

Case study: King Air 350 I (Hail Damage)
(Raytheon)

The names are changed to protect the clients. Everything else is factual.

Policy holder: We have used initials only to protect our clients from invasion of privacy.

D.O.L 6-14-2017

Type of claim: Hail/wind

Investigation: Our client engaged us to investigate and create a record into why this, like new, King Air 350 I, was left on the tarmac and the possible pending litigation against the pilot and the airport for negligence. The Owner (Mr. C.S) considered that we, being experts in insurance claims and coverage could and would secure the best possible settlement, which basically means cash in hand settlement to do what he believes is the best use of these insurance funds under the present situation

Policy Forms:

Coverage Airplane: 9 m

Personal Business Property: NA

Income Loss: loss of aircraft entitles owner to like kind rental plane

Deductible: 10,000

Insurer:

Perils Insured against: Special form



Facts of Loss: The owner's plane piloted by a contract pilot observed an approaching storm from within the cockpit on the radar. He, instead of taking the plane out of harms way left the plane on the tarmac for the airport to deal with. The airport apparently unaware, or not, of the (Mr. C.S) plane on the tarmac (stated actually procedure does not allow airport personnel on the tarmac during storm action) put another plane in Mr.

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C.S hangar's space to wait out the storm. We investigated the procedure, which the airport stated was in affect at the time of the storm. We investigated the size of the hail and the flight regulations in accord with flying a damaged wing or tail section. We mapped the hail damage to the operable surfaces and recorded the observations. Offer: The insurance representative (company) offered to repair surfaces on the plane for \$240,000. The company neglected to mention that the plane had rental coverage given that the aircraft was not officially grounded.

Settled:

How does an airplane escape large hail hits? In the air? Planes have radar, if it is an instrument rated aircraft the reddish color or cloud density on radar should be indicative of Hail and other severe weather. On the ground? If the weather is spotted on radar near the airport the plane can be put in the hanger, but it would need to be quite a distance away to act on this weather information. (After all this is why we have insurance) Most airports won't allow staff on the tarmac during periods of inclement weather. This King Air was left on the tarmac instead of being put in the hanger, which may be pilot error, not negligence. It was an accident. Accidents happen. The body is layered with sheet metal Aluminum and titanium material and then riveted, and each rivet is ground flush. The horizontal surfaces or so-called control surfaces, other than the fuselage, are high strength aluminum sheet metal alloy, with multiple wraps across aluminum frame members. It is dented with hail larger than a nickel in winds 75 mph. Dents are very evident on this new airplane, extensive work will be necessary, but what kind and how much? These winds laced with hail are relatively scarce. Prior to our engagement the carrier was going to fill the dents with Bondo an epoxy filler. We checked with Federal Aviation Administration and any dent 1/4 "depth mandatory grounding of aircraft. The adjuster and the insurance company did not cover diminution in value nor replacement cost, as is usual, with wind damage (hail) so the best outcome is a negotiated cash settlement. Note that only a licensed public adjuster is permitted by law to perfect a settlement on behalf of policy owners. We negotiated a replacement of all control surfaces a mere \$480,000 but significantly more than the \$243,000 the carrier offered to repair. The insured was now mandated to repair and or spend only for what the FAA mandated in repairs, about \$185,000. The carrier is in the business of buying claims, we are in the business of presenting claims in the best possible light this starts with our detail investigation into the entire amount of loss, exposing all possible coverage and alternatives to that coverage. Here the company wanted to repair the surfaces saving themselves \$225,000 on the claim. Our client did not know how to support a claim or how to prove out a claim. This is mandatory to prevail in adjusting any claim.

I am a licensed pilot not checked in this aircraft but I flew with the pilot to Raytheon with the plane and directed the company to begin the repairs.

The left over funds were used to vacation, I think.

Richard Spreeman, PCLS