

Aircraft Insurance Policy

Headings and marginal captions are inserted for the purpose of convenient reference only and are not to be deemed part of this Policy.

Certain words and phrases used in this Policy have special meanings which can be found in Section 4(C) Definitions.

Vero Insurance Limited ('the Insurer') agrees to insure against loss, damage or liability, arising out of an Accident occurring during the Period of Insurance to the extent and in the manner provided in this Policy.

Section I – Loss of or damage to Aircraft

1. Coverage

- (a) The Insurer will at its option pay for, replace or repair, accidental loss of or damage to the Aircraft described in the Schedule arising from the Risks Covered, including disappearance if the Aircraft is unreported for sixty days after the commencement of Flight, but not exceeding the Amount Insured as specified in Part 2(5) of the Schedule and subject to the amounts to be deducted specified in Condition 3(c) of this Section.
- (b) If the Aircraft is insured hereby for the risks of Flight, the Insurer will, in addition, pay reasonable emergency expenses necessarily incurred by the Insured for the immediate safety of the Aircraft consequent upon damage or forced landing, up to 10 per cent of the Amount Insured as specified in Part 2(5) of the Schedule.

2. Exclusions applicable to this Section only

The Insurer shall not be liable for

- (a) wear and tear, deterioration, breakdown, defect or failure howsoever caused in any Unit of the Aircraft and the consequences thereof within such Unit;
- (b) damage to any Unit by anything which has a progressive or cumulative effect but damage attributable to a single incident (recorded in the Aircraft's Log Book, maintenance release or other formal record) is covered under paragraph 1(a) above.

HOWEVER accidental loss of or damage to the Aircraft consequent upon 2(a) or (b) above is covered under paragraph 1(a) above.

3. Conditions applicable to this Section only

Wear and Tear,
Breakdown

Dismantling Transport
and Repairs

Payment or
Replacement

Amounts to be
deducted from the
claim

- (a) If the Aircraft is damaged
 - (i) no dismantling or repairs shall be commenced without the consent of the Insurer except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority;
 - (ii) the Insurer will pay only for repairs and transport of labour and materials by the most economical method unless the Insurer agrees otherwise with the Insured.
- (b) If the Insurer exercises its option to pay for or replace the Aircraft
 - (i) the Insurer may take the Aircraft (together with all documents of record, registration and title thereto) as salvage;
 - (ii) the cover afforded by this Section is terminated in respect of the Aircraft even if the Aircraft is retained by the Insured for valuable consideration or otherwise;
 - (iii) the replacement aircraft shall be of the same make and type and in reasonably like condition unless otherwise agreed with the Insured.
- (c) Except where the Insurer exercises its option to pay for or replace the Aircraft, there shall be deducted from the claim under paragraph 1(a) of this Section
 - (i) the amount specified in Part 6(B) of the Schedule and
 - (ii) such proportion of the Overhaul Cost of any Unit repaired or replaced as the used time bears to the Overhaul Life of the Unit.

No Abandonment

(d) Unless the Insurer elects to take the Aircraft as salvage the Aircraft shall at all times remain the property of the Insured who shall have no right of abandonment to the Insurer.

See also Section IV.

Section II – Legal liability to third parties (Other than passengers)

1. Coverage

The Insurer will indemnify the Insured for all sums which the Insured shall become legally liable to pay, and shall pay, as damages (including costs awarded against the Insured) in respect of accidental bodily injury (fatal or otherwise) and accidental damage to property caused by the Aircraft or by any person or object falling therefrom.

2. Exclusions applicable to this Section only

The Insurer shall not be liable for

Employees and Others

(a) injury (fatal or otherwise) or loss sustained by any director or employee of the Insured or partner in the Insured's business whilst acting in the course of his employment with or duties for the Insured;

Operational Crew

(b) injury (fatal or otherwise) or loss sustained by any member of the flight, cabin or other crew whilst engaged in the operation of the Aircraft;

Passengers

(c) injury (fatal or otherwise) or loss sustained by any passenger whilst entering, on board, or alighting from the Aircraft;

Property

(d) loss of or damage to any property belonging to or in the care, custody or control of the Insured.

