



## To DZOs & CCI's for the attention of CCPs and pilots

### Pilot status in the BPA

#### 1 Introduction

Council at its meeting on Tuesday 18 February 2014 clarified the status of pilots within the BPA, including their insurance cover. This document is based on an edited and updated version of a paper considered by the BPA Development Committee on Tuesday 18 February 2014 which sets out the relevant factors.

Council confirmed the de facto position that the status of a pilots in the BPA is not as 'pilot members', but as names on the BPA's Register of Authorised Parachuting Pilots; and that pilots benefit from the BPA third party public liability insurance - *which does not cover flying or aircraft (aviation insurance), for which BPA does not provide cover* - without pilots being called on to pay a premium, whilst they are acting on behalf of BPA affiliated clubs, in the same way as any other DZ staff/officials/agents (who may or may not be BPA members).

#### 2 Background

Discussions about new insurance cover specifically for pilots arose at a meeting organised in September 2013 by the co-ordinator of the 12 affected pilots who took BPA to arbitration over the new BPA pilot upper age rule and won. BPA subsequently consulted with all Affiliated Clubs & Centres about this both at the meeting of the BPA Drop Zone Owners' & Operators' Specialised Interest Group held on Tuesday 5 November 2013, followed in December 2013 by an e-mail with more detail about the issues, asking them to pass the information to their Chief Pilots. Only a few replies were received suggesting the subject to be of little interest at the majority of centres. More recently, the matter was further discussed at a meeting of the Pilots' Specialised Interest Group on BPA AGM Day, Saturday 25 January 2014, at which two or three of those present agreed to explore the issue further with the insurance broker, who was also at the meeting.

The issue of pilot insurance in terms of the possibility of developing some additional, bespoke policy especially for pilots of parachuting aircraft is a separate matter from references to the existing BPA insurance policy in this paper, which are to the BPA members' third party public liability policy - a policy which also covers Affiliated Clubs & Centres.

#### 3 'Pilot members'

BPA's own documentation (which has now been updated in accordance with the clarification set out in this paper), for example Form 269 Categories of Membership, referred to the category of 'pilot member' and noted that it did **not** include insurance cover.

On examination from first principles, the fact emerges that pilots pay what is variously described as an authorisation or administration fee (£20 for 2 years) rather than a membership subscription, and they are not asked to sign a membership agreement, although they do have to sign to abide by the BPA's operational rules (Operations Manual, Pilots' Manual, etc). It is a fundamental principle that to belong to any membership association, an individual must subscribe to it by paying a subscription and signing up to abide by its constitution - and here we do not mean its operational rules alone (Operations Manual, etc), but an agreement to be bound by the governing instrument, in BPA's case our Articles of Association. Pilots in the BPA do neither - nor is the category 'Pilot member' listed on BPA Form 107 Membership subscriptions. Pilots are therefore de facto not BPA members but names on a Register of Authorised Parachute Pilots maintained by the BPA.

BPA members' insurance does not cover flying activities or damage to aircraft caused by the pilot. However, pilots *are* included in a *blanket cover* that applies to *all* staff/officials/agents of a BPA affiliated club or registered display team. This is not coverage as members (the blanket cover of staff/officials/agents of an affiliated club applies irrespective of whether those concerned are BPA members or not) - that led to a statement many years ago which - although now long obsolete wording - unfortunately remained on BPA

Form 108A Pilot Application, 108G Pilot Renewal, and 109A Balloon Pilot Application/Renewal, until 5 February 2014 (it was deleted on 6 February, once the error had come to light). That wording read:

- NOTES: 1. BPA Operations Manual – Section 9 (Flying) Para 1 (Pilots) refers to Pilots’ requirements.
2. This Application is to be submitted with a £20.00 Authorisation fee. The Authorisation will last for a period of up to two years and includes ‘Non-jumping BPA Membership and Third Party Liability Cover under the BPA Insurance Policy. Pilots who are already ‘Full’ BPA members are not required to pay the £20.00 fee.

