



On Approach

Avemco® Policyholder News

Winter 2016



Five Reasons **P1**



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FIVE REASONS TO COMPLETE AN AVIONICS UPGRADE

By Jason Blair, ATP, CFI-I, MEI-I, FAA Designated Pilot Examiner

Upgrading the avionics in your aircraft is something that many pilots want to do, but the question of whether it is really necessary is an entirely different one. We would all love to have the latest, coolest, and most capable equipment, but that comes at a cost. Many times at a very high cost. In reality, many times, we don't really "need" an avionics upgrade, we just "want" to upgrade. As I think about all of the technological advances in the cockpit, I can offer my five different reasons to complete an avionics upgrade.

> TO REPLACE BROKEN EQUIPMENT

As planes get older, no matter how well we try to take care of them, things break. Or perhaps we buy aircraft with avionics devices that are broken. In either case, the question of replacing the equipment or upgrading it becomes one that an owner must address. Replacing broken equipment with newer, more capable equipment can be the right time to make upgrades, even though it may cost more money than a simple replacement. The cost of buying replacement equipment and then at a later date purchasing upgraded equipment can result in a greater long term cost than taking the opportunity to make upgrades when something does break.



> TO INCREASE CAPABILITY

Have an old stack of avionics that doesn't allow you to fly all the approaches you might need? Well, then it might be time for an upgrade. An aircraft with two VORs, no DME, and an ADF is hard to even call IFR capable anymore. The modern IFR system relies heavily on GPS navigation systems and less on VORs and DME data than ever before and NDB approaches are almost gone in most areas. Upgrading an old panel to allow the aircraft to be capable of flying more modern approaches increases the capability of the aircraft (and a properly trained pilot) to fly to more destinations and in a broader range of conditions. A WAAS-capable GPS can take a pilot even further with enhanced aircraft capabilities. Justifying an avionics upgrade to increase aircraft capability can lead to increased overall utility of the aircraft for a pilot. This can be extremely valuable to a business traveler.

> TO HELP TO ENHANCE SAFETY

Avionics upgrades may lead to enhanced safety. Adding a quality autopilot may help the workload management for someone flying in single pilot IFR conditions. Adding onboard weather data (satellite or ADS-B based) can increase a pilot's awareness of weather conditions



ahead of them and allow earlier decisions to be made to avoid potentially dangerous or un-forecast weather. Adding digital fuel or engine monitoring gauges can significantly increase a pilot's awareness of engine parameters and fuel consumption compared with older analog gauges. While I would be remiss not to mention the potential for distraction that new "gadgets" in the cockpit can cause, when properly used by a trained pilot, instruments such as this can enhance safety in flight operations through awareness and providing much more detailed information or aircraft control.

> BECAUSE OF DESIRE - "NEEDS VS. WANTS"

Sometimes, there really isn't a "need" to upgrade, but you just want to. There is nothing wrong with this. If everything we did in life had to be completely justified by practical application, chasing a golf ball around a course after hitting it with a stick probably never would have become a sport. We do it because we choose to. The same can be our reason for upgrading avionics. Perhaps our old round gauge ILS will get us to the same point a new digital GPS unit will on the same ILS, but we would like to have the newer unit that looks much prettier in our panel. It's ok. You may want to give yourself permission to make the upgrade if your budget allows. But be honest with yourself when you make an upgrade under these conditions. Are you doing it because you are trying to justify a "need" or just because you would prefer to have the newer equipment in your aircraft's panel?

> DOWNGRADING AS AN UPGRADE?