Noise and Pollution and Other Perils

- (e) (1) claims directly or indirectly occasioned by, happening through or in consequence of:-
- (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
 - (b) pollution and contamination of any kind whatsoever,
 - (c) electrical and electromagnetic interference,
 - (d) interference with the use of property;
- unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.
- (2) With respect to any provision in the Policy concerning any duty of the Insurer to investigate or defend claims, such provision shall not apply and the Insurer shall not be required to defend
- (a) claims excluded by Paragraph (1) or
 - (b) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph (1) (referred to below as "Combined Claims").
- (3) In respect of any Combined Claims, the Insurer shall (subject to proof of loss and the limits of the Policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Policy:
- (a) damages awarded against the Insured and
 - (b) defence fees and expenses incurred by the Insured.
- (4) Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

3. Limit of Indemnity applicable to this Section

The liability of the Insurer under this Section shall not exceed the amount stated in Part 6(C) of the Schedule, less any amounts specified in Part 6(B). The Insurer will defray in addition any legal costs and expenses incurred with its written consent in defending any action which may be brought against the Insured in respect of any claim for damages covered by this Section, but should the amount paid or awarded in settlement of such claim exceed the Limit of Indemnity then the liability of the Insurer in respect of such legal costs and expenses shall be limited to such proportion of the said legal costs and expenses as the Limit of Indemnity bears to the amount paid for damages.

See also Section IV.

Section III – Legal liability to passengers

1. Coverage

The Insurer will indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay, and shall pay, as damages (including costs awarded against the Insured) in respect of

- (a) accidental bodily injury (fatal or otherwise) to passengers whilst entering, on board, or alighting from the Aircraft and
- (b) loss of or damage to baggage and personal articles of passengers arising out of an Accident to the Aircraft.

Provided always that

- (i) before a passenger boards the Aircraft the Insured shall take such measures as are necessary to exclude or limit liability for claims under (a) and (b) above to the extent permitted by law;
- (ii) if the measures referred to in proviso (i) above include the issue of a passenger ticket/baggage check, the same shall be delivered correctly completed to the passenger a reasonable time before the passenger boards the Aircraft.

Documentary
Precautions

Effect of
Non-Compliance

In the event of failure to comply with proviso (i) or (ii) the liability of the Insurer under this Section shall not exceed the amount of the legal liability, if any, that would have existed had the proviso been complied with.

2. Exclusions applicable to this Section only

The Insurer shall not be liable for injury (fatal or otherwise) or loss sustained by any

- (a) director or employee of the Insured or partner in the Insured’s business whilst acting in the course of his employment with or duties for the Insured;
- (b) member of the flight, cabin or other crew whilst engaged in the operation of the Aircraft.

Employees and
Others

Operational Crew

3. Limits of Indemnity applicable to this Section

The liability of the Insurer under this Section shall not exceed the amounts stated in Part 6(C) of the Schedule, less any amounts specified in Part 6(B). The Insurer will defray in addition any legal costs and expenses incurred with its written consent in defending any action which may be brought against the Insured in respect of any claim for damages covered by this Section, but should the amount paid or awarded in settlement of such claim exceed the Limit of Indemnity then the liability of the Insurer in respect of such legal costs and expenses shall be limited to such proportion of the said legal costs and expenses as the Limit of Indemnity bears to the amount paid for damages.

See also Section IV.

