



## AVIATION INSURANCE

### AIRCRAFT POLICY

WHEREAS the Insured named in the Schedule hereto has, by a proposal and declaration which the Insured warrants as being true and correct, and which shall be the basis of this Policy and are deemed to be incorporated herein, applied to the **Infiniti Insurance Limited** (hereinafter called "the Insurer") for the insurance of certain Aircraft listed in the Schedule being issued together with this Policy, and in consideration of, and conditional upon, the prior payment of the Premium specified in the Schedule hereto by or on behalf of the Insured and receipt thereof by or on behalf of the Insurer.

The Insurer hereby agrees subject to the Warranties, Terms and Conditions endorsed hereon and in the Schedule, Exclusions, Deletions, Definitions, Clauses and Limitations contained herein, in the Schedule or endorsed hereon to insure against loss, damage or liability as provided in the sections of this Policy which shall be specified in the Schedule hereto as being operative and applicable but only in respect of an Occurrence (hereinafter defined) which has occurred during the Period of Insurance in respect of which the Insured has paid to the Insurer on the terms set out herein and the Insurer has accepted the premium required for this Insurance.

This Aviation Insurance Policy must be read in conjunction with the Schedule, constitutes an agreement between the Insurer and Insured and is binding upon them. No variation to this Policy or the Schedule shall be valid and binding unless reduced to writing by the Insurer. The Insured shall also be bound by any Endorsement issued pursuant to this Policy which shall be in writing.

The wording contained in this Policy must be read in conjunction with the Schedule and any Endorsement which set out the type and extent of coverage provided subject to the terms and conditions contained in the policy, the Premiums payable in terms of the Policy and contain certain limitations, exclusions and warranties.

**THE INSURED MUST COMPLY WITH ANY WARRANTY CONTAINED WITHIN THIS INSURANCE (WHETHER EXPRESS OR IMPLIED). FAILURE TO DO SO MAY DISCHARGE UNDERWRITERS FROM ALL LIABILITY AB-INITIO.**



## **AVIATION INSURANCE**

### **AIRCRAFT POLICY**

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## **SECTION I - LOSS OF OR DAMAGE TO AIRCRAFT (HULL "ALL RISKS")**

### **1. COVERAGE**

**Where the Insured has paid the appropriate premium to Insurers on due date, and subject to the terms and conditions set out in this Policy, and Section I Cover is included in the Schedule hereto, and the Insured has complied with the terms and conditions in this Policy-**

- (a) The Insurer will at its option pay for, replace or repair, accidental loss of or damage to the Aircraft described in the Schedule hereto arising from the risks covered as stated in the Schedule hereto, including disappearance if the Aircraft is unreported for fourteen (14) days after the commencement of flight, but not exceeding the Amount Insured as specified in the Schedule hereto and subject to the amounts to be deducted specified below in Condition 3(c).
- (b) If the Aircraft is insured hereby for the risks of "flight" (hereinafter defined), 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 (10%) of the Amount Insured as specified in the Schedule hereto.

### **2. EXCLUSIONS APPLICABLE TO THIS SECTION**

The Insurer shall NOT be liable for:

- (a) WEAR AND TEAR, BREAKDOWN - wear and tear, ingestion, abrasion, corrosion, deterioration, erosion, fatigue, freezing, overheating, oxidation, breakdown, defect or failure howsoever caused in any Unit of the Aircraft and the consequences thereof within such Unit;
- (b) PROGRESSIVE OR CUMMULATIVE DAMAGE - damage to any Unit by anything which has a progressive or cumulative effect is not covered; but damage which is attributable to a single recorded incident which requires the immediate withdrawal of the Unit from service is covered under paragraph 1(a) above. Any damage, howsoever caused discovered during inspection, or during maintenance or which is discovered at a later date after the incident will not be covered.
- (c) MODIFICATIONS OR INSPECTIONS - any expense or loss incurred in connection with or directly arising out of the replacement of any undamaged part or parts or unit of the Aircraft which, in terms of Service Bulletins and/or Air Navigation Regulations and/or Airworthiness Directives and/or orders and requirements issued by any competent authority, is required to be repaired or replaced at the time that the repair of accidental damage to the Aircraft is carried out.

### **3. CONDITIONS APPLICABLE TO THIS SECTION**

- (a) DISMANTLING REPAIRS - 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) PAYMENT OR REPLACEMENT - 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) AMOUNTS TO BE DEDUCTED FROM CLAIMS - 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 the Schedule hereto and;
  - (ii) such proportion of the "Overhaul Cost" (hereinafter defined) of any Unit repaired or replaced as the used time bears to the "Overhaul Life" (hereinafter defined) of the Unit.
- (d) ENGINE - Any claim in respect of an engine is subject to the claim being attributable to a single recorded event which requires the immediate withdrawal of the engine from service. Any claim in respect of an engine is restricted to (i) loss or damage caused by theft, (ii) lightning, (iii) flood, (iv) outbreak of fire external to the engine; or (v) by sudden and unexpected impact with a foreign object.  
As used herein "engine" means an engine for propulsion or auxiliary power complete with all parts necessary for test cell running.
- Progressive or cumulative damage to an Aircraft engine by the ingestion of stones, grit, dust, sand, ice or corrosive or abrasive material or any other substance, shall be deemed to be wear and tear or deterioration and is excluded from the coverage provided hereon.
- Coverage in respect of the engine is extended to include ingestion damage by a foreign object, however, this coverage is conditional upon there being a single recorded incident and the immediate withdrawal of the engine from service. Any progressive damage from the initial incident will not be covered.
- Any damage to an engine, howsoever caused which is discovered during maintenance or which is discovered during inspection, or which is discovered at a later date will not be covered.
- (d) NO ABANDONMENT - Unless the Insurer elect 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. The fact that the Insurer has dealt with the Aircraft in any way whatsoever shall not be construed in such a manner so as to warrant the conclusion that the Insurer has made an election in terms of this policy.
- (e) **OTHER INSURANCE - No claim shall be payable under this Section if other Insurance which is payable in consequence of loss or damage covered under this Section has been or shall be effected by or on behalf of the Insured without the knowledge or consent of the Insurer.**



## **SECTION II - LEGAL LIABILITY TO THIRD PARTIES (OTHER THAN PASSENGERS)**

### **1. COVERAGE**

**Where the Insured has paid the appropriate premium to Insurers on due date and subject to the terms and conditions set out in this Policy, and Section II Cover is included in the Schedule hereto, and the Insured has complied with the terms and conditions in this Policy-**

The Insurer will indemnify the Insured for all sums which the Insured shall become legally liable to pay, and shall pay, as compensatory 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**

The Insurer shall not be liable for:

- (a) EMPLOYEES AND OTHERS - 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;
- (b) OPERATIONAL CREW - 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 or while such crew member is in any way engaged in his capacity as such;
- (c) PASSENGERS - injury (fatal or otherwise) or loss sustained by any passenger whilst entering, on board, or alighting from the Aircraft;
- (d) PROPERTY - loss of or damage to any property belonging to or in the care, custody or control of the Insured;

### **3. LIMITS OF INDEMNITY APPLICABLE TO THIS SECTION**

The liability of the Insurer under this Section shall not exceed the amount stated in the Schedule hereto. The Insurer will defray in addition any legal costs and expenses incurred with their written consent in defending any action which may be brought against the Insured in respect of any claim for compensatory 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 compensatory damages.



## SECTION III – LEGAL LIABILITY TO PASSENGERS

### 1. COVERAGE

**Where the Insured has paid the appropriate premium to Insurers on due date and subject to the terms and conditions set out in this Policy, and Section II Cover is included in the Schedule hereto, and the Insured has complied with the terms and conditions in this Policy-**

The Insurer will indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay, and shall pay, as compensatory 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.

**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

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

- (i) members of the household or family of the Insured.
- (ii) Director or employee of the Insured or partner in the Insured's business or member of the Insured's business whilst acting in the course of his employment with or duties for the Insured.
- (iii) member of the flight, cabin or other crew member whilst engaged in the operation of the Aircraft, or while such crew member is in any way engaged in his capacity as such.
- (iv) whenever the Aircraft mentioned in the Schedule hereto is being used for the purpose of flying instruction the liability of the Insurer in terms of this Section is not extended to either the Instructor or the pilot undergoing instruction, neither being regarded as a passenger.

### 3. LIMITS OF INDEMNITY APPLICABLE TO THIS SECTION

The liability of the Insurer under this Section shall not exceed the amounts stated in the Schedule hereto. The Insurer will defray in addition any legal costs and expenses incurred with their written consent in defending any action which may be brought against the Insured in respect of any claim for compensatory 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 compensatory damages.



**SECTION IV – EXCLUSIONS APPLICABLE TO ALL SECTIONS; TERMS, CONDITIONS AND PROVISIONS APPLICABLE TO ALL SECTIONS; DEFINITIONS.**

**1. EXCLUSIONS APPLICABLE TO ALL SECTIONS OF THE POLICY**

The following exclusions apply to the whole of this Policy. Any other exclusion are shown in the Section to which they apply.

**Insurers will not pay for any loss, accidental damage, theft or any legal liability of whatsoever nature, directly or indirectly caused, contributed to, by or happening through or in consequence of:**

- (a) **PURPOSE AND MANNER OF USE** - whilst the Aircraft is being used for any illegal purpose or for any purpose other than those stated in the Schedule hereto and as defined in the Definitions.
- (b) **LICENCES** – whilst the Aircraft is being operated and/or used for reward in contravention of any statutory licence and operating requirements pertaining to pilots, crew and operators, issued by the appropriate aviation authorities.
- (c) **GEOGRAPHICAL LIMITS** - whilst the Aircraft is outside the geographical limits stated in the Schedule hereto unless due to force majeure.
- (d) **PILOTS** - whilst the Aircraft is being piloted by any person other than as stated in the Schedule hereto except that the Aircraft may be operated on the ground by any person competent for that purpose and entitled by law to do so.
- (e) **TRANSPORTATION BY OTHER CONVEYANCE** - 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.
- (f) **LANDING AND TAKE-OFF AREAS** - 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, or at an unlicensed landing ground at night, except as a result of force majeure.
- (g) **CONTRACTUAL LIABILITY** - to liability assumed or rights waived by the Insured under any agreement (other than passenger ticket/baggage check issued under Section III hereof) except to the extent that such liability would have attached to the Insured in the absence of such agreement.
- (h) **NUMBER OF PASSENGERS** - whilst the total number of passengers being carried in the Aircraft exceeds the declared maximum number of passengers stated in the Schedule hereto.
- (i) **NON-CONTRIBUTION** - to claims which are payable under any other policy or policies 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.
- (j) **CONTRACTUAL AND/OR FINANCIAL DISPUTES** – this Policy excludes loss, damage or expense caused by one or any combination of the following:
  - (i) Any debt, failure to provide bond or security or any other financial or perceived financial cause under court order or otherwise;
  - (ii) The repossession or attempted repossession of the Aircraft by any title holder, or arising out of any contractual agreements or disagreements to which any Insured protected under this Policy may be party.
- (k) **PENALTIES** - this Policy will not indemnify the Insured in respect of fines, penalties, punitive, exemplary or vindictive damages.

