

## Lowering Your Insurance Premium

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### "How can I get the best rate on my insurance?"

This is one of the most common questions in the insurance business. Everyone wants the best coverage at the lowest rate, so here are some tips that may help you lower your premium at your next renewal.

#### ANNUAL TRAINING

Annual recurrent training is often required for higher coverage limits, pressurized or turbine-powered aircraft. Even if it isn't required, some underwriters will offer lower rates or better coverage for pilots who take this training. Ideally, recurrent training consists of a manufacturer-recommended simulator program. For some piston aircraft, in-aircraft training programs may be approved. This is usually the only choice when manufacturer-recommended programs are not available. This training can include the **FAA Pilot Proficiency Program (WINGS)** requirements, which we highly recommend. Underwriters also favor current, proficient pilots. Be sure you have logged at least 20 flight hours in the last 12 months, or you may be required to get additional training.

#### ASSOCIATION MEMBERSHIP DISCOUNTS

Some aviation ownership clubs and advocacy groups, such as the AOPA and EAA have special insurance programs that can provide a discount for their members. Though the groups may recommend a specific agent, all independent agencies have access to these programs. You don't have to change agents to **get the best price**. Make sure your memberships are current and that your agent is aware of your membership ID numbers.

#### PILOT EXPERIENCE AND TRANSITION PILOTS

Most underwriters agree that experience is the best teacher. One of the biggest challenges in aviation insurance is finding affordable coverage for pilots transitioning into more advanced aircraft. Accident reports show that less-experienced pilots and transitioning pilots are at the highest risk, and insurance rates are structured accordingly. This is why transitioning pilots should work with their insurance agent to design a transition training program that may include simulator, ground and flight training. When you transition to a more advanced aircraft, understand that the first year of insurance may be more costly, but if you commit to an aggressive training and time-building program your **renewal rate could drop substantially**. If your agent is unwilling or unable to help you make and meet training goals, you should consider working with one that is.

#### COMMERCIAL AIRCRAFT

Commercial and corporate aviation faces a different challenge. Corporate turbine pilots usually have the appropriate certificates, ratings and hours, but required recurrent training is much more expensive. Your choice of initial or recurrent training facilities affects your insurance premium and your overall cost of ownership. Well-known, full-motion simulator training centers are accepted by virtually all the underwriting companies. There are also lower-cost alternative training programs, but not all underwriting companies accept them the same way. Because training and insurance go hand-in-hand, you should compare the total cost involved and make an informed

decision about your insurance and training options. A higher insurance premium may be offset by lower training costs. This leads to an **overall savings** that can make corporate aviation **more efficient and profitable**. If your agent is not able to help you with this process, you should strongly consider working with one that is.

We hope this information will encourage you to work with your agent to set **training and experience goals** to help control your costs or make the transition to a more complex aircraft. Be sure your agent is aware of your plans and any training or pilot proficiency programs you have completed. Premiums can be negotiated and **negotiation starts with communication**.

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