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ALTERNATIVE WORDINGS TO THE PRESENT GENERAL AVIATION INSURANCE POLICIES

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INTRODUCTION

At the present time there are over a dozen different insurance policies available to the pilot who owns his own aircraft or uses that of someone else for his personal or business purposes.[1] These policies tend to contain in one form or another basically the same terms and conditions, but they are not identical, and the variances and interpretations thereof create innumerable controversies which frequently require litigation for ultimate resolution.[2] While it may seem self-defeating for one whose livelihood to some extent is causally related to such controversies to attempt in a small way to counteract this, the opportunity to expound on a new approach to general aviation insurance is difficult to pass up.

The scope of this topic is narrower than the term "general aviation" implies. Herein, the term is limited to those individual or corporate insureds who own or use one or more aircraft solely for their own "business and pleasure."[3] It does not include—nor can

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[1] A selective sampling of such insurers, by company or managing agents, includes Underwriters at Lloyds, London [AV16 and AV20]; Associated Aviation Underwriters; Avemco Insurance Company; Aviation Office of America (Ranger, etc.); Crump Aviation Underwriters (Monarch); Cravens, Dargan & Company (Republic); Insurance Company of North America; International Aviation Underwriters (U. S. Fire); National Aviation Underwriters; Omni Aviation Managers; Pacific Aviation Managers; Southeastern Aviation Underwriters; and United States Aircraft Insurance Group.

[2] According to one authoritative source on aviation law in the United States, there were forty reported decisions dealing with coverage issues during the period from 1974 through 1976. *See* 13 Av. Cas. (CCH) (1974-1976).

[3] The term "business and pleasure" is limited in our standard policy to those purposes for which no charge is made which is intended to result in financial profit to the insured. *See* Item 6 of Application/Declarations.

it be adapted for—fixed base operators whose purposes include sales, charter, rental, flight instruction, or the like; or flying clubs; or the more involved types of "industrial aid."

The proposed policy is offered as a means of generating discussion and to emphasize certain areas which each of the policy's authors[4] believes are of particular importance. Because of our varying backgrounds, it is difficult to say what the underlying "underwriting intent" is, and the reader should not attempt to impose one on the policy's terms. No suggestion is made as to what premiums should be charged for a policy such as this, and no warranties are made as to whether such a policy is marketable. The sole aim is to set out in clear and understandable terms those individual coverages which are available and to delineate specifically those the insured wishes to purchase.

The proposed "standardized" policy presupposes that standardization is a proper course of action, and obviously there are a great number of questions which must be resolved in reaching any conclusion on the desirability of such a policy.[5] However, it is not the purpose here to pass judgment on standardization, and this suggestion of policy terms should not be considered as an indication of a preference in this regard.

General Concepts

Because an insurance policy is a contract, requiring an unambiguous offer and an equally unambiguous acceptance, the pervading and overriding purpose behind the proposed changes in this proffered policy and those presently in use is to force the insured to consider carefully what his insurance needs are and to require him to confirm this with the insurer in a manner which eliminates future controversies.

[4] I wish to thank Tom Davis and Fred McLemore for allowing me the opportunity to participate in this project. While at times in the past we have been adversaries in coverage disputes and other controversies, our general philosophies regarding this policy's scope and breadth have generally been compatible, and it has been a labor of love for me to work closely with them in this positive manner.

[5] Among the more obvious questions regarding standardization are (1) the acceptability of same by the federal and state governmental bureaus concerned with anti-trust violations, (2) the differing underwriting philosophies of the various insurers, (3) the necessity for "tailoring" a policy to meet particular needs in a specific state, and (4) the educational process with insureds who believe they are entitled to a different policy than their neighbor, for whatever reason.

Inevitably, when an insurer has a clear and valid reason for declining coverage for a loss because it was not covered, the insurer will argue (1) that he misunderstood what the coverage was, (2) that the scope of the coverage was misrepresented to him by the insurer or its agent, or (3) that the policy was not written as requested by the insured. The insurer's plight in such arguments is worsened by the courts in many states which impose incredible burdens on insurers to prove that the insured did not misunderstand or that the insurer did not misrepresent the coverage.[6]

Under such circumstances, the policy terms must be precise, unalterable, and detailed, and, if possible, the insured must be forced to acknowledge them in writing to avoid a later change of heart. This general thought can be seen throughout the insuring agreements, definitions, and declarations.

