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Insurance Questions on "What If"!

The Academy receives numerous requests from Chartered Clubs and individual members seeking information regarding the insurance program. These questions are routinely fielded by the Programs Department. They are from time to time questions posed in the form of hypothetical situations. Typically a brief set of assumptions or hypothetical situations are outlined, and the question asked is whether or not there is coverage.

There are a number of reasons why specific answers to these hypothetical questions are difficult to answer and in some cases we must provide somewhat vague answers. First, providing an opinion on coverage for a particular situation sometimes involves a legal opinion, and since we are not attorneys we cannot offer legal advice. To have an attorney evaluate and answer these requests is of little value. To satisfy a member's curiosity we have on a few occasions sought legal advice for the "what if" situation. This has proven to be an added expense for AMA and serves no beneficial purpose since the questions are hypothetical. A hypothetical question invariably lacks the detailed information that is essential to provide a definite answer. Thus, responding to hypothetical questions leads to answers that are many times too speculative to be of any assistance.

For example, questions frequently involve some activity on the flying field and whether or not some action of an individual is or is not safe or is or is not a violation of the AMA Safety Code and/or a covered event. Never do these questions include the experience, knowledge, and understanding of each of the participants and spectators involved, the frequency with which the action occurs and many other circumstances which, in the final analysis, would determine the ultimate outcome as to whether or not there may be liability and/or coverage. A hypothetical question simply does not and cannot by its nature cover all the facts necessary for such a determination. This is a good example why a fundamental principal of American jurisprudence is that courts will not give advisory opinions. There has to be an actual controversy before the court will render a decision.

Contributing to the uncertainty is that the 50 state laws and courts many times do not agree on all aspects of insurance law. Even with respect to basic principles, there are routinely different schools of thought followed by various groupings of the states. The law is ever changing, and the various schools of thought usually vie with each other for ascendance, thus there would likely be some states in the process of changing the reasoning underlying the enforcement of an insurance policy.

Also, some insurance matters are covered by statute and some are not. This varies from state to state and it can be crucial to the outcome. This makes any attempt to answer an identical hypothetical question previously answered for one jurisdiction when submitted from a different jurisdiction. This is further complicated by the time between inquires when the law or court rulings may have changed the answer.

Often these hypothetical questions are the result of some dispute or conflict among members about a given type of conduct. Even if it warrants the expense of a legal opinion, there may be an ongoing difference of opinion among members, especially in clubs. In those situations, whether the disputed conduct is or is not covered under the policy is normally not adequate to resolve the local dispute. It is AMA policy not to get involved in differences of opinion or personality issues at the local level. Dressing up such a problem in an attempt to resolve it with a legal opinion is simply non-productive from the standpoint of final policy coverage.

The majority of members contacting AMA regarding general insurance questions normally have their questions answered without difficulty because these questions do not involve hypothetical situations. The AMA member liability policy provides very broad coverage customized to meet your needs, and that means you are usually covered should your negligent conduct cause injury to another person. However, like all insurance policies, there are exclusions and limitations.

Also keep in mind there may well be coverage afforded by the AMA accident medical policy which pays medical expenses for an injured member without regard to fault. Basic distinctions such as accident and disability coverage, property damage and general liability coverage are routinely explained in response to members' questions. However, hypothetical questions cannot be resolved with legally binding answers. The Programs Department will do its best to provide you with answers in general terms based on limited information available.