- (l) **CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999 EXCLUSION CLAUSE** - to claims excluded by The rights of a person who is not a party to this insurance or reinsurance to enforce a term of insurance or reinsurance and/or not to have this insurance or reinsurance rescinded, varied or altered without his consent by virtue of the provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded from this insurance or reinsurance.
- (m) **NUCLEAR RISKS** - to claims excluded by the Nuclear Risks Exclusion Clause
1. This Policy does not cover:
    - (i) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
    - (ii) any legal liability of whatsoever nature

directly or indirectly caused or contributed to by or arising from:

    - (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
    - (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
    - (c) ionising radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any radioactive source whatsoever.
  2. It is understood and agreed that such radioactive material or radioactive source in paragraph (1) (b) and (c) above shall not include:
    - (i) depleted uranium and natural uranium in any form;
    - (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
  3. This Policy, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability whatsoever nature with respect to which:
    - (i) the Insured under this Policy is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
    - (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
    - (iii) the Insured under this Policy is, or had this Policy not been issued would be, entitled to indemnification from any government or agency thereof.
  4. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph (2) shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Policy) be covered, provided that:
    - (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organisation "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;



- (ii) this Policy shall only apply to an incident happening during the period of this Policy and where any claim by the Insured against the Insurers or by any claimant against the Insured arising out of such incident shall have been made within three years after the date thereof;
- (iii) in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

Emitter	Maximum permissible level of non-fixed radioactive surface contamination
<b>(IAEA Health and Safety Regulations)</b>	(Averaged over 300 cm <sup>2</sup> )
<b>Beta, gamma and low toxicity alpha emitters</b>	Not exceeding 4 Bequerels/cm <sup>2</sup> (10 <sup>-4</sup> microcuries/cm <sup>2</sup> )
<b>All other emitters</b>	Not exceeding 0.4 Bequerels/cm <sup>2</sup> (10 <sup>-5</sup> microcuries/cm <sup>2</sup> )

- (iv) the cover afforded hereby may be cancelled at any time by the Insurers giving seven days notice of cancellation.



(n) **NOISE, POLLUTION AND OTHER PERILS EXCLUSION CLAUSE -**

1. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:
  - (i) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
  - (ii) pollution and contamination of any kind whatsoever,
  - (iii) electrical and electromagnetic interference,
  - (iv) 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
  - (i) claims excluded by Paragraph 1 or
  - (ii) 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:
  - (i) damages awarded against the Insured and
  - (ii) 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.



**(o) WAR, HI-JACKING AND OTHER PERILS RISKS EXCLUSION CLAUSE-**

This Policy does not cover claims caused by:

- (i) 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;
- (ii) 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;
- (iii) Strikes, riots, civil commotions or labour disturbances.
- (iv) 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;
- (v) Any malicious act or act of sabotage.
- (vi) 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.
- (vii) 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 above perils.

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).

- (p) **DATE RECOGNITION EXCLUSION CLAUSE AVN 2000A.** - this Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or inconsequence of (whether directly or indirectly and whether wholly or partly):
- (i) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process, exchange or transfer year, date or time data or information in connection with any change of year, date or time; whether on or before or after such change of year, date or time;
  - (ii) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;
  - (iii) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time;

and any provision in this Policy concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

- (q) **DATE RECOGNITION LIMITED COVERAGE CLAUSE AVN 2001A.** - WHEREAS the Policy of which this Endorsement forms part includes the Date Recognition Exclusion Clause (Clause AVN 2000A), it is hereby understood and agreed that, subject to all terms and provisions of this Endorsement, Clause AVN 2000A shall not apply:
- (1) to any accidental loss of or damage to an aircraft defined in the Policy Schedule ("Insured Aircraft");
  - (2) to any sums which the Insured shall become legally liable to pay, and (if so required by the Policy) shall pay (including costs awarded against the Insured) in respect of:
    - (a) accidental bodily injury, fatal or otherwise, to passengers caused by an accident to an Insured Aircraft; and/or
    - (b) loss of or damage to baggage and personal articles of passengers, mail and cargo caused by an accident to an Insured Aircraft; and/or
    - (c) accidental bodily injury, fatal or otherwise, and accidental damage to property caused by an Insured Aircraft or by any person or object falling therefrom.

**PROVIDED THAT:**

- (1) Coverage provided pursuant to this Endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy (except as specifically provided herein), and nothing in this Endorsement extends coverage beyond that which is provided by the Policy.
- (2) Nothing in this Endorsement shall provide any coverage:
  - (a) in respect of grounding of any aircraft; and/or
  - (b) in respect of loss of use of any property unless it arises out of physical damage to or destruction of property in the accident giving rise to a claim under the Policy.
- (3) The Insured agrees that it has an obligation to disclose in writing to the Insurers during the Policy period any material facts relating to the Date Recognition Conformity of the Insured's operations, equipment and products.

- (r) **ASBESTOS EXCLUSION** - this Policy does not cover claims of any kind whatsoever directly or indirectly relating to, arising out of, or in consequence of:
- (i) the actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain asbestos, or
  - (ii) any obligation, request, demand, order, or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against, or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain asbestos.

However, this exclusion shall not apply to any claim caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

Notwithstanding any other provisions of this Policy, Insurers will have no duty to investigate, defend or pay defence costs in respect of any claim excluded in whole or in part under paragraphs (a) or (b) hereof.

All other terms and conditions of the Policy remain unchanged.

This asbestos exclusion is a clarification of present underwriting intent and shall not be interpreted as reflecting any intention to include asbestos under any prior or expiring policy similar to this.

- (s) **SANCTION LIMITATION AND EXCLUSION CLAUSE** - no (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.
- (t) **SANCTIONS AND EMBARGO CLAUSE** - notwithstanding anything to the contrary in the Insurance the following shall apply:
1. If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Insurance or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defence to the Insured or make any payment of defence costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such law or regulation.
  2. In circumstances where it is lawful for an Insurer to provide coverage under the Insurance, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the Insurer will take all reasonable measures to obtain the necessary authorisation to make such payment.
  3. In the event of any law or regulation becoming applicable during the Period of Insurance which will restrict the ability of an Insurer to provide coverage as specified in paragraph 1, then both the Insured and the Insurer shall have the right to cancel its participation on this Insurance in accordance with the laws and regulations applicable to the Insurance provided that in respect of cancellation by the Insurer a minimum of 30 days notice in writing be given. In the event of cancellation by either the Insured or the Insurer, the Insurer shall retain the pro rata proportion of the premium for the period that the Insurance has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the Insurer, and in the absence of a more specific provision in the Insurance relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the Insurer shall be effective even though the Insurer makes no payment or tender of return premium.

**(u) NOTICE RELATING TO SANCTIONS AND TRADE RESTRICTIONS:**

1. Where it would be illegal under applicable laws or sanctions or embargoes for Insurers and their Reinsurers to provide the cover specified in this Contract or any part of such cover, or any other service or benefit, then the Insurers and Reinsurers shall only be obliged to provide cover, services or benefits to the extent that, and for such period as, it is or becomes legally permissible for the Insurers and Reinsurers to do so or to have done so.
2. Where any sum of money falls due from or to Insurers / Reinsurers under this Contract and where it would be illegal under applicable laws or sanctions or embargoes for the payment of all or any part of the sum of money to be made (whether in cash, by transfer, by provision of letters of credit or outstanding claims advances or by any other form of transfer of other economic asset) at the time it falls due, then the debtor party shall only be obliged to make payment to the extent that, and at such time as, it is or becomes legally permissible to the debtor party to do so.
3. In circumstances where paragraphs 1. and/or 2. of this Clause would otherwise apply, but the relevant laws or sanctions or embargoes allow the Insurers and Reinsurers to seek authorisation to provide the affected cover, service or benefit and/or to make or receive the affected payment, then the Insurers / Reinsurers will take all reasonable steps to obtain the necessary authorisation required to enable them to make such payment or provide such cover, service or benefit. In this event the Insured will provide to the Insurer / Reinsurer all information required by the applicable authorities to obtain the necessary authorisation.
4. Unless and until all such information is provided by the Insured to the Insurer / Reinsurer in accordance with paragraph 3. and authorisation is granted to the Insurers / Reinsurer by the applicable authority(ies), then paragraphs 1. and 2. of this Clause shall continue to apply, and the Insurers / Reinsurer shall not be required to make such payment, or to provide any such cover, service or benefit.

**(v) COMMUNICABLE / CONTAGIOUS / INFECTIOUS DISEASE AND EPIDEMIC / PANDEMIC EXCLUSION**

This Policy excludes any loss, damage, liability, cost or expense directly or indirectly arising out of or contributed to by, or resulting from

- (a) any communicable/contagious/infectious disease whether transmitted directly or indirectly,  
or
- (b) any epidemic or pandemic (classified as such by the appropriate national or international body or agency and/or any travel advisory or warning being issued by a national or international body or agency,

in which either of the above leads to

- (i) the imposition of quarantine or restriction in movement of people or animals by any national or international body or agency and/or any travel advisory or warning being issued by a national or international body or agency,  
or
- (ii) any fear or threat thereof, whether actual or perceived.

**Definition**

Communicable/contagious/infectious disease means any disease which can be transmitted by any means whatsoever from any organism (whether living or not) to another organism.

If the Insurer alleges that by reason of this exclusion, any loss is not covered by this Policy the burden of proving the contrary rests on the Insured.



**(w) ELECTRONIC DATA EVENT LIABILITY EXCLUSION**

This Policy excludes:

1. any form of mental injury, mental anguish, shock or fright, unless resulting from corporeal injury, caused by:
  - (a) a delay in, cancellation of or non-provision of air transportation and associated services;
  - (b) unauthorised access to and/or use of a person's or organisation's confidential, proprietary or personal information;
2. Property Damage to Electronic Data

arising out of a Data Event.

However, this exclusion shall not apply to such liability otherwise covered by the operative section(s) of this Policy caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

As used herein:

"Data Event" means any access to, inability to access, loss of, loss of use of, damage to, corruption of, alteration to or disclosure of Electronic Data.

"Electronic Data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Nothing herein shall override any other exclusion clause attached to or forming part of this Policy.

- (x)** This Policy excludes any direct or indirect cover in respect of any Russian, Ukrainian, Crimean, Donetsk or Luhansk and/or Belarussian risk, person, organization or entity and any coverage for aircraft, spares and engines leased directly or indirectly to Russian, Ukrainian, Crimean, Donetsk or Luhansk or Belarussian risks or entities (or their affiliates) or for the use in Russia, Ukraine, Crimea, Donetsk or Luhansk or Belarus. Excluding also any losses, damage, liability, cost or expense caused by or arising from or in connection with the current Russian-Ukraine conflict and/or any expansion of such conflict, including but not limited to any losses in Ukraine, Russia, Crimea, the regions of Donetsk and Luhansk and/or other occupied territories and Belarus.

**(y) Software Affirmation Clause (Reinsurance)**

1. Subject to the terms, conditions, limitations and exclusions of this Contract, to the extent coverage is afforded under this Contract, in respect of claims caused by the use of or inability to use Software, coverage shall be afforded in accordance with the limit of Reinsurers' liability as stated in this Contract.

2. No additional limit(s) of coverage shall be conferred by paragraph 1 of this Clause.

3. For the purpose of this Clause, Software shall mean programs, source codes, scripts, applications and other operating information used to instruct computers to perform one or more task(s).

