Aeronautic Risk Exclusion in Life Insurance Contracts

Fred M. Glass
AERONAUTIC RISK EXCLUSION IN LIFE INSURANCE CONTRACTS*

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I. INTRODUCTION.

Since its advent into the field of private and commercial travel, aviation has presented an ever changing problem to those interested in life insurance.1 Though the revolutionary developments in both the art and mechanics of flying have been reflected in corresponding

* This is the first installment of a thesis submitted to the faculty of Northwestern University School of Law in partial fulfillment of the requirements for the degree of Master of Laws. The author’s preface reads, in part, as follows: “Hand in hand with the phenomenal development of aviation during the last decade and its general acceptance by the public as a commercial mode of transportation, has been a marked numerical increase in the fatalities resulting from aeronautical flight. The fact that the lives of a large percentage of those meeting death in plane casualty were insured for varying amounts by policies which in themselves contained provisions excluding aeronautic risk from coverage, has, of necessity made the problem of the judicial interpretation of these aeronautical risk exclusions one of major importance to both the insured and the insurer. The diametrically opposed decisions, which mark the result to date of litigation interpreting these exclusions, have resulted in the necessary classification of any prediction as to the validity or non-validity of any particular exception as nothing more than conjecture. Faced, under these conditions, not only with the problem of ascertaining liability under policies now in effect, but also of phrasing aeronautical clauses in policies currently issued in such a manner as to conclusively and precisely state the exact risk covered and the risk excepted, the topic is one of ever-increasing interest to insurers. It was on the recommendation of this topic by several outstanding men in the legal phase of life insurance as one of great importance and timeliness, and in need of thorough research and presentment, that this study was begun.

The chief sources of information have been the reported cases, and policy contracts written by American and Canadian Life Insurance Companies from 1912 to 1936. The author wishes, however, to acknowledge his indebtedness to the legal departments of a number of insurance companies, particularly the Connecticut General Life Insurance Company, The Travelers Insurance Company, Aero Insurance Underwriters, and the Equitable Life Assurance Society of the United States. Helpful suggestions have also been made by Prof. Harold C. Havighurst and Prof. Fred D. Fagg, Jr. of the Northwestern University School of Law, Mr. Ralph H. Kastner, Mr. Maurice E. Benson, and Miss Mildred Hammond of the American Life Convention, Mr. Henry Minor Faser, Jr., of the Penn Mutual Life Insurance Company, and Mr. J. E. Hoskins of the Travelers Insurance Company.

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1. See Leonard Axe, Aviation Insurance (1931) p. 7: “The development and progress of aviation insurance is a story of the struggle of insurance underwriters to cope with a new insurance problem.”

[305]
liberalization of risk coverage by underwriters, these same developments have led to a great increase in aviation's acceptance by the general public—a policy holding public—and made the problem one of immediate concern to the insurer.

The ineffectiveness of the policy provisions generally used to protect insurers from liability for death resulting from aerial flight was early demonstrated in a decision, during 1910, wherein the court refused to recognize the broad "hazardous occupation" clause as a defense to liability in the fatal injury of an insured railroad employee, sustained by him as the result of a single balloon ascension. Not only did the more or less standard provisions fail to protect the insurer against aeronautical risks in a satisfactory manner, but the widely used contract provisions for double indemnity in cases of insured's accidental death while riding in a common carrier, obviously needed only a judicial determination of an airplane as being included in such a category to expose the insurer to even this additional liability. Inconsistent decisions as to such question in relation to private planes carrying passengers for hire, and nu-

1. See infra, Part V. (To be published in the October issue).
2. Indicative of the marked growth in the use of aviation as a means of transportation, are the following figures as to commercial air lines operating in the United States during the last seven years, compiled from statistics published by the United States Department of Commerce, in the Air Commerce Bulletin:

<table>
<thead>
<tr>
<th>Year</th>
<th>Passengers Carried</th>
<th>Miles Flown</th>
<th>Passenger Miles Plown</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>173,405</td>
<td>25,141,499</td>
<td>83,359,705</td>
</tr>
<tr>
<td>1930</td>
<td>374,935</td>
<td>31,992,634</td>
<td>106,442,376</td>
</tr>
<tr>
<td>1931</td>
<td>468,881</td>
<td>42,868,922</td>
<td>127,035,797</td>
</tr>
<tr>
<td>1932</td>
<td>474,979</td>
<td>45,065,354</td>
<td>173,492,119</td>
</tr>
<tr>
<td>1933</td>
<td>403,141</td>
<td>48,771,553</td>
<td>225,267,558</td>
</tr>
<tr>
<td>1934</td>
<td>561,370</td>
<td>50,506,470</td>
<td>231,905,508</td>
</tr>
<tr>
<td>1935</td>
<td>746,946</td>
<td>55,380,353</td>
<td>313,365,119</td>
</tr>
</tbody>
</table>

The statistics of this same department show that from July to December, 1935, the accident rate was 1,084,882 miles per accident.

7. Pacific Mutual Life Ins. Co. v. Van Fleet case (ibid): "while following any occupation or in any exposure or performing acts parallel in hazard to the characteristic acts of any occupation classified by the company as more hazardous than is specified in the application for this policy, the principal sum and weekly indemnity shall be for such amount as the premiums paid will purchase at the rates fixed for such more hazardous occupation."
8. The contention was argued in the case of Bew v. Travelers Ins. Co. (ibid) though the court disposed of the case on another point and purposely

5. Typical of such provisions is the one involved in the Pacific Mutual Life Ins. Co. v. Van Fleet case (ibid): "while following any occupation or in any exposure or performing acts parallel in hazard to the characteristic acts of any occupation classified by the company as more hazardous than is specified in the application for this policy, the principal sum and weekly indemnity shall be for such amount as the premiums paid will purchase at the rates fixed for such more hazardous occupation."

4. "The subject (life insurance aviation risks) is one which has been widely discussed this year and will become of still greater importance as air travel becomes a more accepted means of business occupation." The Eastern Underwriter, Fri., Dec. 6, 1935, p. 1.

3. "While following any occupation or in any exposure or performing acts parallel in hazard to the characteristic acts of any occupation classified by the company as more hazardous than is specified in the application for this policy, the principal sum and weekly indemnity shall be for such amount as the premiums paid will purchase at the rates fixed for such more hazardous occupation."

mericous determinations of commercial air lines as being of such a status, serve to indicate conclusively the unsatisfactory use of such terms in the absence of further contract provisions.

The procedure of requiring a warranty answer to direct queries contained in the written application form, as to whether or not the prospective insured was taking or intended to take part in aeronautics, was, of course, available to insurers. However, the results of a movement on foot for many years directed toward the prevention of forfeitures for breach of immaterial warranties that "crouched unseen in a jungle of printed matter," began to slowly appear in the form of statutes greatly reducing the effectiveness of the warranty as a matter of law, and thus obviously rendering of
little general importance any answers to such aeronautical inquiries contained in policy applications.

Though statements made in answer to application queries were still classified as representations under statutory provisions, the practical efficacy of reliance thereon was even further removed by judicial recognition of such representations as being without legal effect if not material,14 which thus of necessity cast upon the insurer the very unsatisfactory burden of proving such representation to have been fraudulent or material15 in event reliance was made thereon in subsequent litigation arising out of the death of an insured from aeronautical casualty. As recently pointed out by legal writers, in view of the later statutes making the policy incontestable after a certain time,16 such a statement on the part of the prospective insured denying any intent to engage in aviation, even if a warranty, could not be operative after the period fixed by the provisions of the particular incontestability clause therein involved.17


16 See note 174.

17 See Patterson, Essentials of Insurance Law (1st. Ed. 1936) p. 364: "If the insured was asked in his application: 'Do you intend to engage in aviation?' and answered 'No,' it seems clear that the insurer could not avoid liability merely by proving that after the policy was issued the insured did engage in aviation. This conclusion follows from the language of the statutes 'and not warranties.' Hence such a statement is only a representation of expectation or belief, which, is without legal effect if honestly made. It may be added that, in view of the statutes making the policy incontestable after a certain time, such a statement, even if a warranty, could not be operative after the period fixed."
Specific Aeronautical Exception Provisions:

Though the date of the advent of aviation into the United States as a generally recognized mode of travel could hardly be set as far back as 1913, it was nevertheless in that year that the ineffectiveness of these general policy provisions to cope with such obvious risks materialized in the adoption by insurers of specific aviation clauses in the effort to define the exact coverage granted in regard to aeronautic risks.