INSURING AGREEMENTS—TRADITIONAL COVERAGES

The proposed policy language is broken down into two general areas, the traditional coverages and the modified coverages. Coverages A through F, and X and Y, are the traditional, whereas coverages G through J are of the modified variety.

Two items are particularly unusual in the proposed traditional coverages. First, the insurers unequivocally and clearly state that their agreement to indemnify the insured is only for compensatory damages and not punitive or exemplary damages. Secondly, the scope of coverage for single-limit liability is broken down into two categories to eliminate any later suggestion that the wrong coverage was provided.

The question of coverage for punitive or exemplary damages still is the subject of great debate.[7] In California, it is the consensus

[6] In California, for instance, we have several cases imposing the duty to defend upon an insurer under tenuous circumstances. *See, e.g.*, the infamous "reasonable expectations" rule in Gray v. Zurich Ins. Co., 65 Cal. 2d 263, 419 P.2d 168, 54 Cal. Rptr. 104 (1966), and one of its most recent progeny, Val's Painting & Drywall, Inc. v. Allstate Ins. Co., 53 Cal. App. 3d 576, 126 Cal. Rptr. 267 (1975).

[7] *See, e.g.*, Conley & Bishop, *Punitive Damages and the General Liability Insurance Policy*, 25 FED. INS. COUNSEL Q. 309 (1975); Gonsoulin, *Is an Award of Punitive Damages Covered Under an Automobile or Comprehensive Liability Policy?*, 22 SW. L.J. 433 (1968); Haskell, *Punitive Damages: The Public Policy and the Insurance Policy*, 58 ILL. B.J. 780 (1970); Long, *Insurance Protection Against Punitive Damages*, 32 TENN. L. REV. 573 (1965); Oshins, *Should Punitive Damages be Within the Coverage of Liability Insurance*, 5 FORUM 78 (1969);

of the defense bar that its civil and insurance codes prohibit an insurer from indemnifying for such damages.[8] However, other jurisdictions have held to the contrary,[9] arguing generally that an insurer's agreement to pay "all sums which the Insured shall become legally obligated to pay as damages" is not specific enough to preclude coverage for punitive damages.

In light of the controversy generated by punitive damages and the burden they can create on an insurer in light of the "bad faith"–excess judgment scythe hanging over insurers' heads for failure to settle within policy limits,[10] a clear statement of the extent to which the insurers indemnify the insured seems appropriate. Certainly the most conspicuous place for this statement is the very agreement which creates the obligation upon the insurer.

The second divergence from the customary policy language is the creation of coverages D and E, rather than the combination of them into one coverage with the resulting interlineation of "ex" or "in" to answer the question of whether passenger liability is provided. Typically, where single-limit coverage is available, some means is provided for the company to state whether passengers are to be covered. Moreover, where such coverage exists, any limitation to the liability for passenger bodily injury is stated in the endorsements and not on the face sheet of the Declarations them-

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Note, *Insurance for Punitive Damages: A Reevaluation*, 28 HASTINGS L.J. 431 (1976); Annot., 20 A.L.R.3d 343 (1968).

[8] Punitive or exemplary damages are available in California only when not based on a contract and when the conduct is malicious, oppressive, or fraudulent, CAL. CIV. CODE § 3294 (West 1973). Pursuant to CAL. CIV. CODE § 1668 (West 1973), a party cannot contract to indemnify for such conduct: "All contracts which have for their object, directly or indirectly, to exempt anyone from responsibility for his own fraud, or willful injury to the person or property of another, . . . are against the policy of the law." *See also* Evans v. Pacific Indem. Co., 49 Cal. App. 3d 537, 122 Cal. Rptr. 680 (1975); Tomerlin v. Canadian Indem. Co., 61 Cal. 2d 638, 394 P.2d 173, 39 Cal. Rptr. 731 (1964).

[9] *E.g.*, Glen Falls Indem. Co. v. Atlantic Bldg. Corp., 199 F.2d 60 (4th Cir. 1952) [South Carolina]; Concord Gen. Mut. Ins. Co. v. Hills, 345 F. Supp. 1090 (S.D. Me. 1972); Price v. Hartford Accident & Indem. Co., 108 Ariz. 485, 502 P.2d 522 (1972); Abbie Uriguen Oldsmobile Buick, Inc. v. United States Fire Ins. Co., 95 Idaho 501, 511 P.2d 783 (1973); Lazenby v. Universal Underwriters Ins. Co., 214 Tenn. 639, 383 S.W.2d 1 (1964).