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## 2. TERMS, CONDITIONS AND PROVISIONS APPLICABLE TO ALL SECTIONS OF THE POLICY

**THE DUE OBSERVANCE AND FULFILMENT OF THE TERMS, CONDITIONS, PROVISIONS AND ENDORSEMENTS OF THIS POLICY SHALL BE CONDITIONS PRECEDENT TO ANY LIABILITY OF THE INSURER TO MAKE ANY PAYMENT UNDER THIS POLICY.**

- (a) **DUE DILIGENCE** - 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.
- (b) **VARIATION IN RISK** - that 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 in writing and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been expressly accepted by the Insurer in writing.
- (c) **MISREPRESENTATION, MISDESCRIPTION AND NON-DISCLOSURE OF MATERIAL INFORMATION** – material information is information which may influence Insurers decision whether to provide insurance or the conditions of the insurance. Misrepresentation, misdescription or non-disclosure in any material particular shall render the Policy voidable so that claims would not be paid. The duty of disclosure is re-imposed when there are changes or variations in cover and when the Policy is renewed or extended. In addition, changes which increase the risk, or relate to compliance with a warranty or condition in the Policy must be notified to Insurers immediately in writing. No claim arising subsequent to such change shall be recoverable hereunder unless such change has been expressly accepted by the Insurer in writing.
- (d) **PROPOSAL AND DECLARATION** – the Insured warrants that all the information provided in the proposal and declaration which the Insurer relied upon in issuing this Policy is true and correct.
- (e) **CHANGES TO POLICY TERMS AND CONDITIONS** - Insurers may make changes to the terms and conditions of the Policy, including changes to the premium charged or the cover given, by giving 31 days' notice of the change. The Insured may then exercise their right to cancel the Policy immediately by advising Insurers in writing thereof.
- (f) **ACCIDENT / LOSS FREE ETC.** – it is warranted that the Insured and/or all pilots and/or any instructor(s) and/or additional insured's are accident / incident / loss free for the past 5 years. All prior losses are required to have been disclosed to Insurers. No claim arising shall be recoverable hereunder unless the prior losses has been expressly noted by Insurers in writing.
- (g) **COMPLIANCE WITH AIR NAVIGATION ORDERS ETC.** - the Insured shall comply with all air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of the Aircraft and shall ensure that
  - (i) the aircraft is airworthy at the commencement of each Flight;
  - (ii) 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 Insurers or their Agents on request;
  - (iii) the employees and agents of the Insured comply with such orders and requirements.
- (h) **DEDUCTIBLE APPLICABLE TO ALL LOSSES** - it is hereby declared and agreed that the deductible to be borne by the Insured in respect of each and every claim shall equally apply in the event of a total loss, constructive total loss or arranged total loss.



(i) **PREMIUM PAYMENT –**

(i) General

- This clause shall apply notwithstanding any other clause, or condition contained in the Policy wording or on the schedule attached to the wording.
- All Premiums are payable to the Insurer in advance on or before the Due Date. This shall apply to both new and renewing policies.
- Whilst the Insurer is not obliged to accept payment of Premiums tendered to it after the Due Date, it may elect to do so upon such terms as it, in its sole discretion, may determine.

(ii) Payment of Annual Premiums

- If an Annual Premium is not paid on the Due Date, whether at the inception or renewal of the Policy, the Insured shall have a 30-day grace period after the inception or renewal date of the Policy to pay the Annual Premium. Should the Insured fail to pay the Annual Premium on or before the due date or within this 30-day grace period, the Policy and cover in terms of the Policy shall be voided with effect from the Due Date and the Insurer shall not be liable to pay any claim under this Policy.

(iii) Premium payments by instalment

- Where instalment payments are agreed to, if the first Instalment is not paid on the Due Date, whether at the inception or renewal of the Policy, the Insured shall have a 30-day grace period after the inception or renewal date of the Policy to pay the first Instalment. Should the Insured fail to pay the first Instalment on or before the due date or within this 30-day grace period, the Policy and cover in terms of the Policy shall be voided with effect from the Due Date and the Insurer shall not be liable to pay any claim under this Policy.
- In respect of Instalment payments other than the first Instalment which are due during the currency of the Policy and where instalment payments are agreed to, each instalment shall be paid on or before the Due Date failing which the Policy and cover in terms of the Policy shall be voided with effect from the Due Date. For the avoidance of doubt, no grace period shall apply in respect of the payment of any instalment other than the first instalment as set out above.

(j) **FULL ANNUAL PREMIUM IF LOSS –** it is understood and agreed that on the happening of any event likely to give rise to a claim under this Policy then the balance of the full annual premium shall become due and payable forthwith.

(k) **CANCELLATION –** this is an annual contract and may be cancelled at any time without cause by the Insurer giving 31 days' notice in writing or by the Insured giving immediate notice in writing.

On cancellation by the Insurer they will return a pro rata portion of the premium in respect of the unexpired period of the Policy. There will be no return of premium in respect of any Aircraft on which a loss is paid or is payable under this Policy.

On cancellation by the Insured a short rate penalty shall apply and return of premium shall be at the discretion of the Insurer. However in the event of the aircraft being sold, the cancellation provision is amended to pro rata terms, subject to a minimum of 20% of the annual premium being earned. There will be no return of premium in respect of any Aircraft on which a loss is paid or is payable under this Policy.

HOWEVER the cancellation provisions contained in the following shall remain paramount and will be applicable:-

- Nuclear Risks Exclusion Clause
- Extended Coverage Endorsement (Aviation Liabilities)
- Aircraft Financial Interest Endorsement
- Premium Payment Clause
- Aviation Hull "War and Allied Perils" Policy.

(l) **CLAIMS –**

- (1) On the happening of any event likely to give rise to a claim under this Policy immediate notice shall be given to the Insurer as set out herein. In all cases the Insured shall
  - (i) in respect of any event which may or is likely to give rise to a claim under this Policy, furnish full particulars in writing of such event and forward immediately notice of any claim with any letters or documents relating thereto;
  - (ii) forward to Insurers immediately any notice of any claim or any communication, writ, summons, impending prosecution or other legal process issued or commenced against the Insured in connection with the event giving rise to the claim;
  - (iii) render such further information and assistance as the Insurers may require; and
  - (iv) not act in any way to the detriment or prejudice of the interest of the Insurers.
  - (v) not make any admission of liability or payment or offer or promise of payment without the written consent of the Insurers.**
  
- (2) No claim shall be payable after the expiry of 12 months or such further time as Insurers may allow from the happening of the event that caused the claim unless the claim is the subject of pending legal action or is a claim in respect of the Insured's legal liability to a third party.
  
- (3) If Insurers reject a claim under this Policy in its entirety or under any Section thereof, albeit for claims at that time or at any time in the future, the Insured has 90 days to revert to Insurers and a further 6 months to take legal action against Insurers. If the Insured does not take legal action within this period then the right to do so is deemed to be waived and all benefit under this Policy, under all Sections thereof, shall be forfeited by the Insured.
  
- (4) The Insurer shall be entitled (if it so elects) at any time and for so long as they desire to take absolute control of all negotiations and proceedings and in the name of the Insured to settle, defend or pursue any claim.
  
- (5) When loss of, or damage to, an Aircraft has occurred, the Insured shall be obliged to take all reasonable steps to protect the Aircraft notwithstanding what cover is specified in the Schedule.
  
- (m) **FRAUD** - an Insured or his agent or employee shall not in the proposal and declaration or in the presentation and furtherance of any claim:
  - (i) deliberately or recklessly conceal from Insurers any information which he knows or ought to know might be material to their consideration of any claim;
  - (ii) provide to Insurers information, which he knows to be false, with respect to a proposal or declaration or in any such event relied upon as a cause of loss or as to the amount claimed; nor
  - (iii) otherwise use fraudulent means or devices, including suppressing a known defence to Insurers' liability.

In any such event the Insurers shall have the option to refuse to pay the whole or any part of the claim to such Insured.

In the circumstances set out in sub-paragraph (i), (ii) or (iii) above, Insurers shall also have the option to:



- (i) terminate the cover provided by all sections of the Policy to such Insured with effect from the date of the event relied upon for the claim;
  - (ii) recover any sums paid to such Insured in respect of losses occurring on or after the date of the event relied upon for the claim; and
  - (iii) retain any and all premium paid by such Insured.
- The Insured warrants that all information provided by it to the Insurer in relation to an event relied upon as a cause of loss or as to the amount claimed, is true and correct.
- (n) **SUBROGATION** - upon an indemnity being given or a payment being made by the Insurers under this Policy, they shall be subrogated to the rights and remedies of the Insured who shall co-operate with and do all things necessary to assist the Insurers to exercise such rights and remedies.
  - (o) **LIMIT(S) OF INDEMNITY** - 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 Insured's shall not exceed the limit(s) of indemnity stated in the Schedule hereto.
  - (p) **INSTRUCTION** – that any flying instruction of whatsoever nature, where included in the Schedule hereto shall be effected by or under the supervision of a duly licenced instructor only.
  - (q) **ASSIGNMENT** - this Policy shall not be assigned by the Insured in whole or in part except with the consent of the Insurer verified by endorsement hereon.
  - (r) **NOT MARINE INSURANCE** - this Policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance.
  - (s) **TWO OR MORE AIRCRAFT** - when two or more Aircraft are insured hereunder the terms of this policy apply separately to each.
  - (t) **ARBITRATION** –
    - (i) By agreement between the Insured and the Insurer, a dispute arising in terms of the Policy read with the Schedule may be referred to and decided by arbitration in the manner set out in this clause. Either Party may request arbitration proceedings by giving notice to the other of its intention to do so.
    - (ii) The arbitration shall be held subject to the provisions of this clause in Johannesburg in terms of a procedure to be agreed to between the Parties and the nominated arbitrator otherwise than in accordance with the provisions of the Arbitration Act No. 42 of 1965 (as amended). Failing agreement between the Parties as to the procedure to be followed, the Rules of the High Court of South Africa applicable at the time shall apply to the dispute.
    - (iii) The arbitrator shall be a senior legal practitioner with at least 15 years experience, or a retired Judge agreed to between the Parties. If the Parties cannot agree on an arbitrator within 10 business days after the arbitration has been demanded, the nomination of the arbitrator shall be made by the President for the time being of the Legal Practice Council or the President's successor-in-title as soon as possible after the Parties have so failed to agree.
    - (iv) The Parties irrevocably agree that the decision in the arbitration proceedings: (a) shall be final and binding upon them; and (b) shall be carried into effect; and (c) may be made an order of any Court of competent jurisdiction.
    - (v) Nothing contained in this clause shall prevent or preclude either the Insurer or the Insured from approaching any Court having competent jurisdiction for urgent or interlocutory relief in respect of any matter arising in terms of the Policy and Schedule.



- (u) **JURISDICTION** – this Policy shall be subject to the laws and statutes applicable in the Republic of South Africa and Insurers shall only abide by judgements first delivered by or obtained from a court of competent jurisdiction within the Republic of South Africa.
- (v) **SEVERAL LIABILITY NOTICE** – where applicable the subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.
- (w) **FOREIGN CURRENCY** – where applicable in respect of any aircraft insured hereunder as stated in the Schedule to the Policy, whereby the Sum Insured and Limits of Indemnity and/or Premium have been expressed in a Foreign Currency, then:-

It is agreed that the Premium as stated in the Schedule to the Policy will be paid in the Foreign Currency subject however to South African Reserve Bank approval; alternatively it shall be paid in South African Rand (ZAR) at the prevailing rate of exchange as quoted by Infiniti Insurance Ltd.'s Bankers and will be the published "selling rate" at the date and time of invoicing, at the sole discretion of Infiniti Insurance Ltd.

It is agreed in respect of claims that payment will be paid in the Foreign Currency as expressed in the Schedule to the Policy subject however to South African Reserve Bank approval; alternatively it shall be paid in South African Rand (ZAR) at the prevailing rate of exchange as quoted by Infiniti Insurance Ltd.'s Bankers and will be the published "buying rate" at the date and time at which Insurers instruct a release to be taken, at the sole discretion of Infiniti Insurance Ltd.

The Policy deductible as stated in the Schedule to the Policy shall be deducted from the claim settlement and shall be converted to South African Rand (ZAR) where applicable, utilizing the published "buying rate" as quoted by Infiniti Insurance Ltd.'s Bankers at the date and time at which Insurers instruct a release to be taken, at the sole discretion of Infiniti Insurance Ltd.

- (x) **VALUE – ADDED TAX (VAT)** – All Sums Insured and Limits of Indemnity and Deductibles are exclusive of VAT. Where applicable and in the event of a loss VAT at the current rate as promulgated by the applicable legislation will be applied to the Sum Insured, Limits of Indemnity and Deductibles.