A less commonly considered option is to downgrade the instruments in your aircraft. This may sound counter intuitive at first, but if you have an

older aircraft with multiple pieces of equipment that no longer work and you don't have the budget to upgrade or replace the equipment, it might be time to remove the non-working equipment entirely. The next time you bring your aircraft in for an annual, ask the IA Mechanic to go ahead and remove that old ADF that hasn't worked for a decade and the rotary DME that locked up 5 years ago. If you still have a LORAN in the panel, it can probably go away also. The reality is that if you have multiple instruments in your panel that are no longer working you may be tempted to fly IFR on less equipment than you should be utilizing to be safe. Removing this equipment may "downgrade" your aircraft to a strictly VFR machine, but it also may take away the temptation to work your way through marginally IFR conditions when your aircraft really has no business flying in IFR conditions anymore. If you don't really fly IFR, you may not even miss this old, defunct equipment. Removing non-functional equipment may also reduce electrical loads on older alternators, remove the potential for any electrical shorts caused by unused equipment, and as an added bonus, give you a little back on the useful load for your aircraft. You would be surprised how many pounds an ADF, a LORAN, a dead NAV/COM and the associated wiring can add up to and when removed, allowing you to increase your useful load.

No matter what reason you have to consider upgrading instruments in your aircraft, it is always worth considering why you are doing it. I have had this discussion with many fellow pilots and clients of mine and the result has been that no upgrade is really needed. If the upgrade you are considering isn't going to enhance your safety or increase the capability of your aircraft to allow it to fly new or more complex procedures, or replace broken equipment, perhaps there really isn't a need to do the upgrade. That is, unless you just want to. And that's ok too. As long as you are honest with yourself about the real motivation to make the changes.

Jason Blair is an active single and multi-engine instructor and FAA Designated Pilot Examiner with 4,900 hours total time and 2,850 hours instruction given. In his role as Examiner, over 800 pilot certificates have been issued. He serves on several FAA/Industry aviation committees and is the past Executive Director of the National Association of Flight Instructors. He also consults on aviation training and regulatory efforts for the general aviation industry.



DO I TELL AVEMCO ABOUT THIS OR NOT?

By Marci Veronie, Vice President of Sales & Marketing
Avemco Insurance Company

(First, a note from the author)

The following article appeared first as an Avemco PIREP blog and generated an overwhelming number of comments, many of which asked the same question: “Will reporting a claim affect my rates or even my coverage?” At the end of this article I will try as best I can to answer that question. — Marci Veronie

None of us expect to have a loss. Yet, it happens to even the best pilots. After all, that’s why you buy insurance. But what if you feel the damage is minor and want to pay for the repairs yourself? You wonder, “Do I need to report this to Avemco? If I do, then what happens?” Of course, when you have a loss, you probably have more questions than just “Should I report it?” One of the advantages of being insured by Avemco® is that you are dealing directly with the people who insured you, not a middleman. You can always pick up the phone and call us for answers. And the first answer is: By all means, report the loss. Even if you intend to pay for it yourself.

When we sell you a policy we have made a promise to protect you and your assets according to the policy, but we can’t do that if you don’t inform us. So, let us know what happened and that you intend to take care of it yourself. If you end up paying for the repairs yourself, we simply close the file without taking further action.

But, sometimes, what appears to be a minor loss can actually turn out to be very expensive. What if the loss turns out to be more than you initially thought? If you didn’t notify us when the loss occurred and are now just reporting it several weeks afterward or after repairs have been started, we may not be able to manage the repair costs as we would have if we had opened and handled the claim in the first place. Late reporting may increase the total expense of the claim and claim payments can affect the amount of premium charged.

One scenario we’ve seen several times over the years is when a friend damages our customer’s aircraft and agrees to pay for the damages. Our customer decides not to report the loss. Over time, the friend’s mechanic runs up some pretty sizable bills or doesn’t actually repair the aircraft to our customer’s satisfaction, or the “friend” fails to pay the bill. Then, many months later, the customer calls to get our help in resolving the issue. You can see how involving us from the beginning would have been better for all concerned.

Another situation that is more troubling is an unseen injury. For example, let’s say you’re flying with a couple of friends to a pancake breakfast at an unfamiliar airport. Something goes wrong with the landing and you end up going off the side of the runway. Once the dust has settled, you realize

you didn't hit anything, the airplane didn't suffer any damage, and all three of you, after being tossed around in the aircraft, decide you are OK and carry on with the day. You thought that since everyone said they were fine and the plane wasn't damaged, there was no need to call Avemco.