[10] Once again, California leads the way, but many jurisdictions have followed. *See, e.g.*, Beck v. State Farm Mut. Auto Ins. Co., 54 Cal. App. 3d 347, 126 Cal. Rptr. 602 (1976); Cain v. State Farm Mut. Auto Ins. Co., 47 Cal. App. 3d 783, 121 Cal. Rptr. 200 (1975); Crisci v. Security Ins. Co., 66 Cal. 2d 435, 426 P.2d 173, 58 Cal. Rptr. 13 (1967).

selves, creating yet another fertile field for arguing misunderstanding, misrepresentation, or misprint by the insurer.

In an effort to eliminate this problem, two "single-limit" coverages are created, one specifically excluding occupants and one including occupants. Moreover, where occupants are covered, the "Application/Declarations," Item 6, provides within its terms for a limitation upon the exposure for each occupant. This becomes particularly significant when one considers that the named insured must acknowledge that this is the coverage he wants by signing the Application/Declarations.

A review of the other provisions of the traditional portions of the insuring agreements will reveal other minor changes.[11] However, they conform generally with those in common use.

INSURING AGREEMENTS—MODIFIED COVERAGES AVAILABLE

As indicated, the traditional aviation policies provide liability and full coverages for the operation, maintenance, or use of the aircraft specified in the policy. Then, in varying manners, insurers agree to cover the insured for "use of other aircraft," "temporary use of substitute aircraft," and "newly-acquired aircraft." Since the usual policy form is used for the entire spectrum of general aviation, as opposed to the very limited scope of the proposed policy, the language of these "add-on" coverages is quite broad and sometimes unclear. In addition, these forms of coverage usually contain within the paragraph devoted to it all the terms on which coverage is based.

Keeping in mind the purpose of the proposed policy, it is submitted that the specification of additional coverages for non-owned aircraft, available only to the named insured, is a better approach. Thus, the proposed policy has incorporated into it coverages G, H, I, and J, all being liability/indemnification coverages which the insured can purchase to protect himself while operating a "standard" fixed-wing aircraft which is the property of others.

The expansion of the concept of "non-ownership" coverage forces the named insured to consider at the inception of the policy whether he wants to be insured for using someone else's aircraft,

[11] Note the inclusion in Coverage 4 of the term "theft" in the coverage. All policies, I think, assume that a theft constitutes a loss of the aircraft, but the inclusion of the term explicitly should be of some assistance.

whether a substitute airplane for his own or a rental from a fixed-base operator. Moreover, it allows the insurer to secure an appropriate premium for this coverage, where in the past it has been incorporated into the broader scope of the "Insuring Agreements" without an appropriate charge. These particular coverages parallel those generally available for the aircraft covered by the policy, except that no "single-limit" coverage is available.

Coverage J, dealing with aircraft liability, requires proof by the owner/insurer of the aircraft that the named insured was liable for the damage, rather than providing first-party coverage to the named insured for this damage. With the ever-broadening concepts of comparative negligence, contribution and indemnity, and products liability,[12] situations arise where the pilot may not be totally responsible for the damage. Basing the insurer's obligation on proof of his responsibility should result in payments of less than the policy limits in numerous cases.

As to the amount of coverage for non-owned aircraft liability, no provisions are contained in the policy limiting the named insured to the type of aircraft in Item 5 of the Application/Declarations. It is contemplated that a named insured would not request coverage beyond the value of his own aircraft, and if he did, that the insurer would insist upon a pilot clause which would place adequate currency requirements on the pilot for all aircraft flown as a means of protecting the insurer.

The modified coverages also contain the limiting language on the obligation of insurers to indemnify a named insured for compensatory damages only. The same reasoning propounded above applies equally to these coverages.

INSURING AGREEMENTS—DUTY TO DEFEND

Paragraph 2 of the Insuring Agreements contains those provisions concerned with defense, settlement, and supplementary pay-

[12] Stambaugh v. Superior Court, 62 Cal. App. 3d 231, 132 Cal. Rptr. 843 (1976); E.B. Wills Co. v. Superior Court, 56 Cal. App. 3d 650, 128 Cal. Rptr. 541 (1976); Li v. Yellow Cab Co., 13 Cal. 3d 804, 532 P.2d 1226, 119 Cal. Rptr. 858 (1975). The California Supreme Court has accepted for hearing two other appellate cases reaching conflicting results on the issue of comparing the negligence of defendants, and its decision should decide the fate of contribution among tortfeasors in California.

ments. Of primary importance is subparagraph A, which sets out the insurer's agreement to defend the insured.

