

# Annual Insurance Report

(Updated: 01/12/12)

AMA cannot provide specific details of claims that are in litigation, or in many cases, confidential settlements reached after negotiations. We do provide a summary of some general information as follows:

- Around 35 liability claims annually are reported to AMA. These are both bodily injury (injury) and property damage (damage) claims. Injury claims typically involve fellow AMA members actively involved in modeling rather than spectators or bystanders. Damage claims are usually minor damage to vehicles in parking areas caused by an errant aircraft. Of the 35 claims reported annually, approximately 20 are property damage and 15 are bodily injury claims.
- While most damage claims are minor, occasionally damage to a building, a parked full size aircraft (if flying near an airport) and other unusual claims can result in substantial payments. Overall, property damage is usually a small part of claims payments.
- Of the approximately 15 injury claims reported annually, most are minor injuries, and some moderate. On very rare occasions the injury is severe; resulting in a settlement involving large amounts of money.
- Since 2001, AMA and its insurance company have paid out approximately \$5,000,000, mostly to settle injury claims. In addition, recent serious injury cases that are in litigation have “reserves” (estimates) for future payments in excess of \$1,100,000.
- So as you can see, the few serious, sometimes tragic, injury accidents are the major source of claim payouts. Of the approximately 400 claims reported over the last several years, only 12 to 15 involve really serious injuries.
- Settlements of these serious cases many times exceed \$500,000 each, and in some cases that is after the homeowner’s insurer pays their policy limit.
- The most common cause of injury is “lost control of aircraft”; usually without a confirmed cause (vague allegations of frequency interference are common).
- We have also had some very severe injuries to other persons on a flying site that are unrelated to Aeromodeling (AMA members’ children playing on site, young people engaging in recreational activities at or near the site injured by a condition at the site) that have been settled for very large sums.

- Some severe injuries over the past few years:
  - eye injury to child caused by site condition
  - eye injury to child when struck by aircraft
  - adult struck by ¼ scale at full throttle
  - adults struck by helicopter blades, one fatal and three others with serious, permanent injury
  - adult struck by small plane, with severe blood loss and complications
  - motorcyclist struck fence erected by club
  - model crashed causing fire which damaged building and equipment
  - adult struck by model causing extensive injuries

While we would like to provide more details, we are unable to do that by advice from our attorneys. Unfortunately some very serious accidents occur leading to high value settlements, and those settlements contribute substantially to the cost of AMA's insurance program.

Keep in mind that the AMA liability program protects AMA members in two very important ways.

- Protecting AMA members or clubs and site owners who are subject of lawsuits brought forth against them by injured parties. Many times amounts are far in excess of any available homeowners insurance. Without adequate insurance, those members and clubs (including club officers in some instances) may be personally liable to injured persons and that MAY expose personal assets to court judgment that could affect the financial future of members or clubs.
- Approximately 70-80% of the amounts paid for these claims are paid to AMA members or their respective families for their injuries. Without AMA insurance the compensation to injured members may be inadequate or perhaps nonexistent.

Your district's vice president/executive council member can confirm the frequency and cost of these serious injuries, but cannot discuss details since many involve legal issues. Although the information your VP can share is limited, your VP is informed and monitors AMA operating expenses in you best interests.