- (y) **USE OF PERSONAL INFORMATION** - the Insured acknowledges that, by entering into this Policy, the Insured will be providing the Insurer with personal information, which may be protected by data protection legislation, including inter alia, the Protection of Personal Information Act, 2013 ("POPI"). The Insurer shall take all reasonable steps to protect such personal information.

The Insured authorises the Insurer to

- (i) process (as contemplated in terms of POPI) all such personal information, for the following purposes:
  - (a) To communicate requested information to the Insured.
  - (b) To provide the Insured with insurance services.
  - (c) The verification of the information provided against any source or database.
  - (d) The compilation non-personal statistical information about the Insured.
- (ii) transmit any such personal information to any affiliate, subsidiary or re-insurer for the purposes of providing insurance services to the insured and in furtherance of the Insurers legitimate interests including statistical analysis, re-insurance and credit control.
- (iii) transmit any such personal information to any third party service provider that may from time to time be appointed by the Insurer, in furtherance of the Insurers legitimate interests and as necessary for performance in terms of the Policy.

The Insured acknowledges that this consent clause will survive the cancellation or lapse of this Policy.

- (z) **WAIVER**- no latitude, extension of time or other indulgence which may be given or allowed by the Insurer to the Insured in respect of the performance of any obligations in terms of the Policy and Schedule, or endorsement of any rights arising from the Policy and Schedule, including the non-payment of any premium on due date in terms of this Policy and Schedule, no single or partial exercise of any right by the Insured shall, under any circumstances be construed to be an implied consent by the Insurer or operate as a waiver or a novation of, or otherwise affect any of the Insurers rights in terms of or arising from the Policy and Schedule, or estop or prevent the Insurer from enforcing, at any time and without notice, strict and punctual compliance with each and every provision of the Policy and Schedule. The Insurer specifically records that where payment of any Premium is not made on the due date in accordance with the provision of the Premium Payment clause contained herein, or any extension thereto agreed to by the Insurer in writing, it shall not be required to meet any claim under the Policy and Schedule, even if it has accepted late payment of any Premium in the past.

- (aa) The rule of construction that a contract shall be interpreted against the party responsible for the drafting or preparation of the contract, shall not apply. For the purpose of clarity, any vagueness in this Policy shall not be interpreted against the Insurer as the party who drafted this Policy.

### 3. DEFINITIONS

Definitions (f), (g), (h) and (i) constitute 'STANDARD USES' and DO NOT INCLUDE instruction, ab-initio instruction, conversion to type instruction, licence reinstatement instruction, cargo carriage, patrols (including but not limited to security patrol, traffic patrol and anti-poaching patrol), firefighting/spotting/control, any form of racing including speed trials and record attempts, aerial or cloud seeding, crop dusting or spraying, hunting, shooting, darting, herding, counting, capture, fish spotting, experimenting with or testing new parts (other than replaced standard parts) or new devices or new designs, sequence display or aerobatic flying, parachute dropping, vehicle tracking, aerial survey/filming or photography, underslung and/or winching operations, offshore support/servicing, powerline inspection, powerline washing, powerline cutting, banner towing, any use which requires prior permission from a competent authority and any other use involving abnormal hazard, when cover is provided details of such use(s) are stated in the Schedule hereto under "SPECIAL USES".

- (a) "AIRCRAFT" shall mean the Aircraft specified in the Schedule hereto together with its engine(s) and standard instruments and equipment including any extra equipment or accessories specifically mentioned in the Schedule.
- (b) "ACCIDENT" means any one accident or series of accidents arising out of one event.
- (c) "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.
- (d) "OVERHAUL LIFE" means the amount of use, or operational and/or calendar time which, according to the Airworthiness Authority, determines when overhaul or replacement of a Unit is required.
- (e) "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.
- (f) "PRIVATE, PLEASURE" means use for private and pleasure purposes but NOT use for any business or profession nor for hire or reward.
- (g) "BUSINESS" means the uses stated in "Private, Pleasure" and use for business or professional purposes NOT use for hire or reward.
- (h) "INDUSTRIAL AID" means the uses stated in 'Business' including the transportation of executives, employees, guests of the Insured, goods and merchandise but excluding any operation for hire or reward.
- (i) "ADVANCED INSTRUCTION" means additional flying for the purpose of enabling a pilot to exercise rating privileges other than those already held by him in terms of an existing licence rating, or recurring training but does not include "Ab-initio", "Reinstatement of licence" or "Conversion to type instruction".
- (j) "COMMERCIAL OR CHARTER" 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, in terms of a licence issued by a competent aviation authority.
- (k) "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 Insurers and the detail of such use(s) is stated in the Schedule hereto.



- (l) "SALES AND DEMONSTRATION" means the situation arising whenever the Aircraft is made available, for sale by one party to another, which includes negotiations arising there from as well as the demonstration of the Aircraft or parts thereof on the ground or in the air whilst the Aircraft is actually flown. Sales and Demonstration is not insured under this Policy unless specifically declared to the Insurers and stated under "SPECIAL USES" in the Schedule hereto.
- (m) "CONVERSION TO TYPE INSTRUCTION" means use for instruction to a pilot for the purpose of obtaining a category rating in respect of the Aircraft in compliance with legal regulations for type and category ratings. It does not mean "AB-INITIO INSTRUCTION".
- (n) "AB-INITIO OR LICENCE REINSTATEMENT INSTRUCTION" means practical or theoretical tuition to a person who is undergoing flying training on the aircraft for the purpose of obtaining or reinstating a private or higher pilot's licence.
- (o) "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.
- (p) "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.
- (q) "MOORED" means, in the case of aircraft designed to land on water, whilst the Aircraft is afloat and is not in Flight or Taxiing as defined above, and includes the risks of launching and hauling up.
- (r) "GROUND" means whilst the Aircraft is not in Flight or Taxiing or Moored as defined above.
- (s) "SCHEDULE" shall include the Schedule accompanying this Policy as well as any Endorsement containing details regarding to the Aircraft being insured, sums insured and Premiums to be paid and the Due Date for such payment.
- (t) "POLICY" shall mean this Aviation Insurance Aircraft Policy together with any schedules or annexures or endorsements accompanying it and any written amendments to it made by the Insurer.
- (u) "PROPOSAL and DECLARATION" shall mean the proposal and declaration together with any other document or information submitted by or on behalf of the Insured to the Insurer for purposes of obtaining this Policy and is the information relied on by the Insurer in issuing the Policy.
- (v) "PREMIUM" shall mean the premium to be paid by the Insured to the Insurer as set out in the Schedule.
- (w) "ANNUAL PREMIUM" shall mean the full Premium due by the Insured to the Insurer, as set out in the Schedule, to be paid in full, annually prior to the inception or renewal date of the Policy.
- (x) "INSTALLMENT PREMIUM" shall mean a Premium which is paid in equal quarterly or monthly instalments by the Insured to the Insurer on the Due Date as provided for in the Schedule.
- (y) "DUE DATE" shall mean the date upon which Premiums are due and payable by the Insured to the Insurer as set out in the Schedule.
- (z) "DAYS" shall mean calendar days unless expressly stated otherwise.
- (aa) "INSURED" shall mean the Insured noted in the Schedule hereto and is deemed to include subsidiary companies (if applicable), all Directors, Officers, Servants, Agents or Employees of the Insured, and the Crew of the Aircraft, acting in the course and scope of their employment by the Insured.
- (ab) "DEDUCTIBLE" shall mean the first part of every claim for which the Insured is responsible.
- (ac) "MATERIAL INFORMATION" shall mean information which may influence Insurers decision whether to provide insurance or the conditions of the insurance.



## **SECTION V – HULL “WAR AND ALLIED PERILS”**

### **1. COVERAGE**

**Where the Insured has paid the appropriate premium to Insurers on due date and subject to the terms and conditions set out in this Policy, and Section V Cover is included in the Schedule hereto, and the Insured has complied with the terms and conditions in this Policy, as well as those terms, conditions and exclusions hereinafter contained, then -**

This Section covers loss of or damage to the Aircraft nominated in the Schedule against claims excluded from the Insured's Hull "All Risks" Policy as caused by:

- (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) Strikes, riots, civil commotions or labour disturbances.
- (c) 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.
- (d) Any malicious act or act of sabotage.
- (e) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition, for the title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.
- (f) 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 Section covers claims excluded from the Hull “All Risks” Section (Section I) from occurrences whilst the Aircraft is outside the control of the Insured by reason of any of the above perils. 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).

### **2. EXTORTION, HI-JACK EXPENSES AND EXTRA EXPENSES**

- (a) This Section will also indemnify the Insured subject to the terms, conditions, exclusions and limitations set out below, and up to the limit stated in the Schedule, for 90% of any payment properly made in respect of:
  - (i) threats against any Aircraft described in the Schedule or its passengers or crew made during the currency of this Policy.
  - (ii) extra expenses necessarily incurred following confiscation and other perils as more fully set forth in Section 1 (e) or hi-jacking confiscation and other perils as more fully set forth in Section 1 (f) of any Aircraft described in the Schedule.
- (b) No cover will be provided under this Section of the Policy in any territory where such insurance is not lawful, and the Insured is at all times responsible for ensuring that no arrangements of any kind are made which are not permitted by the proper authorities.





### 3. EXCLUSIONS APPLICABLE TO THIS SECTION

This Section excludes loss, damage or expense caused by one or any combinations of any of the following:-

- (a) War (whether there be a declaration of war or not) between any of the following States: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China; nevertheless, if any Aircraft is in the air when an outbreak of such war occurs, this exclusion shall not apply in respect of such Aircraft until the said Aircraft has completed its first landing thereafter;
- (b) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the authority of the Government(s) named in the Schedule, or any public or local authority under its jurisdiction;
- (c) The emission, discharge, release or escape of any chemical, biological or biochemical materials or the threat of same, but this exclusion shall not apply
  - (i) if such materials are used or threatened to be used solely and directly in
    - (1) the hi-jacking, unlawful seizure or wrongful exercise of control of an Aircraft in flight and then only in respect of loss of or damage to such Aircraft the subject of a valid claim under clause (f) Section 1 above; or
    - (2) any threat against an Aircraft stated in the Schedule or its passengers or crew and then only in respect of payments as are Insured under Section 2 above.
  - (ii) other than as provided for in sub-paragraph (1) above, to loss of or damage to an Aircraft if the use of such materials is hostile and originates solely and directly
    - (1) on board such Aircraft, whether it is on the ground or in the air, or
    - (2) external to such Aircraft and causes physical damage to the Aircraft whilst the Aircraft's wheels are not in contact with the ground.  
Any emission, discharge, release or escape originating external to the Aircraft that causes damage to the Aircraft as a result of contamination without other physical damage to the Aircraft exterior is not covered by this Section.
- (d) Any debt, failure to provide bond or security or any other financial or perceived financial cause under court order or otherwise;
- (e) The repossession or attempted repossession of the Aircraft by any title holder, or arising out of any contractual agreements or disagreements to which any Insured protected under this Policy may be party;
- (f) Delay, loss of use, or except as specifically provided in Section Two any other consequential loss: whether following upon loss of or damage to the Aircraft or otherwise.
- (g) Any use, hostile or otherwise, of radioactive contamination or matter but this exclusion shall not apply to loss of or damage to an Aircraft if such use is hostile and originates solely and directly
  - (i) on board such Aircraft, whether it is on the ground or in the air, or
  - (ii) external to such Aircraft and causes physical damage to the Aircraft whilst the Aircraft's wheels are not in contact with the ground.

Any such use originating external to the Aircraft that causes damage to the Aircraft as a result of contamination without other physical damage to the Aircraft exterior is not covered by this Section.



