

	<p><b>Department of Administration</b></p> <p><b>State of Montana</b></p> <p><b>Issued by: The Risk Management &amp; Tort Defense Division</b></p> <p><b>Subject: Airport Insurance</b> The state's airport liability insurance program requirements and insurance coverages.</p>	<p><b>Number: RMTDINS0802</b></p>
		<p><b>History Log:</b></p> <p>Approval Date: 10/01/99 Effective Date: 07/01/00 Reviewed: 11/28/17 Last Revision: 07/18/12 Contact: Brett E. Dahl</p>
		<p><b>Approval: Brett Dahl</b></p>

**Section:**

- I. DESCRIPTION
- II. DEFINITIONS
- III. INSURING AGREEMENT
- IV. POLICY PERIOD, TERRITORY, & GEOGRAPHICAL LIMITS
- V. EXCLUSIONS
- VI. PROGRAM REQUIREMENTS
- VII. SPECIAL SERVICES
- VIII. REPORTING LOSSES
- IX. LIMITS
- X. DEDUCTIBLES
- XI. PREMIUMS

## I. DESCRIPTION

In accordance with §2-9-101, MCA through §2-9-305, MCA, the Department of Administration, Risk Management & Tort Defense Division administers a comprehensive insurance plan in behalf of Montana state government. The division also defends and indemnifies state agencies and employees in any TORT claim for damages arising from the lawful discharge of official duties rendered or which should have been rendered in the course of employment and within the scope of duty. This document provides a broad overview of insurance coverage provided under the state property/casualty insurance plan as well as specific program requirements for state agencies that participate in the state's airport insurance program. This document does not amend, alter, or extend coverage provided under the state property/casualty insurance program or statute. Do not attempt to interpret coverage, limits, or exclusions and apply these to state activities without contacting the Risk Management & Tort Defense Division. Specific exclusions, limits, or conditions may apply.

## II. DEFINITIONS

***Aircraft*** means any aircraft including engines, propellers, operating instruments, navigational equipment, and radio equipment including component parts and tools.

***Airport*** means the airports(s) designated by each agency in the state property/casualty insurance information system including the ways and means immediately adjoining thereto, and including other premises used by the state in connection with the business of the state.

***Automobile*** means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads including any attached machinery or equipment. Any other land vehicle that is subject to motor vehicle laws in the state where it is licensed or garaged.

***Bodily Injury*** means bodily injury, sickness, mental anguish, or disease including death.

***Division*** means the Risk Management & Tort Defense Division.

***Occurrence*** means an accident, or a continued or repeated exposure to substantially the same general harmful conditions.

***Property Damage*** means injury to or destruction of tangible property including the loss of use thereof at any time resulting therefrom; or loss of use of property which has not been injured or destroyed.

### **III. INSURING AGREEMENT**

Subject to the terms, conditions, and exclusions specified in the state's airport excess liability policy, the state's policy insures bodily injury and/or property damage arising from the ownership, maintenance, or use of state airports as reported by state agencies and most operations necessary thereto, including the following:

- A. Airport operations (i.e. maintenance, baggage handling, ticketing, runway repair, etc.).
- B. Auto and watercraft used while on airport premises.
- C. Operations of a control air control tower except operations conducted by the military, Federal Aviation Administration, or other civil authority.
- D. Static displays of aircraft.
- E. Damage to autos owned by the state on airport premises and arising from a covered loss excess of other available coverage.
- F. Liability arising from an airshow but excess of any other available coverage provided that the division is notified in advance of the event and the increase in insurance premium is paid by the state agency/university.
- G. Garage keeper's liability that may arise from property damage to an auto owned by someone other than the state but in the state's care, custody, and control.
- H. Liability arising from mutual aid and Nation Incident Management Systems (NIMS) agreements between the state and other jurisdictions.
- I. Liability arising out of acts of terrorism as defined in the Terrorism Risk and Insurance Act (TRIA).

#### **Defense, Settlement, and Supplementary Payments**

Participating insurance carriers shall:

- A. Defend covered suits against the state alleging bodily injury or property damage or seeking damage on account thereof.
- B. Pay for or reimburse the state for reasonable expenses incurred at the state's request;
- C. Not be obligated to pay any defense, settlement, or supplementary payment as set forth herein and the policy is null and void and no coverage is applicable if any deductible payable by the state is not paid

by the state upon request by participating carriers.

