USHPA
UNITED STATES HANG GLIDING
& PARAGLIDING ASSOCIATION ™

A 501 (C) (3) Corporation

June 16, 2014

Mayor Kevin L. Faulconer
City Administration Building
202 C St., 11th Floor
San Diego, CA 92101
kevinfaulconer@sandiego.gov
Dear Mayor Faulconer:

This letter is in response to a request from the Torrey Hawks Hang Gliding Club, a United States Hang Gliding & Paragliding Association ("USHPA") chapter, for description of the liability insurance that USHPA has obtained, covering its members and chapters, and the ability it has to request that the insurance carrier also add third part landowners as additional insureds with respect to flying activities of USHPA members at specific flying sites. I understand that you will be meeting with Torrey Hawks members and officers on June 17th, 2014 (see Bob Kuczewski's email dated April 27th, 2014).

USHPA represents over 9,500 hang glider and paraglider pilots in the United States. USHPA has negotiated a liability insurance policy that specifically covers USHPA, its members and chapters for claims for bodily injury and property damage as a result of mishaps while a member is engaged in the sport of hang gliding or paragliding. That policy covers claims by people not participating in the sport as well as claims by other participants (so long as those other participants have agreed to the USHPA Release, Waiver and Assumption of Risk Agreement). Thus, one of the benefits of membership in USHPA is coverage under this liability policy that USHPA has purchased. No matter where an USHPA member flies in the USA, the member has the benefit of being an additional insured under USHPA's liability policy.

Chapters of USHPA are also additional insureds under USHPA's liability policy, for their activities related to hang gliding and paragliding. The insurance carrier also allows USHPA to request that landowners of property where hang gliding and paragliding activities are carried out by USHPA members also be added as additional insureds on the USHPA liability policy when the hang gliding and paragliding activities taking place at that location are managed by a USHPA chapter through agreement with the landowner. The insurance carrier is not required to accept USHPA's request and may conduct its own underwriting diligence to determine whether or not to issue an additional insured endorsement to a particular landowner.

When the insurance carrier accepts a request by USHPA to add a landowner as an additional insured to the USHPA liability policy, it charges USHPA an additional premium for that endorsement and the chapter that manages the flying site reimburses USHPA for that charge.

To manage this process of making requests to add landowners as additional insureds to the USHPA liability policy, USHPA has adopted standard operating procedures ("SOP") describing the procedure that chapters need to follow in order to obtain what we refer to as "Site Insurance". A copy of the Site Insurance SOP is attached. USHPA's insurance carrier ultimately approves or disapproves site insurance requests after conditions set forth in the SOP have been satisfied.

USHPA very much appreciates the role the City of San Diego has played in allowing Torrey Pines to develop into one of the most recognized flying sites in the world. Our association will cooperate and support the City's efforts to keep hang gliding and paragliding at Torrey Pines viable for generations to come.

Respectfully yours,

Richard Hass
President
US Hang Gliding & Paragliding Association

Enclosure: Site Insurance SOP

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www.ushpa.aero

Site Insurance

Standard Operating Procedure 06-02

Created March, 2014

06-02.01 Introduction

Site insurance is a benefit available to USHPA-affiliated chapters, allowing USHPA chapters to open and retain access to flying sites in the US. Through the site insurance program, USHPA's insurer provides landowners with a certificate of insurance, where landowners are named as an insured party to the USHPA commercial general liability policy. This is the same policy that insures USHPA members against third-party claims. When landowners are named as an additional insured, the USHPA commercial general liability policy defends landowners against claims resulting from USHPA member accidents, subject to the terms and limits of the policy. Site insurance only covers landowners named on the insurance rider and does not automatically provide coverage for every landowner in the vicinity of a launch or LZ. The insurer's certificate of insurance is evidence of coverage. (Please reference the insurance disclaimer section at the end of this SOP.)

06-02.02 Definition of a Site

For the purpose of site insurance, a site may have more than one launch and more than one LZ even if they are not under common ownership. However, Launches and LZ's must be located in the same general proximity. Pilots must be able to routinely fly from the launch or launches to specified LZ's without cross country flying. When launches don't share the same LZ's, or vice versa, they must be insured as separate sites. Coverage is limited to the specific landowners who are listed in the insurance policy named as additional insured and who have been issued certificates of insurance.

06-02.03 Site Insurance Requirements

The availability of USHPA site insurance is subject to the terms and conditions of this SOP and the insurance policy. While USHPA determines site insurance eligibility requirements, the decision to provide site insurance ultimately rests with the insurer. USHPA and the insurer reserve the right to deny coverage where chapters fail to satisfy the requirements set forth in this SOP or in cases where USHPA makes a good-faith determination that providing site insurance for a particular site or chapter presents a level of risk that would jeopardize the site insurance program. USHPA's Executive Director and the Regional Director(s) in the region where the site is located must approve site insurance applications.

The requirements for site insurance are as follows:

A. Only chapters in good standing may apply for site insurance. Site insurance is not available to individual members, schools or concession operators.

B. Chapters are required to have an agreement with landowners for flying-related use of the site. Permission may be through an easement, ground lease, license agreement, letter authorizing permission or verbal permission. The chapter's agreement with landowners must provide for the following:

    1. The landowner has delegated responsibility to manage or oversee flight operations at the site to the chapter applying for site insurance.