Fast forward six months. You receive a notice that the passenger in the back seat of the plane is filing a claim against you for expenses related to doctor's visits, treatments, and lost income because of the landing "accident" six months ago. A call to us shortly after the landing would have put us on notice. Most likely we would have advised opening a claim, obtained statements from everyone while the event was still fresh in their minds, witnesses could have been questioned, and any doctor visits and treatments could have been monitored.

Whether you think it may be nothing serious or big, call us. We're here to protect you when something happens. Our simple, direct process for handling our customers' claims is one of the many benefits of insuring with Avemco.

And now to answer the question about whether submitting a claim will affect your rates or possibly your continued coverage with Avemco.

We review claims carefully within our underwriting guidelines. We realize anyone can make a mistake. The weather may not turn out to be as forecast or the conditions at the destination airport (even if it is your alternate) more challenging than expected. As I said at the beginning of this article, that's why you have insurance. We do look at all of the factors of the accident

or loss in determining future insurability. Having or calling about a possible claim is not a "Yes" or "No" decision about continued insurance or an increase in rates. As far as whether a reported claim will impact your rates, the answer is that in many cases a first-time claim will not impact your rates except to reset your accident-free discount (which offers a reduction of 10% for having gone at least a year without a claim). The clock starts running again from the date of your claim. Other rate increases or adverse actions (such as policy cancellation) are not common.

If you have any other questions or comments, please email me at mveronie@avemco.com. Thank you.

Marci Veronie is the Vice President of Sales and Marketing and has been with Avemco since 1986, serving general aviation aircraft owners and pilots. She holds a property/casualty and life health insurance license in all 50 states and has extensive knowledge of aviation insurance and the aircraft that Avemco covers. Additionally she is active in Avemco's loss prevention efforts by developing educational programs and training for her staff. She has been a member of Women in Aviation International since 2001 and a member of the local DC chapter. In March 2015 Marci was elected to the Women in Aviation International Board of Directors.

Not all Avemco coverages or products may be available in all jurisdictions. The description of coverage in these pages is for information purposes only. Actual coverages will vary based on local law requirements and the terms and conditions of the policy issued. The information described herein does not amend, or otherwise affect, the terms and conditions of any insurance policy issued by Avemco. In the event that a policy is inconsistent with the information described herein, the language of the policy will take precedence.

AVEMCO SAFETY REWARDS PROGRAM

Analysis of NTSB reports¹ and our claims confirm that pilot error is the primary reason for aircraft accidents. To address this, we launched the Avemco Safety Rewards Program Initiative in 2003 to take an active role in helping to reduce the frequency and severity of accidents in the general aviation community.

In addition to educating pilots, the program provides annual premium credits to Avemco policyholders for participating in training programs related to the type of flying that pilots like you do. It is a two-part program that rewards pilots for participating in ground (knowledge) and/or flight training programs.

Save up to 10% on your annual premium (5% for ground/knowledge and 5% for flight) by completing a qualifying training program(s).^{*} Some prime examples of qualified programs are:

- [Open Airplane Universal Pilot Checkout](#)
- [Bonanza & Baron Pilot Training Clinic](#)
- [FAAsteam WINGS Knowledge Courses](#)
- [King Schools Practical Risk Management courses](#)
- [AOPA Air Safety Institute Courses](#)
- And more

Visit [Avemco.com/safetyrewards](http://www.avemco.com/safetyrewards) for more information.

^{*}Premium credits are subject to underwriting guidelines.

http://www.nts.gov/safety/mwl/Pages/mwl7_2015.aspx



Readback is your chance to tell us what you think about everything we have to say and do - including our PIREPs, articles, emails and previous issues of the On Approach newsletter.