- (h) Any use, hostile or otherwise, of an electromagnetic pulse but this exclusion shall not apply to loss of or damage to an Aircraft if such use originates solely and directly on board such Aircraft, whether it is on the ground or in the air.
- (i) Any detonation, hostile or otherwise, of any device employing atomic or nuclear fission and/or fusion or other like reaction, and notwithstanding (g) and (h) above, any radioactive contamination and electromagnetic pulse resulting directly from such detonation is also excluded by this Section.
- (j) Directly or indirectly arising out of any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, whether hostile or otherwise.
- (k) This Policy excludes any direct or indirect cover in respect of any Russian and/or Belarussian risk, person, organization or entity and any coverage for aircraft, spares and engines leased directly or indirectly to Russian or Belarussian risks or entities (or their affiliates) or for the use in Russia or Belarus.  
Excluding also any losses, damages, liability, cost or expense caused by or arising from or in connection with the current Russia- Ukraine, Russia, Crimea, the regions of Donetsk and Luhansk and/or other occupied territories and Belarus.

#### 4. CONDITIONS APPLICABLE TO THIS SECTION

- (a) This Section is subject to the same warranties, terms and conditions (except as regards the premium, the obligations to investigate and defend, the renewal agreement (if any), the amount of deductible or self-insurance provision where applicable AND EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in this Policy, or as may be added to this Policy.
- (b) Should there be any Material Change in the nature or area of the Insured's operations, the Insured shall give immediate notice of such Change to the Insurers; no claim arising subsequent to a Material Change over which the Insured had control shall be recoverable hereunder unless such change has been accepted by the Insurers.  
  
"Material Change" shall be understood to mean any change in the operation of the Insured which might reasonably be regarded by the Insurers as increasing their risk in degree or frequency, or reducing possibilities of recovery or subrogation.
- (c) The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Section shall be conditions precedent to any liability of the Insurers to make any payment under this Section: in particular the Insured should use all reasonable efforts to ensure that he complies and continues to comply with the laws (local or otherwise) of any country within whose jurisdiction the Aircraft may be, and to obtain all permits necessary for the lawful operation of the Aircraft.
- (d) Subject always to the provisions of the Cancellation, Revision and Automatic Termination conditions of this Section, and the Schedule to the Policy, Insurers hereon agree to follow the Hull "All Risks" Section in respect of Breach of Warranty Cover, Hold Harmless Agreements and Waivers of Subrogation.
- (e) This Section shall be subject to the laws and statutes applicable in the Republic of South Africa and Insurers shall only abide by judgements first delivered by or obtained from a court of competent jurisdiction within the Republic of South Africa.



**5. CANCELLATION REVISION AND AUTOMATIC TERMINATION APPLICABLE TO THIS SECTION**

- (a) **AMENDMENT OF TERMS OR CANCELLATION** - Insurers may give notice effective on the expiry of 7 days from midnight G.M.T. on the day on which notice is issued, to review the rate of premium and/or the geographical limits. In the event of the review of the rate of premium and/or geographical limits not being accepted by the Insured then at the expiry of the said 7 days, this Policy shall become cancelled at that date.
- (b) **AUTOMATIC REVIEW OF TERMS OR CANCELLATION** - Notwithstanding (a) above, this Policy is subject to automatic review by Insurers of the rate of premium and/or conditions and/or geographical limits effective on the expiry of 7 days from the time of 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 wheresoever or whensoever such detonation may occur and whether or not the insured Aircraft may be directly affected. In the event of the review of the rate of premium and/or conditions and/or geographical limits not being accepted by the Insured then at the expiry of the said 7 days, this Section shall become cancelled at that date.
- (c) **CANCELLATION BY NOTICE** - This Section may be cancelled by the Insurers or the Insured giving notice not less than 7 days prior to the end of each period of 3 months from inception.
- (d) **AUTOMATIC TERMINATION** - Whether or not such notice of cancellation has been given this Insurance shall **TERMINATE AUTOMATICALLY**:  
Upon the outbreak of war (whether there be a declaration of war or not) between any of the following States, namely, The United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China.  
**PROVIDED THAT** if the Aircraft is in the air when such outbreak of war occurs then this insurance, subject to its terms and conditions and provided not otherwise cancelled, terminated or suspended will be continued in respect of such Aircraft until the said Aircraft has completed its first landing thereafter.



## SECTION VI – AIRCRAFT SPARES

### 1. COVERAGE

**Where the Insured has paid the appropriate premium to Insurers on due date and subject to the terms and conditions set out in this Policy, and Section VI Cover is included in the Schedule hereto, and the Insured has complied with the terms and conditions in this Policy, as well as those terms, conditions and exclusions hereinafter contained, then -**

This Section insures Property being only Engines, Spare Parts and Equipment destined to be fitted to or to form part of an aircraft and being the property of the Assured or the property of others for which the Assured is responsible, while such property is in the care, custody or control of the Assured on the ground, or is being carried as cargo in transit, by air (including Assured's aircraft) and/or steamers (approved or held covered at a premium to be arranged) and/or road and/or rail and/or conveyance.

### 2. CONDITIONS - All risks of Physical Loss or Damage (except as hereafter excluded) but

#### AIR TRANSITS

Institute Cargo Clauses (AIR) 1/1/82

#### MARINE TRANSITS

Institute Cargo Clauses (A) 1/1/82

### 3. GEOGRAPHICAL LIMITS

This Section to cover the property described above, against the risks described above, whilst in respect of the Geographical Limits as detailed in the Schedule to the Policy.

### 4. EXCLUSIONS

The Insurer shall not be liable for:-

- (a) Loss of or damage to any such property occurring at any time after the commencement of the operation of fitting it to or placing it on board the aircraft to which it is destined.
- (b) Loss of or damage to an Engine occurring during the running or testing thereof.
- (c) Mechanical or electrical derangement.
- (d) Loss or damage caused by wear, tear or gradual deterioration.
- (e) Loss or damage caused by or resulting from neglect of the Assured to use reasonable means to save and preserve the property at the time of and after any loss or damage.
- (f) Loss of or damage to any property which has been detached from an aircraft and which is intended to be refitted to the aircraft and not to be replaced by other property.
- (g) Loss of or damage to any property hereby insured which may be sustained whilst the same is under any process and directly resulting therefrom.
- (h) Property carried in an aircraft as a spare parts kit.
- (i) Property fitted to or forming part of an aircraft.
- (j) The property of others carried or stored by the Assured for hire or reward.
- (k) Mysterious disappearance or unexplained loss or shortage disclosed upon taking inventory.
- (l) This Policy excludes any direct or indirect cover in respect of any Russian and/or Belarussian risk, person, organization or entity and any coverage for aircraft, spares and engines leased directly or indirectly to Russian or Belarussian risks or entities (or their affiliates) or for the use in Russia or Belarus.  
Excluding also any losses, damages, liability, cost or expense caused by or arising from or in connection with the current Russia- Ukraine, Russia, Crimea, the regions of Donetsk and Luhansk and/or other occupied territories and Belarus.



**5. DEDUCTIBLE**

Each claim for loss or damage arising out of one event shall be adjusted separately and from the amount of such adjusted claim the amount as reflected in the Schedule to the Policy shall be deducted.

**6. LIMITS OF LIABILITY**

The liability of the Insurer shall not exceed the amount as Stated in the Schedule to the Policy. The cost of repair or the cost of replacement or the insured value, whichever shall be the least amount, in respect of any one item of property.

**7. SALVAGE AND RECOVERIES**

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties thereto.



## SECTION VII – PERSONAL ACCIDENT (AIR TRAVEL ONLY)

### 1. COVERAGE

Where the Insured has paid the appropriate premium to Insurers on due date and subject to the terms and conditions set out in this Policy, and Section VII Cover is included in the Schedule hereto, and the Insured has complied with the terms and conditions in this Policy, as well as those terms, conditions and exclusions hereinafter contained, then -

If any Insured Person sustains Bodily Injury whilst such Insured Person is engaging in Air Travel, the Insurers agree to pay to the Insured the amount stated in the Schedule of Benefits after the total claim has been substantiated under this Policy, subject to the following:

- (i) Benefit shall not be payable under more than one of the items contained in the Schedule of Benefits in respect of the consequences of one Accident to any one Insured Person.
- (ii) The total sum payable under this Policy in respect of one or more Accidents to any one Insured Person shall not exceed in total the largest benefit under any one of the items contained in the Schedule of Benefits.
- (iii) If an Accident causes the death of the Insured Person within 12 months following the date of the Accident and prior to the definite settlement of the benefit for disablement provided for under items 2 to 7 of the Schedule of Benefits, Insurers shall only pay the death benefit.

2. **INSURED PERSONS** – members of the crew of the Aircraft as per the Schedule of Aircraft detailed in the Schedule to the Policy whilst engaging in Air Travel.

3. **CAPITAL SUM INSURED** – death / permanent disablement, any one crew member as detailed in the Schedule to the Policy, however not exceeding USD200, 000.00 any one Insured Person. In the event of an Accident involving more than one Insured Person travelling in the same Aircraft Insurers will not be liable for more than USD 1 000 000.00 any one Aircraft.

4. **SCHEDULE OF BENEFITS-** The percentages specified below are percentages of the Capital Sum Insured and are applicable to each Insured Person.

1. Death	100%
2. Total and irrecoverable loss of sight of both eyes	100%
3. Total and irrecoverable loss of sight of one eye	100%
4. Loss of two limbs	100%
5. Loss of one limb	100%
6. Total and irrecoverable loss of sight of one eye and loss of one limb	100%
7. Permanent Total Disablement (other than total and irrecoverable loss of sight of one or both eyes or loss of limb(s))	100%

**Temporary Total Disablement:**

Maximum of 1% of Capital Sum Insured, per week any one Insured Person, but not exceeding average weekly wage and subject to a maximum period of 52 consecutive weeks.  
Subject to a waiting period of 14 days.

**Medical and Related Expenses:**

Not covered.

5. **THE GEOGRAPHICAL LIMITS IN RESPECT OF WHICH THE COVERAGE AFFORDED BY THIS SECTION APPLIES** – as per the Geographical limits detailed in the Schedule to the Policy.

## 6. EXCLUSIONS APPLICABLE TO THIS SECTION

- 1) This Section does not cover death or disablement (including Medical and Related Expenses) in any way caused or contributed to by:
  - (a) war, whether war be declared or not, hostilities or any act of war or civil war;
  - (b) (i) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;  
(ii) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever;
  - (c) the Insured Person's suicide or attempted suicide or intentional self-injury or the Insured Person being in a state of insanity;
  - (d) illness, sickness or disease unless such illness, sickness or disease results from Bodily Injury as insured hereunder;
  - (e) the Insured Person's deliberate exposure to danger (except in an attempt to save human life);
  - (f) the Insured Person's own criminal act;
  - (g) the Insured Person being under the influence of alcohol;
  - (h) the Insured Person being under the influence of drugs, except those drugs taken on the advice of, or as directed by, a duly qualified medical practitioner.
- 2) This Section does not apply:
  - (a) to claims excluded by the Contracts (Rights of Third Parties) Act 1999 Exclusion Clause;
  - (b) to claims excluded by the Sanctions and Embargo Clause;
  - (c) to claims excluded by the Communicable, Contagious, Infectious Disease and Epidemic / Pandemic Exclusion.
- 3) This Section does not cover Medical and Related Expenses as defined hereunder.
- 4) This Section excludes any direct or indirect cover in respect of any Russian and/or Belarussian risk, person, organization or entity and any coverage for aircraft, spares and engines leased directly or indirectly to Russian or Belarussian risks or entities (or their affiliates) or for the use in Russia or Belarus. Excluding also any losses, damages, liability, cost or expense caused by or arising from or in connection with the current Russia- Ukraine, Russia, Crimea, the regions of Donetsk and Luhansk and/or other occupied territories and Belarus.