Section IV

(A) General exclusions applicable to all sections

This Policy does not apply

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| Illegal Uses | 1. Whilst the Aircraft is being used for any illegal purpose or for any purpose other than as stated in Part III of the Schedule. |
| Geographical Limits | 2. Whilst the Aircraft is outside the geographical limits stated in Part V of the Schedule unless due to force majeure. |
| Pilots | 3. Whilst the Aircraft is being piloted by any person other than as stated in Part 4 of the Schedule except that the Aircraft may be operated on the ground by any person competent for that purpose. |
| Transportation by Other Conveyance | 4. Whilst the Aircraft is being transported by any means of conveyance except as the result of an Accident giving rise to a claim under Section I of this Policy. |
| Landing and Take-off Areas | 5. Whilst the Aircraft is landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the Aircraft except as a result of force majeure. |
| Contractual Liability | 6. To liability assumed or rights waived by the Insured under any agreement (other than a passenger ticket/baggage check referred to in Section III hereof) except to the extent that such liability would have attached to the Insured in the absence of such agreement. |
| Number of Passengers | 7. Whilst the total number of passengers being carried in the Aircraft exceeds the declared maximum number of passengers stated in Part 2(4) of the Schedule. |
| Other Insurance | 8. To claims which are payable under any other policy or policies of insurance except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Policy not been effected. |
| Nuclear Risks | 9. To claims excluded by the attached Nuclear Risks Exclusion Clause. |
| War, Hi-jacking, and Other Perils | 10. To claims caused by or arising from <ol style="list-style-type: none">(a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power;(b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;(c) Strikes, riots, civil commotions or labour disturbances;(d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional;(e) Any malicious act or act of sabotage;(f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority;(g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured. |
- Furthermore this Policy does not cover claims arising whilst the Aircraft is outside the control of the Insured by reason of any of the perils in (a) to (g) above.
- The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).
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| Nervous Shock and Other Perils | 11. To claims in respect of nervous shock, psychological injury, mental anguish or distress, unless directly resulting from a physical injury that is not otherwise excluded. |
| Punitive or Exemplary Damages | 12. To claims for punitive, aggravated or exemplary damages or for any fines or penalties. |

Worker or Employee Compensation Legislation	13. To any part of a claim in connection with the entitlement of a worker or employee to compensation in respect of loss of income or earnings by reason of any workers' compensation, employees' compensation, accident compensation, occupational health and safety or similar legislation, other than a subrogation claim brought by an insurer to recover sums paid pursuant to such legislation, which is not otherwise excluded by the Exclusions applicable to Sections II and III.
"Act" Liability	14. To the extent permitted by law, to any claim relating to any carriage to which the Civil Aviation (Carriers' Liability) Act 1959 (Commonwealth, as amended) or similar State legislation applies.
(B) Conditions applicable to all Sections	
Due Diligence	1. The Insured shall at all times use due diligence and do and concur in doing everything reasonably practicable to avoid accidents and to avoid or diminish any loss hereon.
Compliance with Air Navigation, Orders etc.	2. The Insured shall comply with the Air Navigation Act 1920 (Commonwealth, as amended) the Civil Aviation Act 1988 (Commonwealth, as amended), all regulations and orders made thereunder, all other applicable statutory and regulatory requirements relating to aircraft or flying, and all air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of the Aircraft and shall ensure that <ul style="list-style-type: none"> (a) the Aircraft is airworthy at the commencement of each Flight; (b) all Log Books and other records in connection with the Aircraft which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the Insurer or its agents on request; (c) the employees and agents of the Insured comply with such statutory and regulatory requirements and orders.
Claims Procedure	3. Immediate notice of any event likely to give rise to a claim under this Policy shall be given as stated in Part 8 of the Schedule. In all cases the Insured shall <ul style="list-style-type: none"> (a) furnish full particulars in writing of such event and forward immediately notice of any claim with any letters or documents relating thereto; (b) give notice of any impending prosecution relating to the event; (c) render such further information and assistance as the Insurer may reasonably require; (d) not act in any way to the detriment or prejudice of the interest of the Insurer. <p style="text-align: center;">The Insured shall not make any admission of liability or payment or offer or promise of payment without the written consent of the Insurer.</p>
Claims Control	4. The Insurer shall be entitled (if it so elects) at any time and for so long as it desires to take absolute control of all negotiations and proceedings and in the name of the Insured to settle, defend or pursue any claim.
Mitigation of Loss	5. The Insured shall co-operate with the Insurer and do all things necessary or required by the Insurer to mitigate any loss to which this Policy may respond.
Subrogation	6. Upon an indemnity being given or a payment being made by the Insurer under this Policy, the Insurer shall be subrogated to the rights and remedies of the Insured who shall co-operate with and do all things necessary to assist the Insurer to exercise such rights and remedies.
Variation in Risk	7. Should there be any change in the circumstances or nature of the risks which are the basis of this contract the Insured shall give immediate notice thereof to the Insurer and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted by the Insurer.
Cancellation	8. This Policy may be cancelled by either the Insurer or the Insured giving 10 days notice in writing of such cancellation. If cancelled by the Insurer it will return a pro rata portion of the premium in respect of the unexpired period of the Policy. If cancelled by the Insured a return of premium shall be at the discretion of the Insurer. There will be no return of premium in respect of any Aircraft on which a loss is paid or is payable under this Policy.
Assignment	9. This Policy shall not be assigned in whole or in part except with the consent of the Insurer verified by endorsement hereon.
Not Marine Insurance	10. This Policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance.
Applicable Law	11. This Policy shall be construed in accordance with Australian Law and any dispute or difference between the Insured and the Insurer shall be submitted to a court in Australia for determination.