RESPONSES TO JASON BLAIR'S "7 TIPS FOR FLYING AT NIGHT"

Having flown for the airlines and other entities since the 60's and 70's, I have found that a green light is much more useful in the cockpit/flight deck at night than a red lens. I bought a Coleman light on a lanyard from Walmart that has selectable white/red/green, because there are times when you also need a white light.

With regard to flashlights (and other necessary items in life), I learned a long time ago that one is none, two is one and three is better.

With some flights lasting 10 hours, I have found Five Hour Energy to be a real plus over coffee when trying to remain alert. The benefit of FHE was also confirmed and encouraged by a physiologist during an altitude chamber recurrent session as being healthier than coffee, Red Bull, Coke, etc. FHE also has the benefit of being more practical for the General Aviation pilot than the other mentioned caffeine drinks with regard to potty stops.

Good article, BTW.

--Manny Puerta ATP, CFI AIM

That is all good stuff, common sense, no BS, and many thanks.

-- John Kilbourne

You missed one more very important Tip: Use oxygen.

-- Dave Yoder

RESPONSES TO MARCI VERONIE'S "DO I TELL AVEMCO ABOUT THIS OR NOT?"

We received an overwhelming response to this piece and are printing some of the responses that we received permission to publish from the responder.

And because of the responses we have republished the article in this newsletter and have addressed one of the primary questions we received regarding the content.

The article makes very good points. It is silent on how it may affect future rates. Would you care to comment?

-- Tony

I appreciate the advice in the November PIREP, and of course I expected that you would want a policy holder to notify you of any incident. You chose some good examples of why a report is recommended. However, you did not address one of the main concerns of customers and a major reason why incidents may not be reported. What will happen to my premium if I report a minor event that I can pay for myself? I think that if Avemco had a written policy that

limits (or eliminates) premium increases after an initial claim, then you would see many more customers willing to report the type of incidents that you talked about in your PIREP.

-- Jim Green

I liked the PIREP, but what you didn't cover is how this affects our premiums. This seems to be the main reason for not calling the insurance company for fear that this will cause our premiums to go up or worse our insurance will be cancelled.

A PIREP on this would be great. It is always a mystery how rates are calculated and what influences these rates, including reporting losses or accidents even if no loss, etc.

A loyal customer,

-- Roland Comeau

I liked the article on whether to make a small claim or not. I so much like living my life honestly and openly. That you encourage openness, makes my loyalty component rise for Avemco.

Thanks for these articles.

-- Jim DuVander

Good PIREP - you've likely been asked that many times - very good write on this for those of us who wondered but were too shy to ask.

--James Kleen, N988NB

When one makes a hard landing, perhaps even bouncing with some 'ballooning' taking place, do you really want all policy holders to report

that? After all, whiplash claims are made with less impact in auto cases! Even though no damage to the aircraft, I suspect some hard landings can make it to a summons and complaint in most every state.

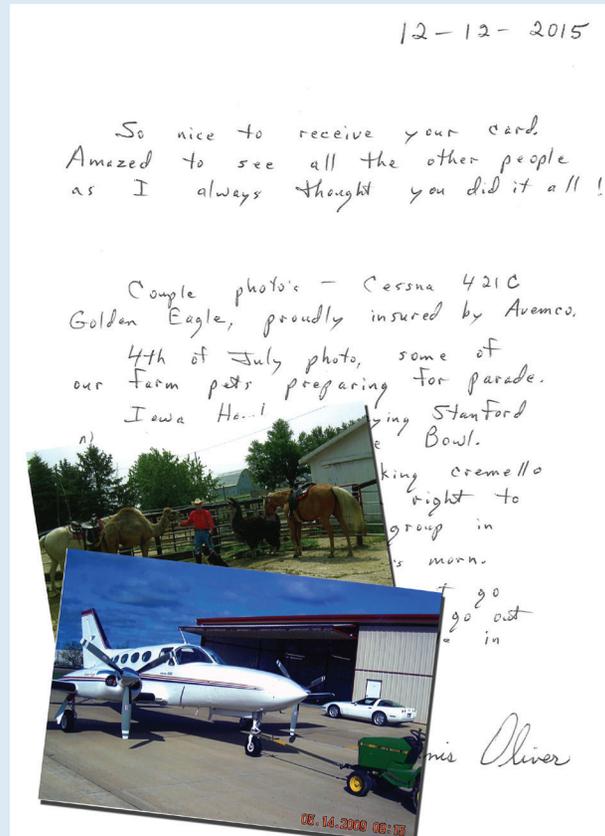
And what of a flight school doing “crash & Go” landings, as many CFI’s call them!