Nature and Status of Exceptions (1913-1918)—Varying only in apparent trivial detail, these early exclusion clauses were to the effect that participation in aviation or engaging in aviation was to be excepted from the coverage elsewhere provided for in the particular contract. Occasionally the words aviation and aeronautics were interchanged in expressing the activity though participating and engaging were almost exclusively used as the expression of the action intended to be excluded. Little, if any, effect was felt by insurers from this new enterprise for some years, however, due to the comparatively limited number of individuals taking part in aviation.

Increased Importance Subsequent to 1918—From the beginning of the World War, however, the potential possibilities of aviation were evident, and spurred by wartime demands, the development of the science of flying and construction of the planes themselves brought aviation from its rank of experimentation to one of general public practicability. The close of the war resulting in the sale of thousands of army planes, chiefly to discharged veteran pilots, saw a phenomenal spread of aviation over the entire nation and its relationship with insurance became one of immediate and practical importance. Without statistics of any kind on which to base actuarial figures, insurers obviously could not accept such risks; while on the other hand to deny the public coverage altogether because of such activity would be self-denial of a great business market. The business policy of the continued acceptance of such risks under contracts containing these exclusions thereupon adopted, only serves to emphasize the importance of the construction of such clauses.

II. Engage and Participate Exceptions.

Airplane Passengers:

In General—In considering these aeronautical exceptions
employing engage or participate as expressive of the action, used in conjunction with various activity expressions, it is of interest to note that with but very few exceptions decisions to date deal exclusively with passenger death, though little, if any attention has been paid by the courts to the seemingly important items of whether the passenger met death while flying in a private or commercial plane, or whether he was fare-paying or gratuitous. However, in cases involving clauses specifically permitting recovery in the case of death as a fare-paying passenger such limitation on the exclusion has been strictly construed.

Generally, the participating cases, until very recently, have been construed as being inclusive of everyone in the plane during flight, while the engaging clauses have been interpreted as extending only to one actively taking part in the flight of the plane, and as not extending to a passenger. A lone decision involving engaged in connection with aeronautic operations construed such clause as not covering a casual passenger and as being ambiguous, though with the further addition of as passenger or otherwise the


23. Head v. N. Y. Life Ins. Co., note 21; Travelers Ins. Co. v. Peake, note 21; Meredith v. Business Men's Acc. Assoc., note 21; B. v. Travelers Ins. Co., note 21; Smedmore v. Massachusetts Protective Assn., note 21; Contra: Gregory v. Mutual Life Ins. Co., note 21; Martin v. Mutual Life Ins. Co. of N. Y., note 21 ("We grant that our conclusion thus announced seems to be in conflict with our authority on this question, but such result constitutes an equitable result so long as courts think and act independently of each other").


AERONAUTIC RISK EXCLUSION

effectiveness of the clause in covering a passenger has been approved. Conflicting decisions have marked similar litigation involving engaging as passenger or otherwise when used in connection with aeronautic expedition, though the more recent authority denies effectiveness to the exception in such connection.

Aeronautic operations when used in connection with participate have been construed as not including a passenger, though the contrary is true when the insured shows some degree of action in directing the flight, even though admittedly flying in the role of a passenger. The courts have never been faced with an exception involving as passenger or otherwise used in connection with participating in aeronautical operations though general effectiveness has been accorded such an exception in the absence of the (operations) limitation. No appreciable variations are to be found between the decisions of federal and state courts.

"Participate" Exceptions—The case of Bew v. Travelers Insurance Co. handed down by the New Jersey court in 1921 construing a participation in aeronautics exception clause as covering a casual passenger in a plane, for many years served the dual role of a landmark decision as to aviation exception clauses in general and authority for consistently identical constructions of similar clauses. However, with the launching of transcontinental airlines in 1926, aviation definitely assumed the status of a business or occupation, and passenger litigation involving participation in aeronautics exceptions subsequent to that date has, with but two exceptions reversed the construction of the Bew case on the

32. 95 N. J. L. 533, 112 Atl. 859, 14 A. L. R. 983, 1928 U. S. Av. Rep. 151; Comment (1929) 1 Air Law Rev. 152 (Bew was killed in the crash of a sightseeing plane in which he was flying as a passenger at Atlantic City, N. J. His insurance policy written in the sum of $3000 contained a condition that it did not cover injuries fatal or non-fatal sustained while participating in aeronautics. Held: that Bew met death while participating in aeronautics and that the exception in the policy barred recovery).
33. Illustrative of this transition is the case of Masonic Assoc. Ins. Co. v. Jackson, note 21, where the Indiana Appellate Court in 1925 held a non-fare-paying passenger to be "engaging in aviation" because of the non-occupational status of aviation, and the Indiana Supreme Court reversed this opinion in 1929 because of the occupational status of aviation.
34. Sneddon v. Mass. Protective Assn., Inc. ... N. M., ... 29 P. (2d) 1023 (1935); Note (1935) 6 Air Law Rev. 193 (Sneddon was killed in the crash of a plane in which he was riding with a friend as a casual invitee. The crash occurred Nov. 27, 1932 in Gallup, N. M. The policy on which the suit is here based contained a clause excepting from coverage death sustained as the result of participation in aviation, aeronautics or subaquatics. Held: Flying in an airplane is participation in aviation or aeronautics and complaint is dismissed). Head et al. v. N. Y. Life Ins. Co.; Head v. Hartford Acc. & Indemnity Co.
basis of the changed meaning of aeronautics since the advent of the occupational era. Particularly important in this respect is the recent highly publicized 1935 Gregory v. Mutual Life Ins. Co. of N. Y. decision.

It is interesting to note the marked similarity in the reasoning of the courts in the Bew and Gregory decisions even though obviously directly contra results were reached. Unequivocally rejecting a prior judicial construction of participate in connection with an alleged violation of a banking statute as requiring active conduct or an affirmative knowledge of the fraud committed, the New Jersey court in the early Bew case turned to dictionary definitions of participate as meaning "to receive or have a part of; to partake of; experience in common with others; partake, as to partake in a discussion," and of aeronautics as meaning "the art or practice of sailing or floating through the air." The latter was distinguished from aviation which was described as being limited to "problems dealing with artificial flight by means of flying machines heavier than air.

In combining these definitions of participate and aeronautics, the conclusion was reached that "partaking of the art or practice of sailing or floating through the air" was the proper construction of the clause and therefore a passenger was included within such

43 F. (2d) 517 (C. C. A. 10th 1930), 1930 U. S. Av. Rep. 235; Note (1936) 1 Air Law Rev. 488 (Head was an insurance salesman, and took a flight in a plane in 1929 for the purpose of inspecting the plane before writing a policy on it. The plane crashed, killing Head. He was insured by the N. Y. Life Ins. Co. under a policy containing a participation as a passenger or otherwise in an aviation or aeronautics exception in the double indemnity provision, and by the Hartford Acc. & Indem. Co. under a policy containing a while participating or in consequence of participating in aeronautics exception. Held: There is no substantial difference in the two exceptions and both cover the death of the insured. Judgment for defendants.)

35. Martin v. Mutual Life Ins. Co. of N. Y., 193 Ark. 291, 71 S. W. (2d) 694 (1934); Note (1934) 5 JOURNAL OF AIR LAW 661; Note (1934) 6 Air Law Rev. 193 (Martin was killed in the crash of a plane in which he was riding as the guest of friends on a flight from Augusta, Ark. to St. Louis, Mo. This suit is based upon an exception in the Double Indemnity provision of a life policy excluding liability where death resulted from participation in aeronautics. Held: Participate connotes to have an active share in the management, and therefore insured did not come within the ambit of this exception. Court stated "We grant, that our conclusion thus announced seems to be in conflict with respectable authority on this question, but such must be the inevitable result so long as courts think and act independently of each other." Judgment for plaintiff.)

Gregory et al. v. Mutual Life Ins. Co. of N. Y., 193 Ark. 291, 71 S. W. (2d) 694 (C. C. A. 8th 1935) Cert. denied 56 Sup. Ct. 157, 80 L. Ed. 126; Note (1936) 6 JOURNAL OF AIR LAW 626; Note (1936) 30 Ill. L. Rev. 672 (Gregory was killed in the same crash as Martin in the case of Martin v. Mutual Life Ins. Co. of N. Y. (ibid). He was the father of the pilot of the plane and had purchased the plane. The policies here involved contained provisions that the insurance company should not be liable for double indemnity for death resulting from participation in aeronautics. Held: The terms must be considered in the light of known revolutionary changes and development in the art of aviation and a passenger on a transport plane is not participating in aeronautics. The exception is ambiguous. Judgment for plaintiff.)

