

We can agree to revert to the 03/14/15 of Template 26 (applicable to month-to-month leases and tie-downs). However, we think it important that the airport team understand the insurance concepts that would create potential financial risks for the airport.

1. Insurance certificates and endorsements issued by the aviation insurer are legally enforceable.
2. Insurance certificates issued by brokers are not legally enforceable. If a broker-issued certificate states that we have additional insured status on the aircraft liability policy, but the insurer has not actually endorsed the policy, we are not additional insureds. An insurer is not bound by a broker-issued certificate.
3. Without an actual copy of the endorsement we cannot be certain that the insurer has issued it. The exception is when the aviation insurer has issued the certificate.
4. We want our additional insured status to be primary and non-contributory, so that our own airport liability policy does not contribute to claim payments until the limits of the tenant's policy are exhausted.
5. Our airport policy covers such claims on an excess basis. If the tenant's policy covers us as additional insureds on an excess basis, we are covered by two policies that provide excess coverage. The result is that both policies become contributing primary insurance for us. Stated another way: our policy will pay half of all claims on a primary, dollar one, basis.
6. By not requiring a copy of the actual additional insured endorsement, and by accepting broker-issued certificates, we won't know for certain that the additional insured endorsement has been issued by the insurer and that it has been issued on a primary and non-contributory basis.
7. If we are named in a third party suit for damages resulting from the tenant's operation of an aircraft, our policy will respond for us in the absence of either an additional insured endorsement or primary & non-contributory wording. However, after paying such a claim, there is a strong possibility of a substantial increase in the airport's liability insurance premium going forward.
8. Although the month-to-month agreements require the tenants to indemnify us, it is unlikely that their aircraft liability policies will fund that obligation because most policies do not have contractual liability insurance. And most airport tenants do not have the funds to satisfy the indemnification obligation without insurance.