    2. The landowner requires site insurance as a condition of use.

C. Chapters may insure sites jointly used by other chapters, flight schools, or concession operators provided:

1. The landowner recognizes the chapter as being responsible for managing all or a part of the flying activities at the site.
2. Mmultiple chapters may have delegated responsibility for the same site provided all chapters have a joint site management agreement with the land owner, clarifying the responsibility for each chapter's use and management of the site.
3. Chapters are expected to work with landowners to establish their responsibility for site management. This is not a determination made by USHPA; this is a determination made by landowners. USHPA reserves the right to contact landowners to confirm responsibility for site management prior to issuing site insurance certificates.
4. One or more schools or instructors may operate from USHPA insured sites provided the school or instructor complies with the chapter’s rules and requirements for such use. Chapters cannot unreasonably discriminate against a school or instructor meeting the same requirements applicable to other schools or instructors, provided; landowners may impose their own requirements for such use, which may include exclusive use provisions for a school or instructor, with requirements for compensation, additional commercial and professional liability insurance, special certification requirements or other conditions.

D. Chapters are required to limit flight activities at USHPA-insured sites to USHPA members only. Chapters are expected to take reasonable steps to enforce this provision. Such steps may include signage, restrictions on issuance of gate keys, helmet stickers, verification of membership cards and any other means of restricting site access and use to USHPA members. Exceptions to the USHPA membership requirement may be made where schools, concessionaires, or non-USHPA member pilots provide the landowner with evidence of insurance comparable or in excess of the coverage provided by USHPA site insurance. Landowners may require non-USHPA members to sign the USHPA waiver or the landowner’s waiver in addition to satisfying the insurance requirement.

E. Chapters are required to allow all USHPA members access to USHPA-insured sites subject to the following:

1. Chapters are required to establish minimum pilot rating requirements for the site based on safety considerations.
2. Pilots are required to wear protective headgear when flying at the site.
3. Chapters may limit the number of pilots flying at any one time to reduce the danger of overcrowding and to comply with landowner requirements.
4. Chapters may require launch assistants to be USHPA members where launch conditions present hazards.
5. Chapters can limit access and use of insured sites to satisfy landowner conditions of use. Such requirements may restrict or limit access to the site by hang gliders or paragliders or limit use of the site for instruction. Such restrictions cannot be arbitrary or imposed for the purpose of discriminating against individuals or groups of qualified USHPA members.
6. Chapters may require chapter membership and payment of a site use fee as a condition of flying at the site. Chapter membership requirements and site use fees may not unreasonably restrict site access.

06-02.04 Site Insurance Application

Every year, chapters are required to complete and submit a chapter site insurance application for each site it wishes to insure. A site application can include multiple launches and LZ's at the same flying site but only one flying site can be insured per application. Site insurance applications must be returned to USHPA on a timely basis complete with the following documentation:

A. A list of landowners to be named as insured parties and issued insurance certificates. USHPA may require proof of ownership. There is no restriction on the number of additional insured parties/landowners who may be listed on a site's certificate.

B. Copies of lease agreements, easements, license agreements, letters of authorization or other agreements establishing a right for USHPA members to fly at the site and establishing responsibility for the management of flying-related activities to the insuring chapter. In cases where the chapter has a verbal site use agreement, the chapter may substitute an affidavit confirming (i) the landowner allows the chapter and USHPA members to use their property as a flying site; (ii) the landowner recognizes the chapter as the responsible party for managing and administering flying activities covered by the site insurance application; and (iii) the landowner requires site insurance as a condition of use.

C. A copy of additional waivers required by the chapter or landowner to use the site, if applicable. Chapters implementing their own form of waiver at an insured site must name USHPA as a released party. Chapters are required to have USHPA approval of the waiver before it is implemented.

D. An affidavit of compliance with USHPA's site risk assessment and site management policy. Chapters, in cooperation with landowners, shall develop and maintain a risk assessment plan and work with landowners and pilots to manage flying operations in a safe and responsible manner. USHPA does not require chapters to submit these risk assessment plans to USHPA for review but it does reserve the right to request copies of these plans as a condition of applying for or retaining site insurance.

E. A copy of site rules for the site. Site rules must include requirements for USHPA membership and minimum pilot ratings and special skill signoffs required to fly the site. Site rules may include requirements for chapter membership, wing types and other rules.

F. Confirmation that the chapter has an appointed Safety Coordinator, has completed a site risk assessment plan for the site and has rules and procedures in place to minimize the risk of accidents to the greatest extent possible.

G. Payment of the site insurance fee.

06-02.05 Site Insurance Conditions

Site insurance is subject to the terms of the USHPA general liability insurance policy. Chapters are encouraged to review the insurance policy in the members-only section of the USHPA website.

A. Landowners may require coverage limits in excess of those provided for in the USHPA general liability policy. Chapters should contact the USHPA office to determine the availability and additional cost of such coverage.

B. The insurance policy has a deductible and a claim limit. Chapters should refer to the insurance policy for specific information regarding coverage and limitations of the policy. In all cases, the policy itself shall be the controlling document regarding such coverage. Should a claim be filed against a member, landowner, Chapter or USHPA, the member responsible for the damages is responsible for paying the insurance deductible and claims in excess of available coverage.

C. In the event a chapter fails to qualify as a USHPA chapter in good standing, USHPA reserves the right to terminate site insurance coverage.

D. The insurance policy is subject to renewal or cancellation. USHPA reserves the right to amend, modify or suspend site insurance at any time in its sole discretion.

06-02.06 Disclaimer Statement

THIS DOCUMENT IS ISSUED FOR INFORMATIONAL PURPOSES ONLY AND CONFERS NO RIGHTS UPON USHPA CHAPTERS, MEMBERS OR SITE LANDOWNERS. THIS DOCUMENT DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE INSURANCE POLICY. IN ORDER TO DETERMINE THE ACTUAL TERMS OF THE POLICY, THE EXTENT OF THE COVERAGE PROVIDED OR ANY APPLICABLE EXCLUSIONS, PLEASE REFER TO THE POLICY.