36. Ibid.
37. Ibid.
categorical definition. However, obiter on the part of the court to the effect that "aeronautics does not describe a business or occupation like engineering or railroading, but an art which may be practiced for pleasure or profit, and is indulged in by all who ride whether as pilots or passengers" left open a wide loophole for a directly contra conclusion subsequent to the advent of aviation into the occupational field. Seizing the implications of this statement, the Gregory case reached the contrary conclusion in combining the Bews construction of participate as meaning "to take part in," and the occupational connotation of aeronautics as of the time of interpretation in 1935, to mean "taking part in actual flying" and as therefore not covering a casual passenger. Such conclusion in favor of the insured was, however, as has likewise been true in every decision adopting such viewpoint, further substantiated by declaring the exception ambiguous and as therefore invoking the well known legal truism that any ambiguity in an insurance contract is to be construed against the insurer.

Of assistance only in clearing doubts as to any alleged variance between aviation and aeronautics, which alleged variation it termed as "hairsplitting distinctions," was the early case of Meredith v. Business Men's Accident Association, while other cases involving

41. Ibid.  
44. 213 Mo. App. 688, 252 S. W. 976, 1927 U. S. Av. Rep. 159 (1923) (Meredith was killed in the crash of a plane in which he was riding as a
the point have either been identical with the Bew or Gregory decisions.45

Though the construction of an aeronautical exception clause has never as yet been directly passed upon by the United States Supreme Court,46 the 1934 decision of this court in the case of Travelers Protective Association of America v. Primson47 involving the construction of a "participating in the moving or transportation of explosive substance or substances" proviso tends to support the reasoning employed by the Bew case in reaching the conclusion that a casual airplane passenger came within the bounds of a participation in aeronautics exception. Speaking through Justice Cardozo,48 the court in the Primson case recognized the conflict between various state and federal courts as to whether or not there is the necessity of any causal nexus between the injury or death and the forbidden forms of conduct in a participate exception,49 and in concluding against such necessity, sustained the exception there involved as embracing the death of an insured due to the explosion of dynamite caps being carried in a truck on which he was riding as a business invitee.

passenger for hire at Breckenridge, Mo. Policy held by Meredith excluded death while participating in aeronautics from coverage, but contained another provision granting coverage to insured while doing any act pertaining to a hazardous occupation while insured is engaged in games or sports for recreation. Held: The risk exception provision governs, and as Meredith was participating in aeronautics at the time of his death, judgment rendered for insurer.

45. Travelers Ins. Co. v. Peake, 82 Fla. 128, 89 So. 418, 1928 U. S. Av. Rep. 156 (1921); note (1921) 31 Yale L. J. 217 (Peake was seriously injured in the crash of a plane at the Alabama State Fair in which he was riding as a passenger for hire. This suit is brought on an accident policy excepting from coverage injuries fatal or nonfatal sustained by the insured while participating in aeronautics. Held: "A passenger in an airplane flying in the air, whether he takes part in the operation of the airplane or not is participating in aeronautics within the intent and meaning of the proviso specifically excepting such a risk from the indemnity contract contained in the policy herein"). (Italics are the authors.) Head et al. v. New York Life Ins. Co.; Head v. Hartford Acc. & Indemnity Co., note 34; Sneddon v. Massachusetts Protective Assn., Inc., note 34; Martin v. Mutual Life Ins. Co. of N. Y., note 35.


48. Mr. Justice Stone wrote a dissenting opinion.

49. Courts construing that there must have been an aggravation of the hazard to which death or injury was owing: Matthes v. Imperial Acc. Assn., 116 Iowa 224, 81 N. W. 484 (1900); Bradley v. Mutual Benefit Life Ins. Co., 45 N. Y. 422 (1871); cf. Jones v. United States Mutual Acc. Assn. of City of N. Y., 52 Iowa 602, 41 N. W. 485 (1884); Accident Ins. Co. v. Bennett, 30 Tenn. 268, 16 S. W. 725 (1891); Murray v. N. Y. Life Ins. Co., 96 N. Y. 614 (1884); Benham v. American Central Life Ins. Co., 140 Ark. 612, 217 S. W. 462 (1919); Kelly v. Fid. Mut. Life Ins. Co., 169 Wls. 274, 172 N. W. 152 (1919); Bloom v. Franklin Life Ins. Co., 97 Ind. 475 (1884).

“Engage” Exceptions—Dictum in the early *Bew* decision to the effect that “if it had been intended to confine the application of this provision to those who pilot and manage the physical operations of such vessels, it probably would have been expressed by using some language as *engaging* . . .” sufficed to indicate, even before the first decision involving an *engaging in aeronautics* clause was handed down, the strong possibility of such exception being judicially construed as not covering a casual passenger. And indeed, though bitterly condemned by insurance counsel as a “distinction in form which did not exist in substance,” litigated decisions have consistently rejected such passenger coverage under an *engaged* exception.

Unlike the courts in *participation* decisions, no strictly etymological analysis of the word *engage* has been employed by courts in construing such clauses, but rather a tendency has been demonstrated of looking to prior litigated decisions involving analogous situations for authority.

Illustrative of this tendency was the initial case involving an *engaged* aeronautical exception clause, *Benefit Association of Railway Employees v. Hayden,* where entire reliance was placed upon an insurance case interpreting an *engaged in military or naval service in time of war* exception clause as not covering death from influenza while in the wartime military service, because “in order to exempt the company from liability the death must have been shown to have been caused while the insured was doing something connected with the military service, in contra-distinction to death while in the service due to causes entirely or wholly unconnected with such service.” The necessity of taking affirmative *action* before the connotation of *engaged* was met is obvious.

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53. 175 Ark. 565, 299 S. W. 995, 57 A. L. R. 622, 1929 U. S. Av. Rep. 79 (1927) (Insured killed in the crash of a plane in which he was taking a short pleasure trip at the Stuttgart, Ark., Rice Carnival. Insured’s policy contained the following proviso: “This policy does not cover disability or fatal injury received by the insured . . . while engaged in aeronautics or underwater navigation.” Held: The exception here merely was an inhibition against insured engaging in the business and did not apply to a single flight. Judgment for plaintiff. (Italics are the authors.)
Immediately subsequent litigation of passenger claims under such exception, however, placed a still further necessity of continuity of action before the categorical requisites of engaged when used in connection with aviation were met. Prior judicial interpretations of the expression in connection with other activity, formed the authority for the construction in the cases of Peters v. Prudential Life Ins. Co. and Masonic Accident Ins. Co. v. Jackson to the effect that the expression gave the connotation of "participation as an occupation, with the impression being the same when engaged was used in connection with aeronautics as if it had been used in connection with engineering or any other occupation or profession."

It is interesting to note that in these citations of prior authority only one insurance decision, other than the military case cited in the Hayden decision, is to be found; that being a Vermont decision holding insured not to have been engaged in the sale of intoxicating liquor even though the evidence showed that he had made occasional sales while working at a hotel bar. Great reliance was placed on two criminal cases, one a North Carolina decision holding the defendant not guilty of "engaging in the business of procuring laborers for work outside the state" because of the necessity of proving the doing of more than one act in the line of such occupation before the requirements of the word engaged were met, and the other a New York decision construing an engaging in gambling statute as requiring more than occasional participation and as connoting some continuity or practice.

Though consistently argued by respondent beneficiaries in every case, the New York Court in Peters v. Prudential Ins. Co. of

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56. Ibid. (Plaintiff's husband was killed in the crash of a plane in which he was riding as a passenger. His life was insured by a policy issued by defendant insurer containing a clause excepting from coverage death resulting from having been engaged in aviation or submarine operations or military or naval service at time of war. Held: The clause does not include death resulting to a passenger in an airplane in time of peace. The clause was further found to be ambiguous).

57. Note 55 (Joseph L. Jackson was killed April 29, 1923, in the crash of a plane in which he was flying as a passenger. His accident insurance policy issued by the insurer defendant contained a provision excepting the company from liability if death or disability resulted while engaging in aviation or ballooning. Held: Aviation means the art of flying, especially the management of aeroplanes, and engaged means to carry on, conduct, or employ oneself, and not relating to single acts. Therefore, insured was not engaged in aviation at the time of his death. Judgment for plaintiff).