The "duty to defend" is a contractually created obligation, although the courts in many states treat it at times as an unlimited responsibility which flows from insurers to insureds.[13] Moreover, traditionally, the duty to defend is unlimited and continues beyond that time at which the insurer would like to pay its policy limits and extricate itself from the expenses of litigation. These two problems are addressed in the text of subparagraph A.

With respect to the limitation upon the duty to defend, the language of this provision states that the insurer will "defend any claim or suit covered by this insurance . . . whether groundless or not . . . ." This language is not necessarily new, and the key problem as to the determination of whether or not the loss is covered must be made on an individual claim basis. However, while such a determination is being made—through declaratory relief, arbitration, or the like—the concluding portion of the provision clearly allows the insurer to proceed under a reservation of rights, thereby preserving its position on the coverage issues.[14] By incorporating this into the contract, an insured can no longer refuse to allow a defense under reservation of rights without breaching the terms of this contractual agreement between the parties.[15]

[13] Again, California offers a very good example of the lengths to which the courts will go to define the defense clause in an insurance policy. In the now famous (or infamous, depending on your point of view) case of Gray v. Zurich Ins. Co., 65 Cal. 2d 263, 419 P.2d 168, 54 Cal. Rptr. 104 (1966), the California Supreme Court ruled that the insurers enjoyed such a stronger bargaining position that the policy had to be considered a "contract of adhesion," and it insisted that the courts had to protect the downtrodden by interpreting policies by the "reasonable expectations" of the insured. The latter, of course, invariably means that the insured expected the policy to provide a defense for any claim. In Val's Painting & Drywall, Inc. v. Allstate Ins. Co., 53 Cal. App. 3d 576, 126 Cal. Rptr. 267 (1975), the court ruled that the duty to defend is broader than the duty to indemnify and that if there is any basis under the facts of the complaint for finding coverage, a defense is required, whether or not the facts were groundless, false, or fraudulent. Thus, in California, at least, the duty to defend exists in situations in which traditionally the insurer would not expect to have any obligation.

[14] The concept of a defense under a reservation of rights or a non-waiver agreement is particularly important where the "duty to defend" is interpreted in a liberal manner, since the preclusion of such a defense could constitute a waiver of the coverage dispute and greatly extend the scope of the policy and the obligation to settle. This was recognized in the *Val's Painting* decision, 53 Cal. App. 3d 576, 126 Cal. Rptr. 267 (1975).

[15] It is respectfully submitted that an insured's refusal to allow a defense under reservation of rights constitutes "bad faith," which estops the insured from assert-

The problem of the defense after tender of policy limits is addressed in this subparagraph and also in Condition 2 applicable to the liability coverages. In both instances, the insurer reiterates that it agrees to defend, but only until it elects to pay its policy limits, at which time the duty to defend ceases. Thus, the situation where policy limits are relatively low but the expenses of litigation are ten-fold higher should no longer occur. Payment of the policy limits extinguishes the duty to defend and thereby establishes a means of precluding further costs or fees.

INSURING AGREEMENTS—MISCELLANEOUS THOUGHTS

The term "Insured" in the proposed policy generally comports with the traditional omnibus definition of all permissive users with certain exceptions. The inclusion of the exceptions in this Insuring Agreement seems preferable to the incorporation of the exceptions into the "Exclusions." These exceptions deal solely with who will be insured and properly belong in the provision wherein the insurer states the definition of the term upon which coverage for them is predicated.

Exception (D) of paragraph 3 makes an exception to the omnibus definition of Insured for persons operating the aircraft for any purpose for which a charge is made which is intended to result in financial profit to the named insured. This exception is parallel to the "uses" clause contained in Item 6 of the Application/Declarations and reflects the true spirit and nature of this coverage—the business and pleasure policy for the general aviation pilot.

Of particular note is the rather stringent restriction on the territory in which the aircraft can be flown. On reflection, perhaps even the present wording is too broad, and the territory should be limited solely to the continental United States. The basis for such a limitation is that the risk can perhaps be evaluated more readily if the states or countries of operation are reasonably limited. Also, operation of an aircraft in Hawaii or Alaska, or in Canada or

ing that the insurer has waived policy defenses if it then provides a defense without reservation, due to the insured's coercion. There is no reason why the "covenant of fair dealing," which is imposed upon insurers to require them to settle within policy limits or pay the excess amount, should not also be imposed upon the insured when the insurer attempts to invoke the only protection he has remaining.