- Two or More Aircraft** 12. When two or more Aircraft are insured hereunder the terms of this Policy apply separately to each.
- Limit(s) of Indemnity** 13. Notwithstanding the inclusion herein of more than one Insured, whether by endorsement or otherwise, the total liability of the Insurer in respect of any or all Insureds shall not exceed the Limit(s) of Indemnity stated in this Policy.
- False and Fraudulent Claims** 14. If the Insured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise the Insurer shall be entitled to refuse the claim.
- Goods and Services Tax** 15. The premium charged for this Policy will include an amount on account of Goods and Services Tax (GST), where applicable.

The Insured must inform the Insurer of the extent to which the Insured is entitled to an input tax credit for the premium, in relation to the period during which the insured event happened, each time that a claim is made under this Policy. No payment will be made to the Insured for any GST liability that the Insured may acquire on the settlement of a claim if the Insured has not informed the Insurer of their entitlement or correct entitlement to an input tax credit.

Despite the other provisions of this insurance (including provisions in the wordings, any schedules and any endorsements), the Insurer's liability will be calculated taking into account any input tax credit to which the Insured is entitled for any acquisition relevant to a claim, or to which the Insured would have been entitled were the Insured to have made a relevant acquisition.

If the sum insured or Policy limit is not sufficient to cover the Insured's loss, the Insurer will only pay GST (less any relevant input tax credit) that relates to the Insurer's proportion of the Insured's loss. The Insurer will pay that GST amount in addition to the sum insured or policy limit.

"GST"; "input tax credit"; "acquisition" and "supply" have the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.

- Insurance Contracts Act 1984** 16. Nothing in this contract of insurance will affect the rights of the Insured or the Insurer under the Insurance Contracts Act 1984 as amended from time to time. Where such Act is applicable and in the event that there is a conflict between the provisions of this Policy and the Act, then the provisions of this Policy shall be amended as necessary in order to comply with the requirements of such Act.

(C) Definitions

1. "ACCIDENT" means any one accident or series of accidents arising out of one event.
2. "UNIT" means a part or an assembly of parts (including any sub-assemblies) of the Aircraft which has been assigned an Overhaul Life as a part or an assembly. Nevertheless, an engine complete with all parts normally attached when removed for the purpose of overhaul or replacement shall together constitute a single Unit.
3. "OVERHAUL LIFE" means the amount of use, or operational and/or calendar time which, according to the authority responsible for regulating or overseeing the airworthiness of the Aircraft, determines when overhaul or replacement of a Unit is required.
4. "OVERHAUL COST" means the costs of labour and materials which are or would be incurred in overhaul or replacement (whichever is necessary) at the end of the Overhaul Life of the damaged or a similar Unit.
5. "PRIVATE PLEASURE" means use for private and pleasure purposes but NOT use for any business or profession nor for hire or reward.
6. "BUSINESS" means the uses stated in Private Pleasure and use for business or professional purposes but NOT use for hire or reward.
7. "COMMERCIAL" means the uses stated in Private Pleasure and Business and use for the carriage by the Insured of passengers, baggage accompanying passengers and cargo for hire or reward.
8. "RENTAL" means rental, lease, charter or hire by the Insured to any person, company or organisation for Private Pleasure and Business uses only, where the operation of the Aircraft is not under the control of the Insured. Rental for any other purpose is NOT insured under this Policy unless specifically declared to the Insurer and the detail of such use(s) stated in Part 3 of the Schedule under SPECIAL RENTAL USES.