Section 9, Flying, Para 1, in the BPA Operations Manual was cited as the primary source of this note - but that section was re-written well over a decade ago and the re-write made no reference to ‘non-jumping BPA membership and third party liability cover under the BPA insurance policy’. Council discontinued qualified associate membership (the only category of non-jumping membership that then existed, used mainly by competition judges) in 2010 – those who were qualified associate members at that time became full members.

The reference to ‘third party liability cover under the BPA insurance policy’ referred to ‘the BPA insurance policy’ so it was clearly the BPA insurance policy - which has *never covered flying activities or aircraft*.

The relevant extract from the BPA third party public liability insurance policy document reads:

**“General policy exceptions... exceptions applicable... arising in respect of bodily injury or loss of, or damage to, property:**

- **as a result of an accident to any aircraft being used in the parachuting activity or any aircraft whilst in operation by a BPA affiliated parachute club or registered display team;**
- **sustained by any member of the flight, cabin, or other, crew whilst engaged in the operation of any aircraft.”**

Further, as will be noted from Form 107 Membership subscriptions, an insurance element is a component of a BPA membership subscription. Pilots pay no subscription (unless they otherwise belong to the BPA, for example as a full member), and therefore they pay no insurance premium.

As the risk exposures to non-jumpers covered by the BPA insurance policy are modest, pilots were included in the blanket cover for DZ staff/officials/agents without charging them a premium. The relevant extract from the BPA third party public liability insurance policy document reads **“The named insured... BPA specifically including ... (b) instructors, drop zone controllers, drop zone casualty recovery personnel, pilots, manifestors, fire fighters, jumpmasters and suitably qualified trainees, including but not limited to members of the BPA, but only whilst acting on behalf of BPA affiliated clubs”.**

The key point about this wording is that pilots are covered (but not for flying) not as BPA members but ‘whilst acting on behalf of BPA affiliated clubs.’

#### **4 Pilots & aircraft**

Aircraft are cleared for sport parachuting only if their manuals or supplements to manuals authorise them for such use: the BPA is not involved in the insurance of aircraft. Similarly, pilots can fly sport parachuting sorties only if they are authorised for this work: and insuring the pilots for flying the aircraft is not something in which the BPA is involved - just as with aircraft insurance, it is a matter for the operators.

Just as aircraft need to be cleared with authorisation to operate sport parachuting sorties, so do pilots. BPA’s involvement with pilots is specifically to set and maintain criteria for admission to the register of pilots authorised to fly these aircraft. Pilot insurance and aircraft insurance represent two sides of the same coin of aviation insurance, that lies with the operators. It is important to keep BPA member (jumper) insurance distinctly separate from aircraft and related (ie, pilot) aviation insurance, as any coverage by, or link with, the BPA sport parachutist member policy could have a harmful knock-on effect through potentially large aviation-related claims.

#### **5 Regularising the position**

The situation that had come to light regarding pilot status in the BPA was ambiguous and needed to be regularised.

The Development Committee, at its meeting on Tuesday 18 February 2014, considered two options:

(a) Council could decide to confirm the de facto position [the one to which the evidence points] that the status of a pilots in the BPA is not as a 'pilot member', but as a name on the BPA's Register of Authorised Parachuting Pilots - in which case charging pilots an authorisation or administration fee can continue (although an annual fee for annual entry to / renewal on the register might be more straightforward in terms of future database management); and that pilots benefit from the BPA third party public liability insurance policy - *which does not cover flying or aircraft (aviation insurance), for which BPA does not provide cover* - without the payment of a premium, under the policy's coverage whilst they are acting on behalf of BPA affiliated clubs, in the same way as any other DZ staff/officials/agents (who may or may not be BPA members);

(b) Council could decide to adopt 'pilot member' as a category of BPA membership and introduce an [annual] subscription including a BPA element with an insurance element if pilots are to be covered for anything more than the insurance in (a) above.

## **6 Decision**

Council, at its meeting on Tuesday 18 February 2014, ratified a decision of the Development Committee that had met earlier the same day, to confirm the position as set out at (a) above.

**Tony Butler**, Chief Operating Officer  
**Martin Shuttleworth**, Secretary-General

19 February 2014