#### **IV. POLICY PERIOD, TERRITORY, & GEOGRAPHICAL LIMITS**

This policy applies to insured events worldwide except those countries where there are economic or trade sanctions.

#### **V. EXCLUSIONS**

A summary of the exclusions is listed below:

- A. Asbestos, noise, pollution, war, hijacking, and nuclear risks.
- B. Any obligation for which they may assume liability under contract.
- C. Any obligation for which the state or participating carriers may be held liable under any workers' compensation, occupational disease, disability benefit, or unemployment compensation insurance.
- D. Bodily injury, personal injury or property damage by reason of intoxication, furnishing alcoholic beverages, or any statute or regulation relating to the sale, gift, distribution, or use of alcoholic beverages.
- E. Employer's liability.
- F. Bodily injury or property damage arising from air traffic control operations.
- G. Damage to property owned, leased, or in the care, custody, and control of the state.
- H. Recall of products.
- I. Personal or advertising injury.
- J. Electronic data.
- K. Employment related practices.
- L. Property owned, rented, leased, for sale, or entrusted by the state except as respects hangar keepers liability or vehicles, goods, merchandise.
- M. The existence, maintenance, operation, use, loading or unloading of aircraft owned by, hired by or for, or loaned to the state, or in flight by the state.
- N. Bodily injury cause by any automobile off airport premises. Bodily injury caused by ships, vessels, craft, or boats owned by the state.

Bodily injury arising out of goods or products manufactured, sold, handled, or distributed by the state until such time as said goods have been relinquished by the state.

- O. Bodily injury or property damage caused by any automobile while such automobile is off the airport, unless responding to an aircraft or aviation emergency.
- P. Bodily injury or property damage caused by liability assumed by the state under contract.
- Q. War, hijacking, noise pollution, asbestos, nuclear risks, or pollution of any kind.

## **VI. PROGRAM REQUIREMENTS**

- A. State agencies must list detailed information about their airports on the state Property/Casualty Insurance Information System by January 15<sup>th</sup> of each fiscal year. This information will be used by state underwriters and insurance carriers. Failure to provide accurate information may result in uninsured losses.
- B. Participating carriers shall be permitted to inspect the airport and any associated records at any time.
- C. The state's policy may be cancelled with 30 days notice. Should this occur, the Risk Management & Tort Defense Division would secure coverage from other carriers.

## **VII. SPECIAL SERVICES**

- A. State agencies that need coverage for something not mentioned or something excluded or limited by the state's policy are encouraged to contact the Risk Management & Tort Defense Division. The division or its brokers may be able to form a plan of self-insurance to assist your agency. Any plan must be consistent with §2-9-201, MCA. The division may have to obtain legislative approval for the plan. The division may be able to obtain commercial insurance to meet your needs.
- B. The Risk Management & Tort Defense Division may be able to help you develop a risk control plan that will remove or reduce your need for coverage.

## **VIII. REPORTING LOSSES**

The ***State Report of Incident Form*** should be used. State agencies must notify the Risk Management & Tort Defense Division of a claim or potential

claim as soon as possible, preferably within 5 business days. Fatalities or other serious injuries must be reported within 24 hours. Claims that are not reported within a reasonable period of time may be denied. Attach supporting information, such as:

- A. Evidence of state ownership or responsibility;
- B. Copy of any police or fire department report;
- C. Repair estimates, photographs, other data on cost of damages; and
- D. Information on the other party's insurance.

Sample forms may be found on the division's website under 'Claims.' You may photocopy them (front and back) as needed.

## **IX. LIMITS**

\$10,000,000 excess of the state's tort damage caps of \$1,500,000 per occurrence.

## **X. DEDUCTIBLES**

There is a \$1,000 deductible for hangar keeper liability. Payments that fall below commercially insured losses will be paid by the Risk Management & Tort Defense Division.

## **XI. PREMIUMS**

Premiums must be promptly remitted by state agencies after receiving billing notices from the Risk Management & Tort Defense Division.