## 7. CONDITIONS PRECEDENT

**It is necessary that the Insured observes and fulfils the following Conditions before the Insurers have any liability to make any payment under this Section.**

- (i) Notice must be given to the Insurers as soon as possible of any Accident which causes or may cause a claim within the meaning of this Policy, and the Insured Person must as early as possible seek the attention of a duly qualified medical practitioner.
- (ii) Notice must be given to the Insurers as soon as possible in the event of the death of the Insured Person resulting or alleged to result from an Accident.

### CONDITIONS

- (i) No benefit will be payable for any condition for which the Insured Person has sought advice, diagnosis, treatment or counselling or of which the Insured Person was or should reasonably have been aware at inception of this Policy or for which the Insured Person has been treated at any time prior to inception, unless such condition has been declared to and agreed by the Insurers.
- (ii) All medical records, notes and correspondence referring to the subject of a claim or a related pre-existing condition shall be made available on request to any medical adviser appointed by or on behalf of the Insurers and such medical adviser or advisers shall, for the purpose of reviewing the claim, be allowed so often as may be deemed necessary to make an examination of the Insured Person.



- (iii) An Insured or an Insured Person shall not in the presentation and furtherance of any claim:
- (a) deliberately or recklessly conceal from Insurers any information which they know or ought to know might be material to Insurers' consideration of any claim;
  - (b) provide to Insurers information, which they know to be false, with respect either to any event relied upon as a cause of loss or as to the amount claimed; nor
  - (c) otherwise use fraudulent means or devices, including suppressing a known defence to Insurers' liability.

In any such event the Insurers shall have the option to refuse to pay the whole or any part of the claim.

In the circumstances set out in sub-paragraph (b) above, Insurers shall also have the option to:

- (i) terminate the cover provided by the Policy to the Insured or Insured Person with effect from the date of the event relied upon for the claim;
- (ii) recover any sums paid to the Insured in respect of losses occurring on or after the date of the event relied upon for the claim; and
- (iii) retain any and all premium paid by the Insured.

If any provision of this condition is in conflict with the law governing the Policy it shall be of no effect to the extent of such conflict.

**7. DEFINITIONS** - Certain words and phrases used in this Section have special meanings which can be found in the Definitions below:

- (i) "Accident" means a sudden, unexpected, specific event which occurs at an identifiable time and place during the Period of Insurance.  
Accident shall also include:
  - (a) Disappearance. If the Insured Person is not found within 90 days of disappearing, and sufficient evidence is produced satisfactory to the Insurers that leads them to the conclusion that the Insured Person has sustained Bodily Injury and that such injury has caused the Insured Person's death, the Insurers shall pay the death benefit, provided that the person or persons to whom such sum is paid shall sign an undertaking to refund such sum to the Insurers if the Insured Person is subsequently found to be alive.
  - (b) Hi-jack or any attempted Hi-jack. The cover shall continue whilst the Insured Person is subject to the control of the hi-jacker(s) or their associates, and during travel direct to the Insured Person's domicile or original destination after they cease to be under the control of the hi-jacker(s) or their associates, for a period not exceeding 12 months from the date of the Hi-jack.
  - (c) Unavoidable exposure to the elements.
- (ii) "Air Travel" means entering or being on board an Aircraft detailed in the Policy Schedule for the purpose of flying therein or alighting therefrom following a flight or attempted flight.
- (iii) "Bodily Injury" means identifiable physical injury which is caused by an Accident which, solely and independently of any other cause, results in the death or disablement of the Insured Person. However, death or disablement of the Insured Person caused by:
  - (a) illness, sickness or disease directly resulting from such injury, or
  - (b) medical or surgical treatment rendered necessary by such injuryshall also be covered.  
All death or disablement of the Insured Person must occur within 12 months from the date of the Accident.
- (iv) "Hi-jack" means unlawful seizure or wrongful control of the Aircraft detailed in Item 3 of the Policy Schedule in which the Insured Person is travelling.
- (v) "Loss of a limb" means permanent loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle and includes permanent, total and irrecoverable loss of use of a hand, arm, leg or foot.
- (vi) "Medical and Related Expenses" means all reasonable expenses incurred for necessary medical, surgical, ambulance, hospital, professional nursing, repatriation and funeral expenses.





- (vii) "Permanent Total Disablement" means disablement which entirely prevents the Insured Person from attending to any business or occupation for which they are reasonably suited by training, education or experience and which lasts 12 months and at the end of that period is beyond hope of improvement.
- (viii) "Temporary Total Disablement" means disablement which solely and directly temporarily prevents the Insured Person from attending to any business or occupation for which they are reasonably suited by training, education or experience, and so long as such Disablement continues but not exceeding 52 consecutive weeks from the date of first Disablement for any single Disablement.
- (ix) "Insured Persons" shall mean the Crew of the Aircraft whilst engaging in Air Travel (being in, on or boarding an aircraft for the purposes of flying therein or alighting therefrom) in Aircraft as per the Schedule of Aircraft detailed in the Schedule to the Policy.



## **SECTION VIII - CLAUSES AND ENDORSEMENTS**

**If specifically stated in the Schedule to the Policy the following Clauses and/or Endorsements have been included under cover of this Policy:**

### **ADDITIONAL INSURED ENDORSEMENT (LIABILITIES)**

It is hereby understood and agreed that as reflected in the Policy schedule are added as an Additional Insured but only insofar as their interests arise as owners (in whole or in part) of the insured Aircraft and only with respect to the operation of the Aircraft by the Named Insured.

This Endorsement does not provide coverage for the Additional Insured with respect to claims arising out of their legal liability as manufacturers, repairers, suppliers or servicing agents and shall not operate to prejudice Insurers' rights of recourse against the Additional Insured as manufacturers, repairers, suppliers or servicing agents where such rights of recourse would have existed had this Endorsement not been effected under this Policy.

This Endorsement attaches to and forms part of Policy No. as reflected in the Policy schedule and is effective from as reflected in the Policy schedule.

### **ADDITIONS AND DELETIONS (COMBINED) CLAUSE AVN19A**

1. The insurance afforded by this Policy is automatically extended to include at pro rata additional premium further Aircraft added during the currency of this Policy provided such Aircraft are owned or operated by the Insured and are of the same type and value as Aircraft already covered hereunder and of no greater seating capacity.
2. The inclusion of additional Aircraft of other types or different values or greater seating capacity shall be subject to special agreement and rating by Insurers prior to attachment.
3. Where applicable under the Aircraft loss or physical damage Section of this Policy Aircraft which have been sold or disposed of shall be deleted from this Policy and the Insured shall be entitled to pro rata return of premium provided no claim has arisen and become payable in respect of such Aircraft under the Aircraft loss or physical damage Section of this Policy and that this Policy is not cancelled by virtue of such deletion.
4. Where applicable under the liability Section(s) of this Policy Aircraft which have been sold or disposed of shall be deleted from this Policy and the Insured shall be entitled to pro rata return of premium, provided no claim has arisen and become payable in respect of such Aircraft under the liability Section(s) of this Policy and that this Policy is not cancelled by virtue of such deletion.

Provided always that

- (i) Notwithstanding the foregoing provisions for additions and deletions the premium in respect of each separate period of Flight risk insurance on any Aircraft covered during the currency of this Policy shall in no case be less than fifteen days' pro rata premium.
- (ii) In the event of a claim arising in respect of any Aircraft added hereto the full twelve months premium "annual premium" shall be paid hereunder in respect of such Aircraft.
- (iii) Notice of the addition or deletion of any Aircraft under the provisions of Paragraphs 1 and 3 respectively shall be given to the Insurers or their representatives in writing within ten days of attachment or deletion.



#### **AIR AMBULANCE EXCLUSION CLAUSE (LIABILITIES)**

It is hereby noted and agreed that the following additional exclusions also apply whilst the insured aircraft is being used for Air Ambulance purposes:-

This Policy does not apply to claims:-

- (a) arising from malpractice, error or mistake in respect of the treatment of any person or omission thereof, by any physician, surgeon, nurse, stewardess or their attendant;
- (b) arising out of the aggravation of existing injuries, unless caused directly by in-flight emergencies, fire, explosion or crash of the Insured aircraft
- (c) for the consequential loss arising out of the carriage of human blood or organs.

#### **AIRPORT INDEMNITY CLAUSE**

It is hereby understood and agreed that cover herein shall extend to indemnify and waive rights of recourse where required, against local airport authorities and other interested parties, arising out of indemnities entered into by the Insured during the currency of this Policy for the use of Aerodromes.

#### **AGREED VALUE CLAUSE**

It is hereby understood and agreed that in consideration of the insured aircraft being covered on an Agreed Value basis all reference herein to replacement shall be deemed to be deleted but only in respect of claims adjusted on the basis of a total loss.

In respect of claims adjusted on the basis of a total loss Insurers shall pay to the Insured the Agreed Value of the aircraft as stated in the Policy Schedule less any applicable deductible. Insurers may, at their discretion, take the salvage of such aircraft, together with all appropriate documents appertaining thereto, but in no event shall there be any abandonment to Insurers.

The foregoing clause / provision shall not apply to claims arising in respect of partial loss, constructive or arranged total loss or damage where Insurers have the right to repair, replace or make good as they deem expedient.

#### **AIRFREIGHT OF SPARES CLAUSE**

In the event of the Insured Aircraft sustaining damage constituting a valid claim under the terms of Section I of this Policy and necessitating the requirement of Aircraft spare parts and/or components the Insurers shall be liable for the cost of transportation by air of such spare parts and/or components up to a maximum limit of ZAR 75 000.00 in respect of piston engine aircraft or USD 100 000.00 in respect of turbine / jet engine aircraft each claim in addition to the cost of transportation by the most economical means.



## **AIRCRAFT FINANCIAL INTEREST ENDORSEMENT**

It is noted that as reflected in the policy schedule (hereinafter referred to as the Party) has a financial interest in the amount of as reflected in the policy schedule, in aircraft registration as reflected in the policy schedule. Accordingly, with respect to losses occurring during the period of insurance, as specified in the Policy schedule, in respect of the interest of the Party IT IS UNDERSTOOD AND AGREED THAT:

1. The insurance afforded by this Policy for loss of or physical damage to the insured Aircraft shall not be invalidated as regards the interest of the Party by any act or omission by the Insured results in a breach of any term, condition or warranty of the Policy PROVIDED THAT the Party has not caused, contributed to or knowingly condoned the said act or omission. Nevertheless any change in title or ownership of the Aircraft, conversion, embezzlement or secretion by the Insured in possession of the Aircraft is not covered hereunder.
2. The protection afforded to the Party by terms of this Endorsement shall be limited to loss of or physical damage to the insured Aircraft and shall not exceed the Original Amount under the Agreement less all matured Instalments paid or due prior to the accident giving rise to a loss hereunder.
3. The Party shall notify the Insurers of any increase in hazard which comes to the Party's attention and if agreed by the Insurers it shall be endorsed on the Policy, the Party agreeing to pay any additional required premium if the Insured fails to do so on demand of the Insurers.
4. If the Insured fails to render proof of loss within the time granted in the Policy conditions, the Party shall do so within sixty (60) days thereafter, in form and manner as provided by the Policy and further shall be subjected to the provisions of the Policy relating to appraisal and time of payment and of bringing suit.
5. Upon payment of any loss or claim to the Party, Insurers shall to the extent and in respect of such payment be subrogated to all legal and equitable rights of the Party.  
At the expense of Insurers the Party shall do whatever is necessary to assist the Insurers to exercise such rights.
6. Except in respect of any provision for Cancellation or Automatic Termination specified in the Policy or any endorsement thereof, cover provided by this Endorsement may only be cancelled by Insurers giving not less than Ten (10) days notice in writing to the Appointed Broker. Notice shall be deemed to commence from the date such notice is given by the Insurers. In the event of cancellation for non-payment of premium, the Party shall have option to pay all outstanding premiums in respect of the Aircraft within the notice period.

