



We Have Met the Enemy and He is Us

by: James A. Lauerman, President

This is a reprint of an address that Avemco Insurance Company's President Jim Lauerman has given in several major presentations including at AirVenture Oshkosh 2010.

By now many of you have come to realize that accident prevention is a key component of Avemco's® business plan. You might ask why an insurance company like ours would spend its time and resources on trying to prevent accidents instead of just figuring out a way to profitably pay for them.

To answer I need to give you a little personal background. I have been involved with aviation safety for almost 40 years and have been privileged to participate in this fascinating industry as a Fixed Base Operator, a Chief Pilot and Flight Instructor, an aviation insurance underwriter, and now as the leader of the great team at Avemco. I am an insurance executive, and we are in the business of insuring at a profit so that we can continue to provide the best possible insurance to pilots. But I also love the people of general aviation and I care about seeing them enjoy what I like to call the "majesty of flight", and I am deeply saddened at the friends and customers that I have lost over the years to accidents and the increasing cost of those accidents.

About 25 years ago I attended my first Friday morning claims meeting. This is where we review the week's claims (especially the bad ones). That particular Friday I remember discussing an accident in which a very experienced pilot killed himself and his passengers in an accident that seemed inexplicable. With the aid of 20/20 hindsight we could determine that he did some very stupid things in spite of his experience. We dismissed the accident as just another example of "stupid pilot tricks", and moved on to the next claim. I remember thinking, "I guess that's a pretty rare event."

Well, folks, it isn't. In the subsequent 25 years I have seen that scenario played out over and over again and the Friday morning meetings haven't changed much. Pilots are still wrecking aircraft and injuring themselves and others at pretty much the same rate and for pretty much the same reasons as they were 25 years ago. Only now the financial cost of those accidents is exponentially greater. And while during the accident investigation we sometimes find out that the pilot-in-command had displayed irresponsible behavior prior to the accident, most of the time they were intelligent, responsible adults.

There are real costs to these accidents. The first and most obvious is the human cost. I suspect that most of us know someone who died or was severely injured in a GA accident. I have known far too many, both personally and as an aviation insurance professional.

But there is also the financial cost. The cost of insurance to the personal aircraft owner and the commercial operator is not just increased premium, but also reduced availability of coverage. The cost of purchasing newly manufactured aircraft and their components has been so impacted by products liability insurance that it has priced many potential owners and manufacturers out of GA. Your bill at the shop and at the gas pump has also increased due to increased product liability costs.

It's easy to blame the insurance companies; in fact that's become a popular political sport. But doing so tends to be a case of "shooting the messenger who brings you the bad news".

Another cost that a lot of people don't consider is the public relations "black eye" our industry gets when there is a spectacular crash. This bad PR, in turn, often results in a knee jerk reaction by politicians who order our friends at the FAA to make sure that there be no more such accidents! So, the FAA makes a new rule and we all suffer the "unintended consequences." Some pilots have said that they don't report icing conditions for fear of facing an FAR violation. Think about that for a minute. Is that creating a safer system?

So why aren't we solving the problem?

The FAA regulates, doesn't it?

The technology has improved dramatically, hasn't it?

We train, don't we?

So what's the solution?

A common response is "More Regulation!" Based on our data, virtually all of the pilots who crash passed their check ride. Didn't an examiner certify that they met the Practical Test Standards? And think about it for a minute, do you really want the FAA to try to regulate away all accidents? How do you think they would do that? That's right, more and more regulations until all of our aircraft would be chained down to the ramp. Is that what we want?

But how about a "Safety Management System" like the airlines and the military use? Most of us know that both of these organizations have seen dramatic improvements in their safety records over the years after implementing these systems. Airline accidents have become increasingly rare and considering the kind of flying the military does, their record is incredible. But in GA we lose about as many people in a week as the Air Force does in non-combat

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losses in a year according to the Air Force Safety Center aviation statistics. And the Air Force sure isn't flying Cessna 172's in VFR conditions.

The problem with implementing a Safety Management System in general aviation should be obvious. What's the system? Who is the dispatcher who decides whether to go or not? Who is the Chief Pilot who ensures that the pilot's demonstrated performance and currency is adequate? Who is the loadmaster who decides if the aircraft is loaded properly? Who's the flight engineer that verifies that the fuel load is correct?

That's right; it's the pilot in command. In Part 91 operations we perform all of those functions. There is no "system" to manage.

Ok, so how about better technology? Most pilots are techno geeks at heart. We love bells and whistles and pay big bucks to put things like PFD's and MFD's in our aircraft. These wonderful devices give us more and better information than we have ever enjoyed. Isn't it logical that the more information we have, the safer we will be?

Well, how many of you saw the recent NTSB Safety Study entitled, "Introduction of Glass Cockpit Avionics into Light Aircraft"? Did you catch their conclusion? I quote, "The anticipated safety improvements were not evident in the study*."

