraft, coverage commences when the rotors start to revolve under power for the purpose of flight until they cease to revolve.

Flying Clubs: A general aviation rating classification for a nonprofit organization comprised of at least three persons who jointly own and operate an aircraft for pleasure use only.

G

General Aviation: A term that includes all aviation except commercial airlines and military aviation. This includes pleasure aircraft, business (corporate) aircraft, air taxi operators, crop dusting, highway patrol aircraft, sports and instructional flying.

Ground Coverage: Physical damage insurance coverage on an aircraft hull, that applies when the aircraft is not in flight.

H

Hangar keepers Legal Liability Insurance: Coverage for the owner or operator of an aircraft hangar, for damage to or destruction of the aircraft of others while in the insured's custody for storage, repair or safekeeping.

House Waybill: A waybill issued by a freight forwarder for air or truck shipments.

Hull: The fuselage, engine(s), wings, tail, rudder, and other major structural features of an aircraft.

Hull Policy: An ocean marine contract that indemnifies the insured for damage to or loss of the hull of a ship, including most of the machinery attached to it.

I

Industrial Aid Operators: A general aviation rating classification that applies to corporations that own aircraft and employ full-time professional pilots.

Ingestion: Under an aircraft policy, coverage for damage resulting from taking into its engine or power unit's foreign objects or substances (e.g., birds) that disable a plane enough to require immediate repair.

In Motion: In aviation hull policies, the time when an aircraft is moving under its own power or momentum, including while in flight. The aircraft is not considered in motion at any other time. A rotor aircraft is considered in motion whenever its rotors are moving under power

M

Master Air Waybill: An air waybill issued by an originating airline when more than one airline is involved with a shipment, or when a freight forwarder issues a house waybill.

Mooring: A term found in aircraft policies for water-landing aircraft, when they are on water and are anchored or moored, or during launching onto or hauling up from the water, except under its own power or momentum.

N

Named Insured: Under an aircraft policy, the named insured is usually extended to include any person while using or riding in the aircraft and any person or organization legally responsible for its use, provided the actual use is with the express permission of the named insured.

Non-owned Aircraft Liability Insurance: Liability coverage for an employer when employees or agents use their aircraft on behalf of the employer. The coverage can be provided by an aviation policy, or by an endorsement to the commercial general liability policy. This is also a coverage included in many umbrella liability policies.

Not In Motion: (in motion): A term used in aviation hull insurance policies, stating that an aircraft is moving when it is under its own power or momentum generated therefrom, including while in flight. The aircraft is considered "not in motion" at any other time.

P

Passenger: Any person who is in, on, boarding or disembarking an aircraft for the purpose of riding or flying on a flight or attempted flight. In its broadest interpretation, passenger includes pilots or crew members.

Passenger Bodily Injury: The basic aircraft liability policy specifically excludes coverage for claims arising out of injury to passengers; this must be added to the policy by a separate insuring agreement.

Passenger Yield: The average revenue per mile paid by each passenger of an airline. Formula: total passenger revenues ÷ revenue passenger miles.

Pilot and Crew Occupational Disability Insurance: Disability coverage for professional pilots and crew members when they are unable to perform their normal flight duties.

Pilot Warranty: A warranty to an aircraft policy requiring that a covered aircraft be piloted by a specifically named pilot or by one meeting specified qualifications. The pilot's qualifications can be stated as a minimum number of flight hours, a number of hours in a specific type of aircraft, by a specific Federal Aviation Administration (FAA) flight rating, or a combination of these. An additional requirement is that a pilot must have a valid FAA license and medical certificates and operate the aircraft within the limits of the pilot's FAA rating.

Pleasure and Business: (business and pleasure): A general aviation rating classification that applies when the aircraft operator is an individual, business or corporation owning and operating an aircraft for both business and pleasure, but not employing professional, full-time pilots.

Premises: As used in aircraft policies, the areas at an airport used for parking or storing aircraft.

R

Revenue Passenger Miles: A measure of airline traffic. Each revenue passenger mile represents one revenue-paying passenger flying for one mile.

S

Satellite and Space Vehicle Insurance: Special coverage's for lost expenses to launch or operate a satellite or spacecraft that malfunctions. There are four types of satellite insurance: pre-ignition, launch, in orbit, and ground support.

Spacecraft Insurance: Insurance on rockets and satellites designed for voyages in outer space.

U

Use Limitation: An aircraft policy exclusion that excludes coverage if the aircraft is used for a purpose other than those indicated in the policy's purpose of use classification.

W

Warsaw Convention: An international agreement, originally ratified by 42 countries in 1929, that defines the liabilities of airlines operating between countries and over international waters. Many other countries have since signed the agreement. The Warsaw limitations do not apply if it can be proved that an accident was caused by willful misconduct of the airline or crew.