EXCEPT AS SPECIFICALLY VARIED OR PROVIDED BY THE TERMS OF THIS ENDORSEMENT THE FINANCIAL INTEREST OF THE PARTY IS COVERED BY THE POLICY FOR LOSS OF OR PHYSICAL DAMAGE TO THE INSURED AIRCRAFT ONLY SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS, WARRANTIES, EXCLUSIONS AND CANCELLATION PROVISIONS THEREOF.



## **AIRLINE FINANCE / LEASE CONTRACT ENDORSEMENT**

It is noted that the Contract Party(ies) have an interest in respect of the Equipment under the Contract(s). Accordingly, with respect to losses occurring during the period from the Effective Date until the expiry of the Insurance or until the expiry or agreed termination of the Contract(s) or until the obligations under the Contract(s) are terminated by any action of the Insured or the Contract Party(ies), whichever shall first occur, in respect of the said interest of the Contract Party(ies) and in consideration of the Additional Premium it is confirmed that the Insurance afforded by the Policy is in full force and effect and it is further agreed that the following provisions are specifically endorsed to the Policy:-

### **1. Under the Hull and Aircraft Spares Insurances**

1.1 In respect of any claim on Equipment that becomes payable on the basis of a Total Loss, settlement (net of any relevant Policy Deductible) shall be made to, or to the order of the Contract Party(ies). In respect of any other claim, settlement (nett of any relevant Policy Deductible) shall be made with such party(ies) as may be necessary to repair the Equipment unless otherwise agreed after consultation between the Insurers and the Insured and, where necessary under the terms of the Contract(s), the Contract Party(ies).

Such payments shall only be made provided they are in compliance with all applicable laws and regulations.

1.2 Insurers shall be entitled to the benefit of salvage in respect of any property for which a claims settlement has been made.

### **2. Under the Legal Liability Insurance**

2.1 Subject to the provisions of this Endorsement, the Insurance shall operate in all respects as if a separate Policy had been issued covering each party insured hereunder, but this provision shall not operate to include any claim howsoever arising in respect of loss or damage to the Equipment insured under the Hull or Spares Insurance of the Insured. Notwithstanding the foregoing the total liability of Insurers in respect of any and all Insured's shall not exceed the limits of liability stated in the Policy.

2.2 The Insurance provided hereunder shall be primary and without right of contribution from any other insurance which may be available to the Contract Party(ies).

2.3 This Endorsement does not provide coverage for the Contract Party(ies) with respect to claims arising out of their legal liability as manufacturer, repairer, or servicing agent of the Equipment.

**EXCEPT AS SPECIFICALLY VARIED OR PROVIDED BY THE TERMS OF THIS ENDORSEMENT THE FINANCIAL INTEREST OF THE PARTY IS COVERED BY THE POLICY FOR LOSS OF OR PHYSICAL DAMAGE TO THE INSURED AIRCRAFT ONLY SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS, WARRANTIES, EXCLUSIONS AND CANCELLATION PROVISIONS THEREOF.**

### **3. Under ALL Insurances**

3.1 The Contract Party(ies) are included as Additional Insured(s).

3.2 The cover afforded to each Contract Party by the Policy in accordance with this Endorsement shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any other person or party which results in a breach of any term, condition or warranty of the Policy PROVIDED THAT the Contract Party so protected has not caused, contributed to or knowingly condoned the said act or omission.

3.3 The provisions of this Endorsement apply to the Contract Party(ies) solely in their capacity as financiers(s)/lessor(s) in the identified Contract(s) and not in any other capacity. Knowledge that any Contract Party may have or acquire or actions that it may take or fail to take in that other capacity (pursuant to any other contract or otherwise) shall not be considered as invalidating the cover afforded by this Endorsement.

3.4 The Contract Party(ies) shall have no responsibility for premium and Insurers shall waive any right of set-off or counterclaim against the Contract Party(ies) except in respect of outstanding premium in respect of the Equipment.



- 3.5 Upon payment of any loss or claim to or on behalf of any Contract Party(ies), Insurers shall to the extent and in respect of such payment be thereupon subrogated to all legal and equitable rights of the Contract Party(ies) indemnified hereby (but not against any Contract Party). Insurers shall not exercise such rights without the consent of those indemnified, such consent not to be unreasonably withheld. At the expense of Insurers such Contract Party(ies) shall do all things reasonably necessary to assist the Insurers to exercise said rights.
- 3.6 Except in respect of any provision for Cancellation or Automatic Termination specified in the Policy or any endorsement thereof, cover provided by this Endorsement may only be cancelled or materially altered in a manner adverse to the Contract Party(ies) by the giving of not less than Thirty (30) days notice in writing to the Appointed Broker. Notice shall be deemed to commence from the date such notice is given by the Insurers. Such notice will NOT, however, be given at normal expiry date of the Policy or any endorsement.

EXCEPT AS SPECIFICALLY VARIED OR PROVIDED BY THE TERMS OF THIS ENDORSEMENT:-

1. THE CONTRACT PARTY(IES) ARE COVERED BY THE POLICY SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS, WARRANTIES, EXCLUSIONS AND CANCELLATION PROVISIONS THEREOF.
2. THE POLICY SHALL NOT BE VARIED BY ANY PROVISIONS CONTAINED IN THE CONTRACT(S) WHICH PURPORT TO SERVE AS AN ENDORSEMENT OR AMENDMENT TO THE POLICY.

#### **AIRCRAFT LAYING-UP RETURNS CLAUSE**

IN THE EVENT of the aircraft hereby insured being laid-up, the Flight and Taxying cover under all sections of this insurance will be suspended during the period of lay-up and credit therefor will be adjusted on the expiry of this Insurance subject to the following conditions:-

1. Notice must be given to the Underwriters by the Assured prior to the date of inception and also upon the termination of the lay-up.
2. No return of premium shall be made:-
  - a) In respect of the period of the annual renewal of the Certificate of Airworthiness including any work necessitated thereby
  - b) Unless the period of lay-ups is of at least 30 consecutive days, but should the period defined in (a) occur during lay-up then the Assured shall be entitled to add the lay-up days prior to and subsequent to the period defined in (a) in computing the period of 30 days or more for which a return may be made
  - c) If a claim in respect of the aircraft has been made on this Insurance.

Subject always to the foregoing conditions the return shall be 75 per cent. of pro rata of the difference between the annual hull risk premium and the annual ground risk premium (as agreed by the Underwriters) for the actual period of lay-ups as defined above.

In the event of the aircraft being laid up for a period of 30 consecutive days or more, a part only of which attached to this insurance and part to the annual renewal insurance, then this insurance shall return premium for such portion of the total period of lay-up as the number of days attaching hereto bears to such total period.



## **BREACH OF AIR NAVIGATIONS EXCLUSION CLAUSE**

The cover afforded to each Insured by the Policy shall not be invalidated by any act of omission which results in a breach of any air navigation or airworthiness orders or requirements issued by any competent authority affecting the safe operation of the Aircraft provided that the Insured so protected has not caused, contributed to or knowingly condoned the said act or omission. Any Insured who has caused, contributed to or knowingly condoned the said act or omission shall not be entitled to indemnity under the Policy. The onus of proof that the requirements of this Clause have been met, shall rest solely upon the Insured. Nothing in this Clause shall extend this Policy to indemnify the individual causing any such breach.

Except as specifically varied by this clause, all other terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy apply.

## **CARRIAGE OF INFANTS**

The Insured may exceed the Declared Maximum Passenger Seating in any Aircraft covered hereunder by virtue of the carriage of infants, subject to compliance with the relevant provisions of the Air Navigation Regulations or any other relevant Regulations, Rules or Enactment.

## **CARGO LEGAL LIABILITY ENDORSEMENT**

This Endorsement extends the coverage provided under Section II of this Policy, subject to the Limit of Indemnity and to the Deductible stated below, for legal liability in respect of accidental physical loss of or damage to cargo whilst in the care, custody or control of the Insured, for the purpose of carriage by air.

Provided always that

1. Before accepting any cargo for the purpose of carriage by air the Insured shall take such measures (including but not limited to the issue or acceptance of an air waybill) as are necessary to exclude or limit liability for claims in respect of the accidental physical loss of or damage to that cargo to the extent permitted by law. In no event shall the amount of the indemnity provided by Insurers under this Endorsement exceed the amount of the legal liability, if any, that would have existed had the Insured taken such measures.
2. The Insured shall ensure that cargo in their care, custody or control is kept in secure premises at all times other than during transit.

Coverage provided by this Endorsement attaches from the time of acceptance of such cargo by the Insured and ceases upon delivery by the Insured at the final destination or when handed over to a successive carrier.

This Endorsement does not apply to legal liability in respect of:

1. delay or loss of market;
2. perishables and/or livestock;
3. consequential loss howsoever arising;
4. slung loads;
5. money, securities, precious stones, precious metals, jewellery, fine art and antiques of any kind.

Limit of Indemnity

As reflected in the Policy schedule. This limit of indemnity is contained within the Policy 'Combined Single Limit' and not in addition thereto.

Deductible

As reflected in the Policy schedule, applicable to each and every loss.



#### **CIVIL AVIATION AUTHORITY SAFETY REGULATION GROUP CLAUSE**

It is noted and agreed that the cover hereunder remains operative whilst the insured aircraft is being flown by any Civil Aviation Authority (or its local equivalent) approved pilot for the purpose of a test flight and during any such test flight the Civil Aviation Authority Safety Regulation Group (or its local equivalent) are included as Joint Insured's in respect thereof.

Nevertheless, notwithstanding the inclusion hereon of more than one Insured the total liability of the Insurers in respect of any or all Insured's shall not exceed the limits of liability stated in this policy.

#### **CIVIL AVIATION AUTHORITY TRAINEE ENDORSEMENT**

It is noted and agreed that this Policy is extended to indemnify the Insured in respect of Liability assumed under agreement with the Civil Aviation Authority (or its local equivalent) in connection with the flying training by the Insured of employees of the Civil Aviation Authority (or its local equivalent) and the Passenger Legal Liability section is extended to include Civil Aviation Authority (or its local equivalent) employees whilst acting as crew member.

#### **CONTINGENT PILOT WARRANTY CLAUSE**

It is hereby declared and agreed that in respect of piston engine fixed wing aircraft only the Pilot Provision in this Policy is extended to include:

- (i) Any Type Rated Commercially Licenced Pilot solely for the purpose of collection and/or delivery and/or test flights in connection with the overhaul, maintenance or repair of the Aircraft.
- (ii) Any Type Rated Privately Licenced Pilot solely for test flights required in connection with the overhaul, maintenance or repair of the aircraft PROVIDED THAT the pilot has been specifically approved by the Department of Civil Aviation for this purpose.

#### **CROSS LIABILITIES**

The parties comprising the Insured shall each be considered as a separate and distinct unit and the words "The Insured" shall be considered as applying to each party and in the same manner as if a separate Policy has been issued to each parties. It is expressly understood and agreed that the Insurer will not be liable under this Policy for any claim, which but for this extension would otherwise fall under any other insurance. Nothing contained herein shall increase the liability of the Insurer beyond the limit(s) stated in the Schedule hereto. In the event of more than one Insured being named in the Policy and should an accident occur which might give rise to a claim under any section of the Policy, it is agreed that should the Insured calling for indemnity be in breach of any term, condition, warranty or stipulation contained in the said Policy, such insured shall not be entitled to any form of indemnity under the Policy in its entirety. It is furthermore agreed that in the event of the Insurer indemnifying an Insured under any sections comprising the Policy, in such event, the Insurer shall be subrogated to all rights in terms of all monies paid to or on behalf of the Insured claiming indemnity as against the Insured who acted in breach of the aforesaid terms, conditions, warranties or stipulations.