OK, so more regulations and better technology don't seem to be helping much. So how about more training! I think we are getting closer to the solution here, but perhaps not in the way you might imagine. Since I have lost a lot of my currency, I recently undertook a review of the material required to pass the FAA Private and Commercial certificates, and the Instrument rating. It struck me that since my days as a Chief Flight Instructor we've added an enormous amount of new information for the aspiring pilot to master. No wonder prospective pilots are intimidated by the sheer volume of study involved in learning to fly. The addition of aeronautical decision making material alone has added a chapter to the Pilots Handbook of Aeronautical Knowledge. A lot of this new material is excellent and new computer based training and the use of simulators makes the learning process much more effective and accessible.

Don't get me wrong, we need to learn all we can and a good pilot is by definition always improving his knowledge. But is memorizing the five hazardous attitudes really helping? I heard one aviation cynic say that you need at least four of the five hazardous attitudes to earn enough money to be able to afford an airplane! My good friends John and Martha King have observed that the qualities it takes to be a pilot are the same ones that can kill the pilot. Goal-orientation, for example.

Seriously, the new material is good, but I can tell you that for the most part, from where I sit all of the content we've added to the training curriculum isn't effectively addressing what is destroying aircraft and killing pilots.

I would contend that the beginning of the solution to our accident problem isn't more training, it's better training. And I'm not just talking about improving the quality of the CFI community, although that would certainly help.

The majority of claims dollars we pay go to the two ends of the training spectrum. Let me explain.

Not counting claims caused by weather to aircraft on the ground (and you'd be shocked by how big an issue that is), at least 25% of our claim dollars pay for losses caused by the pilot not adequately executing the four fundamentals. That's right, climbs, turns, descents, and straight and level - especially at low speeds. I would add that many pilots do a notably poor job executing these fundamentals near the runway. Runway loss of control accidents cost general aviation tens of millions of dollars a year. And we all get to pay for that. Yet many instructors - both primary and instrument - rush through the fundamentals to get to the neat stuff like GPS, cross country, and instrument approaches. But do you realize how hard it is to land in a crosswind if you can't keep the nose straight, or to fly an ILS if you can't easily perform a constant rate descent?

So my first recommendation is to master the fundamentals. They aren't sexy, but they will keep you out of the weeds.

OK. So we've identified the need for a return to basics. Pretty "basic" you say. But as I've gotten older (and hopefully wiser) I've come to learn that in most things - not just flying - when something's going wrong, go back to the basics.

But what about the other end of the training spectrum? What about the "soft" human issues that are actually killing so many people in GA? I believe there are some answers there as well. And these solutions won't be quick or easy, but they really aren't that complicated, either.

You see, in my 35 years of working in GA safety and analyzing literally thousands of claims, I have made one basic observation. It's not so much what pilots know or don't know that gets them in trouble - but what they care about.

Let me say that again. It's not so much what pilots know or don't know that gets them in trouble - but what they care about. And why do they care about the wrong things? A lot of it is the culture we have in general aviation flying. So the solution is to change the culture, starting with ourselves.

So, what does that mean? It means that we need to be much more careful about what we celebrate and about what we denigrate. For example, there have been instances of people watching a pilot overload their aircraft on a hot summer day at a short strip. Instead of doing everything they could to counsel him, they lined up in front of the FBO to watch the takeoff.

At its core, what I am talking about is more ethical than technical. It's a matter of the heart, not just the head. The culture change we need is to bring about a more professional attitude to everything we do in flying. This requires cultural change; and as I said, it won't be "quick and easy". It can be done, however, and in fact has been done in professions such as medicine, dentistry, and the military. It's about making ourselves "grown ups" in the deepest sense of that term. And by that I mean acting with emotional and moral maturity.

So what has the aviation insurance industry done to bring about the needed change in our culture? Unfortunately, up to this point not all that much. But at Avemco we have made accident prevention a major focus of our efforts.

Why? Well, because it's the right thing to do. We have an understanding of the problem that is unique and I believe it's our responsibility to share that understanding with our fellow aviators.

By doing this we are helping our customers make better decisions and operate their aircraft more safely through sharing the lessons we've learned. We are also supporting the work of the Airmanship Education Research Initiative (AERI) outlined below.

We are encouraging all of the players in general aviation to join us in this effort including:

- Pilots, aircraft owners, and FBO's
- The aviation media
- Aircraft and component manufacturers
- Pilot associations and type clubs
- The FAA
- Flight Training Providers
- Institutions of higher education that specialize in aviation (the Air Force Academy and the University of Illinois are already involved.)
- And yes, our competitors

So, what are we looking for from these groups? To join us in making loss prevention a priority. To change the culture of general aviation so that acting responsibly is the norm, not the exception. And specifically, to join us in supporting an effort called the AERI.

AERI is the brain child of Dr. Bill Rhodes. Bill once owned a motor glider and is currently the owner of a Cessna T-210 with over 1,400 hours of general aviation flying experience. He is also a former professor at the United States Air Force Academy and a retired Lt Colonel. He has a background in professional and military ethics where great progress has been made in saving lives.

And that's a goal worthy of the efforts of an aviation insurance company.

* From page 4 of the National Transportation Safety Board (NTSB) report Introduction of Glass Cockpit Avionics into Light Aircraft