AERONAUTIC RISK EXCLUSION

Amer. 63 has been the only judiciary to declare an engaged in aviation exception, when construed in relation to a casual passenger as being ambiguous and therefore to be construed against the insurer. 64 The clauses were consistently, however, construed in the light of the connotations of the expressions as of the time of such construction rather than of the time the contract was written. 65

Effect of "Activity" Expression Used—A strict construction of the word operations as tending to indicate a continuous and occupational relation when used in conjunction with aeronautics in both participating and engaging exceptions has apparently definitely established the ineffectiveness of such clauses in covering death of an insured while flying either as fare-paying or gratuitous passenger, 66 though evidence of action on the part of a passenger of even less degree than actual handling of the mechanism of flight will suffice to constitute an exception to this general rule. 67 Effectively demonstrating this latter tendency is the Federal case of First National Bank of Chattanooga v. Phoenix Insurance Company 68 involving the death of a passenger in the crash of his private plane while insured under a policy containing an aeronautic opera-

63. Notes 55 and 56.
64. An "engaged in aeronautic operations" exception was declared ambiguous when construed in relation to the death of a casual passenger in the case of Gits v. New York Life Ins. Co., note 21, while an "engaging in aviation or submarine operations or in military or naval service in time of war" exception was similarly construed in the case of Charette v. Prudential Ins. Co. of Amer., note 30, involving the death of an insured while piloting a plane.
65. See infra pages 329-332.
66. Gits v. New York Life Ins. Co., 32 F. (2d) 7 (C. C. A. 7th 1929), 1929 U. S. Av. Rep. 70, cert. denied, 280 U. S. 564, 50 Sup. Ct. 38, 74 L. Ed. 632 (1929) ; Note (1929) 1 Air Law Rev. 151 (A. M. Gits, wealthy oak Park, Ill., manufacturer was killed in the crash of a plane in which he was taking a short pleasure flight at Estes Park, Col. The Double Indemnity Benefit Provision of a $10,000 policy issued on his life by defendant contained an engaging in submarine or aeronautic operations liability exception. Held: The word operations tends to indicate an intended continuous and occupational relation, and the exception does not include the death of Gits. Further the exception is ambiguous. Judgment for plaintiff). Missouri State Ins. Co. v. Martin, 155 Ark. 907, 69 S. W. (2d) 1081 (1934) ; Note (1934) 5 Air Law Rev. 661 : Note (1934) 5 JOURNAL OF AIR LAW 504 (George W. Martin was killed April 18, 1929, in the crash of a private plane in which he was riding as a gratuitous passenger. His life was insured by a $1,000 policy issued by defendant which contained a Double Indemnity provision for accidental death. Among the exceptions listed in this provision was death resulting from participating in aviation or submarine operations. Held: Though the word participate standing alone might denote activities not included in the narrow compass of engaged in when the effect of operations is considered (which can only mean the management and control of the airplane) it becomes more apparent that participation is to be considered in its active sense and viewed as the equivalent of engaged in. Judgment for plaintiff).
67. First Nat. Bank of Chat. v. Phoenix Mut. Life Ins. Co., 62 F. (2d) 681 (C. C. A. 8th 1928) (Suit brought to recover on Double Indemnity benefit provisions of policies issued on the life of one Patten. Each of these provisions contained "directly or indirectly, wholly or partly from participation in aeronautic operations" liability exclusion. Though Patten was killed in the crash of a plane belonging to his company, though piloted by a licensed pilot. The evidence showed that he was flying to florida to see his wife who was ill and ordered the pilot to take off, though the latter objected because of inclement weather. Held: The facts disclosed that though insured was not personally piloting the plane, the venture was his initiative and undertaking, and was solely for his purposes. Under such circumstances he was participating in aeronautic operations. Judgment for defendant). 68. Ibid.
tion exception used in connection with participation. Evidence to the effect that the insured ordered the pilot to begin the flight in spite of the latter's objection because of poor visibility, led the court to conclude, on the basis of a construction of the contract as of the time of issuance, that one who imposes and enforces his judgment in the venture is effectively participating in the operation of the plane and included within the ambit of such exception.

The application of such clauses to passenger death has led in every case involving the question, with the exception of the First Nat. Bk. of Chattanooga v. Phoenix Mut. Life Ins. Co. decision,\(^69\) to the declaration of such exclusions as being ambiguous.\(^70\) However, the Federal decision, Gits v. New York Life Ins. Co.,\(^71\) laid a precedent for important subsequent litigation in declaring the ambiguity of such exception as being emphasized by the "facility with which the insurer could have included passengers within the exception were it so intended."

"As Passenger or Otherwise"—As was indicated in the implication of the dictum in the Gits decision, the addition of the phrase *as passenger or otherwise* has been generally recognized as making any exception clause in which it is used all-inclusive of every person riding in the plane, regardless of whether the insured at the time of the fatal crash was a fare-paying or non-fare-

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69. Note 67.
71. Note 66.
72. Gibbs v. Equitable Life Assurance Soc. of U. S., 256 N. Y. 208, 176 N. E. 144 (1931); Note (1932) 3 JOURNAL OF AIR LAW 135 (Harold Gibbs was killed in the crash of a passenger plane operated by the Coastal Airways, Inc., between Albany and New York, while riding as a fare-paying passenger. He was insured by a policy issued by the defendant, which contained a double indemnity provision issued to cover accidental death. Among the exclusions from such coverage was death resulting directly or indirectly from *engaging as a passenger or otherwise in submarine or aeronautic expeditions*. Held: The intent of the parties to the insurance contract (written in 1924) grew out of and reflected the general belief that presence on a trip or journey in a vessel or machine of this type in regular transit constituted such a momentous adventure and was accompanied by such unusual danger and extraordinary hazard that neither party expected the policy to cover the risk of casualty. Judgment for defendant).

Mayer v. New York Life Ins. Co., 74 F. (2d) 118 (C. C. A. 6th, 1934) Note (1935) 6 JOURNAL OF AIR LAW 278 (Insured met death in the crash of a plane while flying as a fare-paying passenger on a regular air line. The policy issued on his life by insurer defendant excepted from the Double Indemnity Benefit death resulting from *engaging as a passenger or otherwise in submarine or aeronautic operations*. Held: The words as passenger or otherwise define and modify the words *engaging in aeronautic operations* and are unlimited in scope. The death of the insured is covered by the exception. Judgment for defendant).

Goldsmith v. New York Life Ins. Co., 85 F. (2d) 273 (C. C. A. 8th, 1934); Note (1934) 5 JOURNAL OF AIR LAW 504 (Bernie M. Goldsmith was killed March 19, 1932, in the crash of a plane on which he was riding as a casual fare-paying passenger. He was insured by the defendant insurer for $30,000 in two policies, both of which contained double indemnity for accidental death provisions with death from *engaging as a passenger or otherwise in submarine or aeronautic operations* being excepted therefrom. Held: While without the words as passenger or otherwise there would be room for doubt as to the meaning and scope of the expression *engaging in aeronautic operations*, the addition of those words does away with the ambiguity and shows that the phrase *engaging as a passenger or otherwise in aeronautic operations* is intended to cover one who is temporarily occupied in being a
AERONAUTIC RISK EXCLUSION

paying passenger,\textsuperscript{78} or whether he was riding in a private plane\textsuperscript{74} or on an established air line.\textsuperscript{76} Peculiarly enough this all-inclusive construction has even been unanimously adopted in cases involving an engaged in aeronautic operations exception clause in connection with death of an insured while a casual passenger,\textsuperscript{16} in spite of consistent decisions that such an exception, without the as passenger or otherwise addition, can refer only to those actively operating the machine,\textsuperscript{17} and that ambiguity is always present when the application of such exception to passenger death is attempted.\textsuperscript{78}

Two recent opinions interpreting the phrase as not covering a casual passenger when used in connection with engaged in aeronautic expeditions\textsuperscript{79} constitute the exceptions to the above general rule, though in placing a different construction on the intent of the parties in the use of the word expeditions a result entirely consistent with the majority ruling has been reached in a New York decision involving identical facts.\textsuperscript{80} It must be pointed out,
JOURNAL OF AIR LAW

however, that the more recent status of the Day and Provident Trust Co. opinions, and the use of authority appearing subsequent to the New York case as substantiating this contra conclusion seems to indicate an extreme likelihood that such exceptions will be held equally ineffective in future litigation if used in connection with expedition.

It is interesting to note at this point the "boomerang" effect of the as passenger or otherwise dictum in the Gits case. Listed in this 1929 decision as clearly removing ambiguity from all exception clauses, it was subsequently unanimously approved as having that effect. However, in 1935, the court in the Gregory v. Mutual Life Ins. Co. decision interpreted this practice of adding as passenger or otherwise to ordinary expedition clauses subsequent to the Gits case, as an admission on the part of insurers of the ambiguity of such exceptions in the absence of the addition. The irony of such construction is emphasized when the fact is taken into consideration that the policy involved in the Gregory case, which did not contain the as passenger or otherwise addition to the aeronautical exception clause, was issued in 1925, four years prior to the time when the effect of such addition was even first suggested.