Mexico, can be covered readily through endorsement, thereby allowing the insurer to decide if it wants to write insurance which could lead to claims in those jurisdictions, and if so, at what price.

DEFINITIONS

Two words are of particular import: "occupant" and "occurrence."

The traditional language in aircraft liability policies speaks of "passenger" or "non-passenger" coverage, and that term is defined in some policies to specifically exclude the pilot or crew members, while in other policies the exclusion is implicit. However, the question of whether the term "passenger" and pilot or crew are mutually exclusive has been the subject of a great deal of litigation, some courts saying they are exclusive[16] and others holding they are not.[17] To avoid this controversy, it is necessary as an insurer to decide to cover all occupants of the aircraft or none of them, and thus the more inclusive and neutral term "occupant" is chosen.[18]

Until recently, the term "occurrence" has meant an accident or happening resulting in bodily injury during the policy period, and there was little question but that the injury was the determinative date. However, the traditional definition has now been tortured in at least one jurisdiction, and, unfortunately, others are sure to follow. In *Sylla v. United States Fidelity and Guaranty Co.*,[19] the

[16] Spiess v. United Services Life, 348 F.2d 275 (10th Cir. 1965) (based on Maryland law and statute defining passenger as one having no part in the operation of the aircraft); St. Paul Mercury v. Price, 359 F.2d 74 (5th Cir. 1966); United Services Life v. Delaney, 358 F.2d 714 (5th Cir.), *cert. denied*, 385 U.S. 846 (1966); Kinnavy v. Traill, 56 Mich. App. 370, 223 N.W.2d 741 (1974). *See also* Ranger Ins. Co. v. Mathews, 281 So. 2d 345 (Fla. 1973) (quashing 267 So. 2d 867 and remanding for further proceedings), in which the policy definition of passenger excluded pilot or crew. The Florida Supreme Court concluded, as had the trial court, that a student pilot was neither a member of the crew nor a passenger and was therefore entitled to coverage; it thus quashed the district court's reversal of the trial court.

[17] Continental Cas. Co. v. Warren, 152 Tex. 164, 254 S.W.2d 762 (1953).

[18] If it is the insurer's desire to exclude coverage for the pilot, this can be done by incorporating into the Exclusions an item making the policy inapplicable "to the bodily injury, sickness, disease, or death of any person who is an Insured under this policy." Due to the limited purposes under this policy for which the aircraft can be used, it is difficult to conceive of a situation where there would otherwise be coverage and the pilot was not an Insured.

[19] 54 Cal. App. 3d 895, 127 Cal. Rptr. 38 (1976).

California Court of Appeal held that since the term "accident" did not specifically state that the injury was the causative event, the term could be interpreted to mean an event sometime prior to the injury (coincidentally within the policy period) which allegedly was a proximate result thereof.[20]

To avoid this difficulty in the future, the proposed definition of "occurrence" is keyed solely to the happening of a bodily injury, etc., during the policy period. The reemphasis of this intent in the second sentence should remove any doubt as to the event on which a determination of an occurrence is predicated.

APPLICATION/DECLARATIONS

The most significant manifestation of the purpose for the proposed changes is in the form of the document known as the "Application/Declarations." As stated above, an insured's last-ditch attempt to create coverage which does not otherwise exist is to claim mistake, misrepresentation, misunderstanding, or the like. This document is an attempt to thwart such an effort and to allow the parties to the contract to avoid such controversies.

It is contemplated that an insured would be required either to fill out this application—including the coverages desired, the aircraft insured, and the pilot requirements—or to execute the application after it was prepared by the insurer or a broker prior to the effective date of the policy. Such a requirement is similar to that involving the medical questionnaire which is signed and becomes part of a life insurance policy, and it is a representation by the named insured of his understanding of the basic policy terms.

As elaborated upon previously, each of the coverages is listed separately and the premium therefor stated. The named insured by necessity must know, or be presumed to know, what his insurer's limits of liability are, and thus he cannot argue after a bad claim that he intended to have $1,000,000.00 when in fact the Applica-

[20] *Id.* at 900, 127 Cal. Rptr. 40. The ramifications are obvious. Assume a named insured sells his aircraft on June 1, 1976, cancels his policy on June 2, 1976, and is later sued in 1979 for an accident involving his former airplane in 1978. The suit would arise from the "ownership" or maintenance of the aircraft, and under the *Sylla* doctrine, it is arguable that the "occurrence" was the sale or maintenance during the policy period, irrespective of when the injury occurred. Thus, the insurer's duty to defend or indemnify would never be extinguished.

tion/Declarations executed by him states his desire for coverage of $100,000.00.