Definitions 5, 6, 7 and 8 constitute Standard Uses and **do not include** instruction, aerobatics, hunting, patrol, fire-fighting, the intentional dropping, spraying or release of anything, any form of experimental or competitive flying, and any other use involving abnormal hazard, unless such use(s) are stated in Part 3 of the Schedule under SPECIAL USES.

9. "FLIGHT" means from the time the Aircraft moves forward in taking off or attempting to take off, whilst in the air, and until the Aircraft completes its landing run. A rotary-wing aircraft shall be deemed to be in Flight when the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.
10. "TAXIING" means movement of the Aircraft under its own power other than in Flight as defined above. Taxiing shall not be deemed to cease merely by reason of a temporary halting of the Aircraft.
11. "MOORED" means, in the case of aircraft designed to land on water, whilst the Aircraft is afloat and is not in Flight or Taxiing, and includes launching and hauling up.
12. "GROUND" means whilst the Aircraft is not in Flight or Taxiing or Moored as defined above.
13. "POLICY" includes the Schedule, together with any endorsements shown in the Schedule as included, all of which attach to and form part of this Policy.
14. "AUSTRALIA" means continental Australia, including its external Territories (except Australian Antarctica, Macquarie Island, Heard Island and McDonald Island) and passage between them and an area of 100 km off shore.

Duty of Disclosure

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance, and if so on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:

- ▼ that diminishes the risk to be undertaken by the Insurer;
- ▼ that is of common knowledge;
- ▼ that your insurer knows or, in the ordinary course of his business, ought to know;
- ▼ as to which compliance with your duty is waived by the Insurer.

Non-disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce his liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning.

Privacy Statement

The Privacy Act 1988 (as amended) now applies and requires us to inform you that:

Purpose of Collection

We collect personal information (this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person) from or about you, for the purposes of:

- ▼ providing insurance services to you,
- ▼ evaluate your application,
- ▼ evaluate any request for amendment to any insurance provided,
- ▼ issuing, administering and managing the insurance provided following acceptance of an application; and
- ▼ investigating and, if covered, manage claims made in relation to any insurance you have with us or other companies within the Promina Group.

The personal information collected can be used or disclosed by us for a secondary purpose related to those purposes listed above, but only if you would reasonably expect us to use or disclose the information for this secondary purpose.

However for sensitive information, the secondary purpose must be directly related to the purposes listed above.

Disclosure

When necessary and in connection with the purposes listed above, we may disclose your personal information to, and/or receive some personal information from:

- ▼ other companies within the Promina Group,
- ▼ your insurance intermediary or our agent,
- ▼ Government bodies, loss assessors, claim investigators, reinsurers,
- ▼ other insurance companies, mailing houses, claims reference providers, legal and other professional advisers,
- ▼ other service providers, hospitals, medical and health professionals.

Consequences if Information is not Provided

If you do not provide us with the information we need we will be unable to consider your application for insurance cover, administer your policy or manage any claim under your policy.

Access

You can request access to the personal information we hold about you by contacting us at the address shown on this proposal form.

In some circumstances we may not agree to allow you access to some or all of the personal information we hold such as when it is unlawful to give it to you. In such cases we will give you reasons for our decision.

Privacy Statement issued

Vero Insurance Limited, 465 Victoria Avenue, Chatswood NSW 2067.

Code of Practice

We have adopted the General Insurance Code of Practice. Please contact us for more information.