"Except as a Fare-Paying Passenger"—Though, as has been previously pointed out, the payment or non-payment of fare by an insured riding in a plane is recognized as being of no consequence whatsoever in the determination of the applicability or non-applicability of liability exception clauses as to death resulting from such flight, the courts have, nevertheless, in cases involving an except as a fare-paying passenger limitation to the exception clause, given full recognition to such phrase. A Federal decision in 1935

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82. Restatement of the Law of Contracts (American Law Institute, 1932), Sec. 235 (a): "The ordinary meaning of language throughout the country is given to words unless circumstances show that a different meaning is applicable."
86. See supra p. 309ff.
87. Padgett v. Metropolitan Life Ins. Co., 206 N. C. 365, 173 S. E. 903 (1934) (Walton E. Padgett was killed in the crash of a plane in which he was flying from Lincolnton, N. C., to Charlotte, N. C., with a friend who was piloting the plane. There was no evidence whatsoever tending to show that Padgett paid or contemplated paying any fare for the trip. The Double Indemnity for Accidental Death clause of the insured deceased's policy contained the following exception: "while participating in aviation or aeronautics except as a fare-paying passenger. Held: All the evidence showed that the insured was riding with his employer, upon the latter's invitation, and that no fare was paid or contemplated by either. Hence recovery is barred under the terms of the exception. Judgment for defendant). Metropolitan Life Ins. Co. v. Amos Halcomb, as Adm. of the Estate of George R. Halcomb, deceased, 79 F. (2d) 788 (C. C. A. 9th, 1936); Note (1936) 7 JOURNAL OF AIR LAW 143 (Insured killed in the crash of a private plane
involving an accident policy granting aeronautical coverage to insured while flying as a fare paying passenger, even went so far as to construe an agreement on the part of the insured to pay fare as a contract malum prohibitum and as therefore not permitting the classification of the insured within the bounds of the “fare-paying passenger” proviso, where the pilot’s license did not permit of carrying passengers for hire, and a statute of the particular state made it a misdemeanor for a pilot to operate a plane in any manner except that for which he had been licensed by the government.

Airplane Pilots:

On only two occasions have the courts been faced with the death of an insured under a policy containing an aeronautical exception clause while actively piloting a plane, and though identical exception clauses and substantially identical facts were involved in both cases, directly contra and irreconcilable decisions mark the result of the litigation. Tersely rejecting any ambiguity contention and citing only the Price case as authority for the rule that “being engaged in aviation operations means taking part in the operations owned and flown by the holder of a federal private pilot’s license, which permitted the licensee to pilot a plane in private flight but specifically prohibited the flying of aircraft for hire. A California (over which state flight was made) statute made it a misdemeanor for a pilot to operate a plane in any manner except that for which he had been licensed by the government. Insured paid no fare before the flight, but respondent argued on trial of the case that there was an implied contract between the insured and pilot for payment of such fare and that this implication constituted insured a fare-paying passenger, thus bringing his death within the coverage of a policy issued on his life by defendant insurer which contained the following exception: death shall not have resulted from bodily injuries sustained while participating in aviation or aeronautics except as a fare-paying passenger. Held: No contract can be created by an attempted agreement for the services of a person required to be licensed under California Law for the protection of the person to be served, nor implied from a request for an acceptance of such unlicensed services. Therefore as insured was not a fare-paying passenger he cannot recover under the policy. Judgment for defendant).


89. The pilot of the plane held the following Federal license: “This certifies that the pilot whose photograph and signature appear hereon is a private pilot of aircraft of the United States. The holder may pilot all types of licensed aircraft, but may not for hire transport persons or property nor give piloting instruction to students.”

90. California Civil Statutes (1929) p. 1875, Sec. 5: “It shall be lawful for any person to operate or participate in the operation of any aircraft within the State of California or to act as an airman In connection therewith if such person is licensed and registered under the laws of the United States or any regulation made pursuant thereto, but it shall be unlawful for any person to act as an airman in any capacity except that for which he is licensed under the laws of the United States or any regulation adopted pursuant thereto."

Sec. 8: “Any person, firm, association or corporation violating any of the provisions of this act, which violation is not herein declared to be a felony, shall be guilty of a misdemeanor, and upon conviction thereof, shall be fined not more than one thousand dollars, or imprisoned for not more than six months, or be subject to both such fine and imprisonment.

91. Taylor v. Prudential Ins. Co. of Amer., 142 Misc. Rep. 94, 253 N. Y. S. 55, 1931 U. S. Av. Rep. 41 (1931); Charette v. Prudential Ins. Co. of America, 202 Wis. 470, 232 N. W. 848, 1931 U. S. Av. Rep. 48 (1931). The insured in the case of Price v. Prudential Ins. Co. of Amer., note 77, was also piloting the plane at the time of his death, but faulty pleading failed to bring this fact before the court and the case was considered as though insured was a casual passenger.

of an airplane in some direct way," a New York court concluded in the case of Taylor v. Prudential Ins. Co. of America that recovery was precluded by an aviation or aeronautic operations exception clause where insured met death while actively piloting a plane.

The Wisconsin court, however, in the Charette v. Prudential Ins. Co. of America case involving a similar situation refused to accept the clear implication of consistent aeronautical exception clause litigation to the effect that one actively piloting a plane was engaging in aeronautic operations, but instead placed great emphasis on the inconsistencies of cases interpreting the word engaged and on this basis concluded the clause to be ambiguous. Even viewing as evidentiary of this ambiguity the fact that the judges of the Wisconsin bench could not agree on the exact meaning of the exception, the court goes far afield of litigated insurance cases to further sustain its opinion. Typical of the decisions cited in the substantiation of this ambiguity conclusion was an Alabama case to the effect that engaged in implies occupation or continuous activity distinguished from a single act, and another decision interpreting the same phrase when used in connection with an ordinance imposing a penalty against a person who is engaged in shooting as applying to a single act.

Members of Airplane Crew—Other Than Pilot:

In General—Since the advent of aviation into the business field in the form of commercial airlines, the query as to whether or not an ordinary aeronautical exception clause would cover the death of an insured whose employment calls for constant flying under the same hazards as the pilot himself, but who neither takes part in the actual operation of the plane nor rides in the passive

93. Taylor v. Prudential Ins. Co. of Amer., note 91 (Gordon A. Taylor was killed in the crash of a small two-seated monoplane which he was piloting. The evidence showed Taylor to be a member of the 'Taylor Brothers Aircraft Corp.' and that the plane in which he was killed was one of the products of this corporation, and known as the 'Taylor Chummy.' Taylor was insured under a policy containing an aviation or submarine operations or military or naval service in time of war exception clause. Held: The in time of war phrase refers only to the last antecedent, and as insured was piloting the plane, he was engaged in aviation operations and insurer is not liable. Judgment for defendant).

94. Charette v. Prud. Ins. Co. of Amer., note 91 (Charette witnessed a solo landing of one Rollins, and after criticizing same, offered to show him how to improve it. Taking over the controls, Charette took off and a few minutes later the plane went into a tailspin, and crashed into Milwaukee Bay drowning Charette. Deceased was insured by defendant insurer by a $2,000 policy which contained a Double Indemnity for Accidental Death provision excluding from coverage death resulting from having been engaged in aviation or submarine operations or in military or naval service in time of war. Held: The clause is ambiguous when applied to the death of a casual passenger and therefore is to be interpreted most favorably to the insured. Judgment for plaintiff).


manner of a casual passenger, has been of ever-increasing impor-
tance. Mechanics, radio experts, stewardesses, etc., have become
indispensable to the commercial feasibility of successful aeronau-
tical operations, yet such employees cannot be said to follow avia-
tion as an occupation even though they find their employment in
flying.

Dicta of Decisions Interpreting Other Aeronautical Risks—
Complete lack of litigation on the point makes any conclusions as
obviously nothing more than speculation, though dicta and implica-
tions involving other aeronautical risks suffice to indicate what in
all likelihood will be the judicial attitude if and when the question
is litigated.

Prior to the recent Gregory decision97 there apparently would
be little doubt as to the efficacy of a participation in aeronautics
exception clause as extending to and covering members of the
crew, and though force and effect of this exception as applying to
a casual passenger was denied in this decision, dictum is to be found
in the reasoning of the court indicating that such construction would
not be followed in the case of a crew member. Evidence of this
possibility is to be observed in the court's statement to the effect
that "those who ride in the plane for some purpose connected with
its operation . . . may well be indulging in some branch of activ-
ity connected with aeronautics; but one who rides the plane for the
sole purpose of going some place . . . is not . . . participating in
aeronautics. He does not belong to the same craft or class as those
skilled artisans who participate in the construction, management,
or operation of the plane."98 More direct implication could hardly be
desired.