It may be that such an approach is not feasible in light of the logistics of an aviation insurance company, particularly considering the vast volume of paperwork needed to secure quotes, process applications, issue policies, and handle claims. However, with the simplicity of operations advanced by such marvels as the Xerox 5000 or IBM Copier II, it does not seem to be an impossible task to require a named insured to sign an Application and incorporate that into the policy as the Declarations, particularly when one considers the great benefits to be derived.

Of the specific items in the Application/Declarations, the most significant is Item 6, "Purpose of Use." It should be noted that only one use is allowed, namely, the business and pleasure of the insured. No longer does the policy allow the insured to request, or the insurer to allow, other types of coverage, such as "Industrial Aid," "Limited Commercial," "Commercial," or "Other." This again is a reflection of the limited nature of the policy and its unadaptability to other purposes.

The second feature of this provision is the reliance on "financial profit" as the sole criterion for determining whether the use is within the phrase "business and pleasure." Numerous policies attempt to define "business" as those uses other than those "for which a charge is made," followed by a rather lengthy definition of that term.[21] The essence of these definitions is that the insured is not expected to secure a financial profit from the operation of the aircraft. The proposed limitation on the term "business" deals with this more directly and thus, it is hoped, eliminates much of the confusion which can arise.[22]

[21] One leading policy says the following in explaining the phrase "for which a charge is made":

> Purchase of fuel and oil for the aircraft by a person using the aircraft gratuitously for a specific flight, a pro rata sharing between passengers of the actual expense of fuel and oil during operation of the aircraft on a specific flight, or reimbursement of the named insured by his employer on a mileage or hours flown basis for actual expenses incurred in the named insured's operation of the aircraft in the course of his employment are the only exceptions not deemed a charge under this definition.

[22] *See, e.g.*, Pacific Indem. Co. v. Acel Delivery Serv., 485 F.2d 1169 (5th Cir. 1973) [Texas]; Fidelity & Cas. Co. of N.Y. v. Crist, 248 Ark. 1010, 455 S.W.2d 904 (1970); Christensen v. State Farm Auto Ins. Co., 52 Haw. 80, 470

CONCLUSION

As indicated at the outset, the proposed policy language is solely a means of expressing positively those aspects of the present language which should be analyzed and reconsidered. No doubt many controversies would be created by use of the proffered language, and those who deal with aircraft liability and hull policies can find ways to improve upon these suggestions.

However, there can be no mistaking the need for such a re-examination. The age of "consumerism" has compelled it, although the lengths to which courts have gone to thwart the clear intent of the policy for the benefit of the insured causes one to conclude that this may be a "Don Quixotian" task. There is no question but that portions of various policies are ambiguous, but it is equally clear that many of the so-called ambiguities discussed in the decisions today are nothing more than a contorted exercise in illogic by counsel representing the insured's interests to the fullest.

The windmills will be with us until such time as a more even-handed approach to coverage disputes is developed. In the meantime, a constant effort to improve insurance language must be maintained. One federal judge rendered the following indictment of the aviation insurance industry in finding against an insurer on a coverage issue:

> The clumps of words in an insurance policy might seem like so much insignificant jabberwocky to those who follow insurance law, perhaps worse to those who only stumble into the field. Jabberwocky it might be. Insignificant it is not. On those clumps of words rests the intent of the insurance coverage. Some insurance policies, their riders, exclusions, folds-in and folds-out, and appendages, are festooned in such ways that mechanical knowledge is a help in unfolding and laying them out so that the policies are in physically readable form. An insured, who is presented with forms and discussion in widely varying degrees of clarity, is entitled to know the precise nature of the insurance coverage that his premiums are buying. It is all too clear that contract language, while at times a great explainer, is at times a great obscurer. It is incumbent upon

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P.2d 521 (1970); Cammack v. Avenico Ins. Co., 505 P.2d 348 (Ore. 1973); Thompson v. Ezzell, 61 Wash. 2d 685, 379 P.2d 983 (1963).

insurance companies to state clearly the perimeters of their coverage to those who entrust their security to them.[23]

It is hoped that the above efforts will be of some assistance in this endeavor.

[23] Ranger Ins. Co. v. Culberson, 454 F.2d 857, 867 (5th Cir.), *cert. denied*, 407 U.S. 916 (1971).