Good advice (in my opinion) is to get each passenger on their first flight to sign a release of claims against the pilot for this and all subsequent flights. In Alaska we even have a statute which relieves a private pilot from liability in such cases, with or without a release.

I still get one from every passenger, even though I carry liability insurance with AVEMCO

If you haven’t done so, perhaps you should consider a recommendation to get such a pre-flight release from non-fare paying passengers. My passengers, for the most part, expect to sign such a paper and do so without objections. Of course, minors are a whole separate problem, but with signatures of them and their parents, it creates at least a psychological barrier to making a claim.

-- Jim Powell, 759RA



We welcome your comments and feedback. Email avemco@avemco.com. Comments will be considered for inclusion in our next newsletter. You will be notified of our interest to obtain your approval prior to being published. Your comments may be edited for length and style before publication. Edited copy will be sent to you to ensure accuracy.

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COMING TO A HANGAR NEAR YOU!

The most fun we have all year is meeting our customers in person and strengthening our ties within the aviation community.

This year Avemco continues to be a proud sponsor of the Bonanza & Baron Pilot Training clinics found [here](#)*.

The courses are custom designed for pilots and owners of Bonanzas, Barons, Travel Airs, Twin Bonanzas and Dukes.

Avemco will be exhibiting at the following aviation tradeshows:

FEBRUARY 20-21
33rd Annual NW Aviation Conference & Tradeshow, Puyallup WA

APRIL 2
New England Aviation Expo
Daniel Webster College, Nashua NH

APRIL 5-10
Sun 'n Fun, Lakeland FL

APRIL 30-May 1
Great Alaska Gathering, Anchorage AK

MAY 20-21
AOPA Fly In
Michael J Smith Field (KMRH)
Beaufort NC

AVEMCO'S PEOPLE

ELIZABETH HOOVER - AVIATION UNDERWRITER



Elizabeth is the newest member of the Avemco family of underwriters, joining us in August of 2015. She fell in love with aviation at age 8 when her brother's Boy Scout Troop participated in an EAA Young Eagles Day near Chicago and Elizabeth tagged along. Turns out she went for a flight, too. When the pilot handed her the controls, she was seriously hooked, eventually becoming a Civil Air Patrol Cadet. She graduated from Lewis University in Romeoville, IL with a degree in Aviation Administration and a Private Pilot's license.

Elizabeth has flown Cessna 152s, 172s, Piper Archers, has a little time in a Bonanza and a few coveted minutes in a Cessna 310. She's also flown gliders and even started on a balloon rating. She worked as an intern for Chicago Executive Airport, then at an FBO before the recession hit and her employer downsized. As these stories often go, Elizabeth found work outside of aviation but never gave up the idea of getting back to airplanes and flying. That's when Elizabeth and Avemco were lucky enough to find each other.

Her flying experience helps Elizabeth connect with Avemco customers in every way, from the technical side of flying to hangar talk. She says her experience at Avemco so far has been "Everything but boring. It's been very positive, like walking into a loving family. Everyone has been warm and welcoming and the support has been overwhelming." We're glad to have Elizabeth in the family and it appears she feels the same about us.

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Avemco Insurance Company
8490 Progress Drive, Suite 100
Frederick, Maryland 21701

Customer Feedback and
Aviation Insurance Questions:
(800) 638 8440

avemco@avemco.com

Online: avemco.com

Claims: (800) 874 9124

Publisher

Avemco Insurance Company

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