A more recent interpretation of participate as having the same
connotation as engage99 suffices to indicate that the above construc-
tion would also likely be adopted in a situation involving an engaging in
aeronautics exception, though the continued strict construction of
classes involving aeronautical operations as referring only to one
actively piloting a plane100 rather suggests the ineffectiveness of a
clause involving such operations in covering a member of the crew.
However, as was demonstrated in the First Nat. Bk. of Chattanooga
v. Phoenix Mut. Life Ins. Co., note 35.101 if it can be shown that the

98. Note 35, 78 F. (2d) at 523.
100. Irwin v. Prudential Ins. Co. of Amer., note 20; Gits v. N. Y. Life Ins.
Co. of Amer., note 77; Taylor v. Prudential Life Ins. Co. of Amer., notes 91
and 93.
note 67.
plane is being operated according to the command or directions of one flying therein other than in the capacity of a pilot, such party in command is considered as taking part in the operations and covered by the exception.

Since the 1934 Mayer v. New York Life Ins. Co. federal decision interpreted an engaged in aviation operations as a passenger or otherwise exception as being so general as to include everyone in a plane "whether an airplane employee, pilot, mechanic or executive, whether a fare-paying passenger or one traveling on a pass or under a license whose death results from his presence on a plane at the time of the accident,"102 little doubt has been felt as to the all-inclusive effectiveness of every exclusion containing an as passenger or otherwise addition. That clauses involving aeronautic expedition constitute an important exception to this general statement, however, was clearly pointed out in the Day v. Equitable Life Assurance Soc. of U. S. decision103 handed down in April, 1936, by the Tenth Circuit Court of Appeals.

The precise problem, however, is one for the future, and will have to remain open until such day as progress and human catastrophe bring it into the courts.

The Insured While Not Actually in Flight:

In General—The inherent dangers connected with airplanes before takeoffs, after landings, and during forced landings have naturally served to raise the important inquiry as to whether or not death resulting from injury sustained under any of these circumstances would be included in the exception clauses generally considered as referring only to accidents arising while the plane is in actual flight. Five decisions104 involving generally this point have sufficed to lay down the general rule that the aeronautic activity of one who takes an airplane trip includes not only the flight itself but the approach to and departure from the plane, as well as activities incident to landings necessitated by emergencies arising before completion of a contemplated flight.

Before and After Flight—Illustrative of this generally ac-

102. Note 72.
103. Note 79.
cepted rule is the Federal case of *Pittman v. Lamar Life Ins. Co.*\(^{105}\) where *participating in aeronautic activity* was construed as covering the death of insured resulting from being struck, while walking away, by the propeller of a plane in which he had just made a flight. A marked tendency toward strict construction of such exception clauses has been demonstrated by the courts, however, with a striking illustration of such tendency being afforded in a recent California case\(^{106}\) permitting recovery, under a statement of facts identical with the *Pittman* case cited above, because of the use of the phrase *in consequence of* in connection with the usual *participating in aeronautics* exception clause. Construing such phrase as necessitating conclusive proof that the flight was the proximate cause of death before the applicability of the exception clause could be permitted, the court placed great emphasis on evidence to the effect that the insured talked to friends for several moments before walking into the path of the propeller and on this evidence concluded that death was not *in direct consequence* of the flight and therefore not within the bounds of the aeronautical exception.

Actual intention of the parties has proved to be an element of primary importance where construction involved death prior to actual takeoff. Illustrative of the importance of this *intent* is a recent Wisconsin decision\(^{107}\) holding an *engaged in aeronautics*
exception to cover the death of insured while spinning the propeller of a plane preparatory to taking off, because it was shown that insured intended to actively pilot same after he had started the motor; and a Louisiana decision construing a while in or on a device for mechanical navigation exception clause as covering death of a passenger killed while boarding a plane, on the basis of evidence showing insured was boarding with the intent of flying in such plane. As to whether or not the exception clause in the Wisconsin case would have been given effect had the evidence shown insured intended merely to fly as a passenger in the plane, is, of course, conjectural, though the innuendo of the opinion negatives any such likelihood.

During Forced Landings—The broadest scope yet to be accorded the general theory that aeronautic activities of one who takes a plane trip do not begin or end with the actual flight but include also movements or presence in or near the machine incidental to the beginning or conclusion of the trip, was the result of a Missouri decision construing a while in or on any mechanical device for aerial navigation exception clause as covering death of insured as the result of drowning when thrown from a seaplane by the aeronautics. Held: Plaintiff, in starting the motor incidental to beginning a trip, was engaging in performing an act which was so immediately connected with and incidental to the trip on which he was about to embark, that he was then engaging in aviation or aeronautics within the meaning and intention of the exemption provision of the policy. Judgment for defendant).

109. See entire aeronautical exclusion clause italicized in above note (ibid.).

110. Boniski v. Bankers Life Ins. Co., note 104. (The deceased insured, with some friends, chartered a seaplane for a trip across Lake Pontchartrain. After flying across the lake they alighted in the Tchefuncta river alongside the shore. Insured landed, and after conversing with friends, returned to the plane, which was still alongside the shore, and stepped on the wing thereof to get aboard. While in the wing he stepped within the path of the moving propeller and was fatally injured. His accident insurance issued by defendant, contained the following provision: This insurance does not cover . . . injuries, fatal or otherwise, sustained by the Insured while in or on any vehicle or mechanical device for aerial navigation, or in falling therefrom or therewith, or while operating or handling any such vehicle or device. Held: It is clear that the clause meant very distinctly that the defendant would assume no risk connected with aerial navigation. In this case the insured was in the very act of embarking on an aerial trip, and was injured and killed as a direct result of his said effort to embark thereon. Judgment for Defendant.)

111. Wendorff v. Mo. State Life Ins. Co., note 104. (The insured met his death while a passenger en route from Miami, Fla., to Miami in the Bahama Islands on an aircraft of a type called a seaplane. Because of engine trouble the plane was forced to alight at sea, and shortly thereafter was capsized by the waves. A few minutes later the lifeless body of the insured was seen floating in the water close by. At the time of his death, insured held a policy issued by defendant, which contained as an exception to a $10,000 coverage provision for accidental death the following clauses: ‘The insurance hereunder shall not cover injuries fatal or nonfatal . . . sustained by the insured . . . while in or on any vehicle or mechanical device for aerial navigation, or in falling therefrom or therewith, or while operating or handling any such vehicle or device.’ Held: If a flight is interrupted by mechanical trouble necessitating an involuntary or forced landing, the interval during which the craft is supported by the watery element instead of the air is as much a part of the flying trip as the other. We are clearly of the opinion that the clause in controversy applies to aircraft in the situation shown to have existed in this case.” Judgment for defendant.)

112. See entire aeronautical clause italicized in above note (ibid.).
impact of high waves while the machine was resting on the water during a forced landing.

While Flying in a Glider or Motorless Craft—Nor is it necessary for an insured to be flying in a plane in order to come within the scope of aeronautical exception clauses. This conclusion was reached in one of the most novel cases yet to arise, wherein was involved the death of a physical director as the result of the crash of a glider in which he was riding as the sole occupant purely for recreation and pleasure. In construing these facts in relation to an engaged in aviation operations exception clause, a Michigan Federal District Court ruled that such clause was not to be construed as referring only to aviation operations as an occupation or for profit but to aerial flight of any character whatsoever, and concluded on the adopted rule of strict construction of operations exceptions, that beneficiary could not recover in the instant case.114

Judicial Construction of Aeronautical Exceptions:

“'In Time of War” Clause Limitation—Though insurers obviously incurred no small amount of liability by the choice of engage as expressive of the action intended to be excepted under an aviation exclusion clause, their position has been on four occasions118 placed in double jeopardy by not only using engage but in adding or in military or naval service in time of war to the aviation exception, without punctuation of any kind. Twice this situation has occurred in litigation involving passenger death116 and twice involving death of a pilot.117

Seizing the opportunity of greatly limiting the aviation exception or in the alternative having the clause declared ambiguous and thus to be construed against the insurer, beneficiaries have con-

113. Irwin v. Prudential Ins. Co. of Amer., 5 Fed. Supp. 382 (E. D. Mich. 1933); Note (1933) 5 Air Law Rev. 382 (Suit to recover under a policy issued on the life of one Harold C. Young. Evidence showed that Young, who was a Y. M. C. A. Physical Director, had been interested for some time in the flying of gliders, had organized glider clubs, and given instructions in the operation of the crafts. On Oct. 23, 1931, while flying alone at Bay City, Mich., the glider crashed to the ground killing him. At the time of his death, he was insured by defendant insurer under a policy which contained the following exception to the Double, Indemnity provision for accidental death: 'No accidental death benefit shall be payable if the death of insured resulted from suicide, whether sane or insane; from having been engaged in military or naval service in time of war or in aviation or submarine operations' (italics are the author’s). Held: Giving to the words of the exception clause, their plain, popular, ordinary meaning, it seems quite clear that the act of operating aircraft through the air is an aviation operation and that the person who is so operating such aircraft is engaged in an aviation operation. Judgment for defendant.

114. Id. at 384.


116. Price v. Prudential Ins. Co. of Amer., note 77 (see also note 91); Peters v. Prudential Ins. Co. of Amer., notes 56 and 58.

sistently contended that the omission of punctuation causes the exception to have effect only in time of war insofar as aviation or submarine operations and military or naval service are concerned. This argument, however, has been adopted on only one occasion, with the remaining decisions taking the directly contra view. The most frequently cited authority for this latter construction is the familiar rule to the effect that qualifying words, phrases and clauses are to be applied to the words or phrase immediately preceding, and are not to be construed as extending to or including others more remote, unless such extension is clearly required by a consideration of the entire text. Such an extension was, of course, unnecessary on the interpretation of the policy text as having the connotation of excluding extremely hazardous risks, and in the classification of aviation and submarine operations as being risks of such nature at all times, as distinguished from military and naval service which were to be classified in the hazardous category only in time of war.

Ambiguity—Widespread recognition of the legal platitude that where insurance contracts are so drawn as to be ambiguous or require interpretation or are fairly susceptible of two different constructions so that reasonable intelligent men on reading them would honestly differ as to their meaning, the courts will adopt that construction most favorable to the insured, has led to varied and irreconcilable viewpoints on the part of both state and federal courts in aeronautical exception clause litigation. The explana-

118. Peters v. Prudential Ins. Co. of Amer., notes 55 and 56. The court said in part, "It is inconsistent to say that the author of the provision had in mind the risk from aviation and submarine operations in time of peace, as well as in time of war, and the risk from military and naval service, which involves aviation and submarine operations, only in time of war. If he limited the risk from military and naval service, which includes aviation and submarine operations, to time of war, he must have had the same limitations in mind when he used the terms aviation and submarine operations, particularly since these terms are not set off by commas."

119. Note 118.


121. See citation of numerous authorities as to this rule, note 42.

122. Peters v. Prud. Ins. Co. of Amer., notes 55 and 56 (engaged in aviation operations construed as ambiguous as relating to death of casual passenger); Gies v. N. Y. Life Ins. Co., note 66 (engaged in aeronautical operations construed as ambiguous as relating to death of casual passenger); Charette v. Prud. Ins. Co. of Amer., notes 51 and 54 (engaged in aviation operations construed as ambiguous as relating to death of casual passenger); Missouri State Ins. Co.
tion for the marked frequency with which courts treat the question in such cases is apparent when consideration is given to the fact that the plaintiff beneficiaries had everything to gain and nothing to lose in the consideration of such contention by the judiciary, and therefore have argued the point in practically every case yet to arise.

Only on one occasion since the transition of aviation into the occupational category,\(^{123}\) has participating in aeronautics exception clauses been considered as unambiguous,\(^{124}\) though, with unanimity, cases arising before such occupational era adopted the contra view.\(^{125}\) Failure of insurers to add as passenger or otherwise to the exception has been construed in more recent decisions as emphasizing ambiguity.\(^{126}\)

Grounds for adoption of ambiguity in the various decisions vary from a simple statement to the effect that “the language is inept”\(^{127}\) to lengthy citation and detailed explanation of authorities construing in various ways expressions used in the particular exception clause.\(^{128}\) Failure of the judges of the appellate court rendering the decision to agree as to the exact meaning of the exception has even been cited in one case as illustrative of ambiguity in the particular clause therein involved.\(^{129}\)

Though, as has been stated on one occasion, “the court will not do any fine or precise balancing of reasons or splitting of hairs to uphold its contention,”\(^{130}\) the court can yet resort to the construction of ambiguity only when, after using such helps as are proper to arrive at the intent of the parties, some of the language used or

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\(^{123}\) See infra page 331.
\(^{124}\) Sneddon v. Mass. Protective Assn., Inc., note 54
\(^{130}\) Id., 232 N. W. at 856.
The ambiguity construction cannot apply where the language is un-equivocal and unambiguous and sufficiently plain and clear as to express the intent of the parties. Nothing can be read into a policy which is not there by action of such contracting parties. Nor is the fact that the intent might have been better expressed of any serious import, as it is ambiguity and not awkwardness of language which opens the door for such construction in favor of the insured. As to the formulation of any sort of definite criterion as to the ambiguity or non-ambiguity of any particular exception clause, only a study of the bases used and attitudes expressed by the courts in the various decisions involving such contentions, is needed to conclusively show the impossibility of any such achievement. Connotations of words and groups of words vary according to the opinions and reactions of the particular individual, and this element of human discretion is, of course, beyond the realm of categorical fixation.

Time—One of the most noticeable tendencies on the part of courts construing the various aeronautical exception clauses is the utter disregard, in the majority of cases, of the time when the contract was formulated between the parties and of the meaning of the particular terms used in expressing the exception at such time.

Particularly illustrative of this arbitrary tendency as meaning the difference between recovery and non-recovery under a policy containing an aeronautical exception clause, is the case of Masonic Accident Ins. Co. v. Jackson. Faced with a statement of facts showing insured to have been killed in 1923 while flying in a plane as a non-fare-paying passenger, and while insured under a policy containing a clause to the effect that death or disability of the insured while engaged in aviation was not covered by such policy, the Appellate Court of Indiana, deciding the case in 1925, held:

"Suppose the policy had provided it should not apply to anyone 'engag-

132. 32 C. J. 1158, Sec. 266 (c).  
135. Illustrative of two diametrically opposed views as to ambiguity interpretations in cases involving identical facts and aviation exceptions, is the following statement in the recent Day v. Equitable Life Assur. Soc. of U. S., note 79, case referring to Gibbs v. Equitable Life Assur. Soc. of U. S., note 72 (both cases involving engaging as passenger or otherwise in aeronautical expeditions construed in relation to death of an insured while flying as a casual passenger). "Although entertaining the highest respect for the Court of Appeals of N. Y., we do not agree that there is a necessary ambiguity or conflict in a clause embracing passengers on expeditions . . ."  
136. Notes 55 and 57.  
137. 147 N. E. 156.
ing in tobagganing; could it be asserted with any degree of plausibility that one riding on the sled, but who had no part in the management or steering of the sled, was not engaged in tobagganing? If we engaged the owner of a row-boat to take us for a pleasure ride on a river, we most certainly would be engaging in boating."

However, on appeal to the Supreme Court of Indiana, the decision handed down in 1929, subsequent to the definite establishment of aeronautics as an occupation, rejected this mere action criterion of engaged as related to a non-occupational activity, and adopted that of continuity of action, basing its conclusions on the following premise:

"To say that one is 'engaged' in an occupation signifies much more than the doing of one act in the line of such occupation."

Other cases adopting substantially the same mode of interpretation as the above case are: Benefit Association of Railway Employees v. Hayden (decided 1927; date of policy not shown; insured killed in 1926); Price v. Prudential Ins. Co. of Amer. (decided 1929; policy issued in 1925; insured killed in 1927); Gits v. New York Life Ins. Co. (decided 1929; policy issued in 1920; insured killed in 1923); Missouri State Life Ins. Co. v. Martin (decided 1934; policy issued in 1921; insured killed in 1933); Goldsmith v. New York Life Ins. Co. (decided 1934; policy issued in 1925; insured killed in 1932); Mayer v. New York Life Ins. Co. (decided 1934; policy issued in 1921; insured killed in 1931); Gregory v. Mutual Life Ins. Co. (decided 1935; policy issued in 1925; insured killed in 1933.)

As late as 1935, in the argument on the Gregory case, insurers have unsuccessfully contended that neither lapse of time nor extrinsic nor intrinsic changes in science, art, or mechanical development can possibly change the meaning that must be judicially given to contractual language, which at the time of its adoption by the parties excluded a certain risk, so as to make that very language mean such a different thing as to include in 1933 the very risk, which in 1925 the parties agreed by such language should be excluded.

And in the rejection of such contention, the not unimportant

138. Notes 55 and 57.
139. Note 56. 164 N. E. at 631 (italics in text are the author's).
140. Note 55.
141. Note 77.
142. Note 66.
143. Ibid.
144. Note 72.
145. Ibid.
146. Note 35.
147. Ibid.
query is raised as to whether the courts are following the familiar rule that “contracts must be construed with reference to the intention of the parties at the time of entering into the contract”148 and are not in obvious effect violating the principle laid down by the United States Supreme Court in the case of Commonwealth of Virginia v. West Virginia149 that “the contract is still to be interpreted according to its true intent, though altered conditions may have varied the form of fulfillment.” Truly suggestive is such language of another interesting inquiry as to just what is the true intent of a contract of life insurance with respect to risks that in their nature are likely to change during the expected life of the policyholders.

**Intent**—Illustrative of the conflicting views of courts as to this intent are the decisions involving expeditions as expressive of the activity to be excepted from coverage.150 One construes the use of such word in the contract made prior to the occupational era of aviation as expressive of the intent to exclude every flight made by insured in a plane;151 while another interprets the use of the word in a policy also issued during the preoccupational era of aviation, as being indicative of intent to exclude a certain extraordinary hazard which at that time made flight in a plane an expedition, and that if conditions change and travel by airplane is no longer subject to such hazards, the exception was not intended to apply.152 In still another and more recent expedition decision, the court further confuses the situation in presenting the reasoning that “if it were intended when the policy was drafted and offered for sale to exclude from coverage every loss resulting from an airplane trip or flight, it is believed that counsel drafting the clause could have found

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149. Ibid.


151. Gibbs v. Equitable Life Assur. Soc. of U. S., ibid.: “We conclude, therefore, that, in excluding from the benefit of a double indemnity death resulting to a passenger in a submarine or aeronautic expedition, the intent of the parties to the insurance contract grew out of and reflected the general belief that presence on a trip or journey in a vessel or machine of this type in regular transit constituted such a momentous adventure and was accompanied by such unusual danger and extraordinary hazard that neither party expected the policy to cover the risk of casualty.”

152. Prov. Trust Co. of Philadelphia v. Equitable Life Assurance Soc. of U. S., note 73: “Appellant notes that, in 1926, aviation was extremely hazardous and not generally recognized as a method of transporting passengers, and suggests that the parties for that reason intended to include in the words aeronautical expeditions all flights by airplane; that is, all travel by airplane in the conditions then existing would be excepted, because any flight might perhaps be considered an expedition. In spite of that arbitrary understanding, if conditions change and travel by airplane is no longer subject to the extraordinary hazard which once made flight an expedition, the exception cannot be held to have been intended to apply.”
language less apt to mislead the buying public than such a redoubtable phrase as this."\textsuperscript{153}

Life insurance contracts, unlike most contracts which contemplate performance at a reasonably definite time or times, usually so near in the future that language will have the same meaning when the time for performance arrives that it has when the contract is executed, always involve the possibility that performance may extend over a long period of years—long enough for changing conditions to change the meaning of words. And, as observed by Mr. Justice Holmes while on the bench of the United States Supreme Court "a word is not a crystal, transparent, and unchanged; it is the skin of a living thought and may vary greatly in color and content according to the circumstances and the time in which it is used."\textsuperscript{154}

If this seemingly adopted view of construing aeronautical exceptions as of the time of interpretation without regard to the time of the issuance of such policy seems to warp the recognized theories of contracts, it must be remembered that insurance is gradually evolving away from the law of contracts. Typical of the recognition of such fact is the statement of Dean Pound of the Harvard School of Law in his Lecture on Judicial Empiricism,\textsuperscript{155} to the effect that "our courts have taken the law of insurance practically out of the category of contract, have taken the law of surety companies practically out of the law of suretyship and have established that the duties of public service companies are not contractual."\textsuperscript{156}

Present Status of Policies Relying on "Engage" and "Participate"

Aviation Risk Exclusions:

Obvious lack of any appreciable degree of consistency in the numerous interpretations and constructions of the varied aeronautical exception clauses gives rise to the query as to whether there is really any distinction between \textit{engage} and \textit{participate} or have the courts created, as was suggested recently in an address before the Association of Life Insurance Counsel,\textsuperscript{157} a "distinction in form that does not exist in substance?" Certainly lengthy and detailed decisions drawing narrow lines of distinction between the two

\begin{footnotes}
\item 156. See also Patterson, Essentials of Insurance Law (1st Ed. 1935) p. 44: "The general law of contracts has been warped almost beyond recognition in applying it to insurance controversies."
\end{footnotes}
action expressions,\textsuperscript{158} bear evidence of opinion, at least on behalf of some federal and state courts, that variation does in reality exist in substance, though such decisions themselves contain evidence of the interchange of the words as conveying a similar idea when the courts abandon the role of precisionist and discuss the issues involved.

Among the more definite classifications of the words as being expressive of the degree of activity excepted from the coverage of the policy were judicial interpretations to the effect that "engage means that one must take part in the operations of the plane in some way other than participating in flying,"\textsuperscript{160} and "participate denotes activity not included in the narrower compass of the word engage."\textsuperscript{160} Other decisions, however, have added the necessity of continuity of action to the above,\textsuperscript{161} arriving at the conclusion that "the word engage gives the impression of meaning something more than occasional participation,"\textsuperscript{162} while the real meaning of engage has been suggested, in another jurisdiction, to be entirely dependent on the particular activity with which it is used, varying from the meaning of simple singular action in the case of non-occupational activity to that of continuity of action of such a degree as to approach a vocation in the case of an activity of occupational status.\textsuperscript{163}

Such distinctions, however, have been flayed in more recent cases as being "hairsplitting and subtle" and as being based on meanings understood by scholars and not as used in the ordinary speech of the people.\textsuperscript{164} Such denunciations have ultimately resulted in the conclusion that "participate has the meaning and effect of engaging in and other words of similar import and meaning,"\textsuperscript{165} though it is to be particularly noted that in this abolition of distinction between the two expressions, both have been thrown, when used in connection with aviation, into the continuity of action category, long recognized as demanded by the occupational status of such activity.\textsuperscript{166}

Though admittedly well founded in authority and reason when construed in such manner where the particular policy involved was issued subsequent to the recognized advent of aviation into the


\textsuperscript{161} Ibid., Peters v. Prudential Ins. Co. of Amer., note 66.

\textsuperscript{162} Goldsmith v. N. Y. Life Ins. Co., note 72.

\textsuperscript{163} Mo. State Life Ins. Co. v. Martin, note 66, 69 S. W. (2d) at 1084.


\textsuperscript{165} Supra pp. 312-313.
occupational field, such a construction of *participate* and *engage* obviously tends to work an unreasonable hardship on the insurer when litigation involves a contract entered into at a time when aviation was recognized as only an art or sport and as not requiring more than mere presence in the instrumentality to classify one as being both *participating* and *engaging*. Numerous opinions, however, promulgated by highly respectable courts, are to be found adopting such mode of construction.

It is submitted, in the light of these authorities, that insurance companies will in all likelihood be held liable in cases involving any of the millions of insured persons holding policies containing these *engaging* and *participating* exception clauses where death results from riding as a casual passenger in either a private or transport plane. Pilots and members of the crew, however, will be included within the exclusion, while, with the exception of clauses involving *aeronautic expedition* as expressive of the activity, if the exclusion contains an additional *as passenger or otherwise* phrase, the casual passenger will also be covered.

(To be concluded)

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167. Adopting the strict construction theory of the numerous *engage* and *participate* cases (see supra note 21), ample authority for identical construction of the two words is to be found even in dictionary definitions. *Webster's, New International Dictionary* (1933) defines both words as meaning "to take part." See *Bew v. Travelers Ins. Co.*, note 32, as to "pre-occupation" interpretation.


170. *Gregory v. Mutual Life Ins. Co.*, note 35, 78 F. (2d) at 523: "One who rides the plane for the sole purpose of going some place, of being transported by it as a passenger, is not, we think, in the absence of words requiring such construction, participating in aeronautics. He does not belong to the same craft or class as those skilled artisans who participate in the construction, management, or operation of the airplane" (italics are the author's).


172. See *Mayer v. N. Y. Life Ins. Co.*, note 72, 74 F. (2d) at 119: "But the addition of the words *as passenger or otherwise* makes the phrase (engaging in aeronautic operations) all-inclusive. It covers everyone, whether an airplane employee, pilot, mechanic, or executive, whether a fare-paying passenger or one traveling on a pass or under a license, whose death results from his presence on a plane at the time of the accident" (italics are the author's).