**DATE RECOGNITION LIMITED COVERAGE CLAUSE (Applicable to non-Aircraft Liability only)**

WHEREAS the Policy of which this Endorsement forms part includes the Date Recognition Exclusion Clause (Clause AVN 2000A), it is hereby understood and agreed that, subject to all terms and provisions of this Endorsement, Clause AVN 2000A shall not apply to any sums which the Insured shall become legally liable to pay, and (if so required by the Policy) shall pay (including costs awarded against the Insured) in respect of:

1. accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an aircraft accident occurring during the Policy period and arising out of a risk insured under the Policy; and/or
2. accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an accident, other than an aircraft accident, occurring during the Policy period and arising out of a risk insured under the Policy. For the avoidance of doubt, solely for the purposes of this paragraph 2 and without prejudice to the meaning of the words in any other context, "bodily injury" shall mean only physical corporeal injury and unless arising directly therefrom shall not include mental or psychological injury.

**PROVIDED THAT:**

1. Coverage provided pursuant to this Endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy (except as specifically provided herein), and nothing in this Endorsement extends coverage beyond that which is provided by the Policy.
2. Nothing in this Endorsement shall provide any coverage:
  - (a) applying in excess of any scheduled underlying insurance and/or in respect of any non aviation risks; and/or
  - (b) in respect of grounding of any aircraft; and/or
  - (c) in respect of loss of use of any property unless it arises out of physical damage to or destruction of property in the accident giving rise to a claim under the Policy.
3. The Insured agrees that it has an obligation to disclose in writing to the Insurers during the Policy period any material facts relating to the Date Recognition Conformity of the Insured's operations, equipment and products.



## **EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)**

1. WHEREAS the Policy of which this Endorsement forms part includes the War, Hi-Jacking and Other Perils Exclusion Clause (Clause AVN 48B), all sub-paragraphs other than (b) of Clause AVN 48B forming part of this Policy are deleted SUBJECT TO all terms and conditions of this Endorsement.
2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B.

Cover shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

3. **LIMITATION OF LIABILITY**  
The limit of Insurers' liability in respect of the coverage provided by this Endorsement shall be a sub-limit as included in the schedule or the applicable Policy limit whichever the lesser any one Occurrence and in the annual aggregate except with respect to passengers to whom the full Policy limit(s) shall apply. This sub-limit shall apply within the full Policy limit and not in addition thereto.
4. **AUTOMATIC TERMINATION**  
To the extent provided below, cover extended by this Endorsement shall TERMINATE AUTOMATICALLY in the following circumstances:
  - (i) All cover  
- upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following States, namely, France, the People's Republic of China, the Russian Federation, the United Kingdom, the United States of America.
  - (ii) Any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B  
- upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the Insured Aircraft may be involved.
  - (iii) All cover in respect of any of the Insured Aircraft requisitioned for either title or use  
- upon such requisition.

PROVIDED THAT if an Insured Aircraft is in the air when (i), (ii) or (iii) occurs, then the cover provided by this Endorsement (unless otherwise cancelled, terminated or suspended) shall continue in respect of such an Aircraft until completion of its first landing thereafter and any passengers have disembarked.

5. **REVIEW AND CANCELLATION**
  - (a) **Review of Premium and/or Geographical Limits (7 days)**  
Insurers may give notice to review premium and/or geographical limits - such notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which notice is given.
  - (b) **Limited Cancellation (48 hours)**  
Following a hostile detonation as specified in 4 (ii) above, Insurers may give notice of cancellation of one or more parts of the cover provided by paragraph 1 of this Endorsement by reference to sub- paragraphs (c), (d), (e), (f) and/ or (g) of Clause AVN 48B - such notice to become effective on the expiry of forty-eight hours from 23.59 hours GMT on the day on which notice is given.
  - (c) **Cancellation (7 days)**  
The cover provided by this Endorsement may be cancelled by either Insurers or the Insured giving notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which such notice is given.
  - (d) **Notices**  
All notices referred to herein shall be in writing.



#### **FLYING CLOTHING AND EFFECTS CLAUSE**

This Policy is extended to cover the Insured or any pilot described in the Schedule of the Policy against loss or damage by theft or fire (or accidental damage if the Aircraft itself be damaged) in respect of flying clothing, maps, navigating equipment and instruments, headsets or similar equipment (not being fixtures in the Aircraft) and baggage (including contents) actually in or on the Aircraft being the property of the Insured or any pilot described in the Schedule of the Policy, but excluding money, credit cards, securities, jewellery and furs of all kinds.

This extension is limited to a maximum indemnity as reflected in the Policy schedule, each Accident.

Subject to a deductible, as reflected in the Policy schedule, each Accident.

#### **FORCED LANDING CLAUSE**

Insurers hereon agree that in the event of an insured Aircraft making a forced landing in any place where subsequent safe take-off is impossible they will pay all reasonable costs, expenses or expenditure for the removal of the Aircraft to the nearest suitable take-off area provided always that Insurers' liability for such costs, expenses or expenditure, and for any loss of or damage to the Aircraft, shall not exceed the value of the Aircraft as declared in the Policy.

#### **GROUND HANDLING/SERVICE AGREEMENTS**

It is hereby noted and agreed to waive rights of subrogation against and hold harmless companies or other entities with whom the Insured has entered into agreements in respect of ground handling or servicing in accordance with usual operating practice.

#### **HOT / HUNG STARTS ENDORSEMENT**

It is understood and agreed that Coverage is automatically extended to include damage to the aircraft engine(s) occurring as a result of a Hot and/or Hung Start subject to:-

1. the damage resulting from a single recorded incident.
2. the Engine being immediately withdrawn from service.
3. a technical log entry being made at the time of the incident.
4. the incident being reported immediately to a licensed engineer and prior to any restart attempt.
5. the reporting of an incident likely to give rise to a claim under the Policy to Insurers in accordance with the Policy Conditions herein.
6. the application of normal policy deductibles and betterment where applicable.

Definition:

For the purpose of this endorsement it is understood and agreed that:-

- (i) "Hot Start" means the start of a turbine engine abandoned because of an over-temperature indication.
- (ii) "Hung Start" means the starting of a main turbine engine which for any reason, automatically or under manual control, is arrested after ignition but before self sustaining speed is reached.

Subject otherwise to all terms and conditions of the Policy.



#### **INNOCENT OPERATORS COVERAGE CLAUSE**

This Policy is extended to cover physical damage to the Aircraft hereby insured arising from the action of any Government, Government Department, Authority or Agency by reason of actual or alleged infringement of Customs, Quarantine or Public Health regulations.

Warranted the Insured shall:

- (a) not knowingly carry cargo incorrectly described or labelled;
- (b) take reasonable precautions to adhere to any Customs, Quarantine or Public Health regulations.

#### **LEASED ENGINE ENDORSEMENT**

In the event of an Aircraft insured hereon being fitted with a Loaned / Leased Engine(s), the Agreed Value of the Aircraft is automatically increased by the Agreed Value of the Leased Engine(s) for the period they are installed. Subject to the maximum Agreed Value hereon not being exceeded and subject to Insurers retaining rights of salvage on the removed engine(s), in the event of a claim in respect of the aircraft being settled on a Total Loss basis, a pro rata premium adjustment at expiry, however the foregoing shall not increase the Agreed Value of the Aircraft (without the leased engine) when applying any constructive total loss hereon. Agree automatically to include owners of loaned / leased engine(s) as Additional Insured's in respect of Liabilities only and Loss Payees in respect of the engine for their respective rights and interests.

#### **LEGAL LIABILITY TO EMPLOYEES**

if at any time during the period of this Insurance any employee of the Insured shall sustain bodily injury (fatal or non-fatal) whilst travelling as a passenger in the Aircraft (including entering on or alighting from the Aircraft) in the course of his employment by the Insured and if the Insured shall become legally liable to pay and shall pay as compensation (including costs awarded against the Insured) in respect of such injury, the Insurer will indemnify the Insured in terms of Section III in respect of all sums for which the Insured shall be so liable up to but not exceeding the limit of indemnity as described in the Schedule.

#### **PROVIDED ALWAYS THAT**

The indemnity provided by this extension shall not apply if the liability of the Insured arises under any law requiring compensation to be paid for injury to workmen.

#### **MANUFACTURER AS ADDITIONAL INSURED**

Agree to include as reflected in the Policy schedule, as an Additional Insured but only in so far as their interests arise as owners (in whole or in part) of the insured Aircraft.

This agreement shall not operate to prejudice Insurers' rights of recourse against as reflected in the Policy schedule, as manufacturers, repairers, suppliers or servicing agents where such rights of recourse would have existed had this endorsement not been effected under this Policy.

#### **MEDICAL MALPRACTICE AND AGGRAVATION OF EXISTING INJURIES EXCLUSION CLAUSE**

It is understood and agreed that coverage afforded herein in respect of Emergency Rescue excludes Medical Malpractice and Aggravation of Existing Injuries.

Medical Malpractice shall mean:

"Bodily injury or mental injury to or death of any patient caused by error, omission or negligence in professional services rendered or which should have been rendered by the Insured."

Aggravation of Existing Injuries shall mean:

"Any injury which existed prior to an occurrence happening which in consequence of such occurrence happening is aggravated."

#### **NO CLAIMS BONUS ON RENEWAL CLAUSE**

Subject to there being no claim settled or outstanding or expenses incurred in connection with any claim on this Policy and provided this Policy has been in force for twelve consecutive months and subject to this insurance having been renewed with the Insurer on a similar basis for a further period of twelve consecutive months a No Claims Bonus calculated on the Section 1 full flight risk premium only (excluding any extensions) at the rate stated in the Schedule hereto shall be allowed to the Insured, it being understood that no obligation on the Insurer or the Insured to renew is implied.

#### **OUT OF NOTIFIED HOURS CLAUSE**

The coverage provided by this Policy shall not be invalidated as a result of the use, by the Insured, of certain airfields and/or airports out of the notified hours, subject to prior permission having been granted by the appropriate owner and/or operator of such airfield and/or airport.

#### **PARTS DETACHED CLAUSE**

It is hereby understood and agreed that Section I is extended to cover parts temporarily detached from the Aircraft and not replaced, including whilst in transit, but excluding Marine Transit and Subject to the full Hull Aircraft Deductible.

#### **PILOT INDEMNITY CLAUSE**

It is hereby declared and agreed that the indemnity granted under Section II – Legal liability to Third Parties (other than Passengers) and Section III – Legal Liability to Passengers – if incorporated herein shall extend to include the legal liability of any pilot (as described in the Schedule hereto) who flies the Aircraft with the express knowledge and consent of the Insured in respect of injury or damage as defined in the relative Section but not so as to increase the liability of the Insurer beyond the amount which it would have been liable to pay in respect of such injury or damage if liability had developed upon the Insured.

#### **PROVIDED ALWAYS THAT**

- (a) At the time of any accident giving rise to a claim under this extension the said pilot
  - (i) is not entitled to indemnity under any other policy.
  - (ii) shall as though he /she were the Insured, observe, fulfil and be subject to all the warranties, terms, conditions, exclusions, deletions, definitions, conditions and clauses contained in the Policy so far as they can apply, and
- (b) There shall be no indemnity under this extension in respect of claims made against the pilot by the Insured and/or with respect to the Aircraft described in the Schedule to the Policy.
- (c) for the purpose of this extension the word "Insured" wherever it appears in the Exclusions appearing in Sections II and III shall be understood to mean
  - (i) the Insured named in the Schedule hereto, and/or
  - (ii) any pilot as aforesaid in respect of whom this extension is operative.



#### **PROFIT COMMISSION ON RENEWAL CLAUSE**

After expiry of the policy and following the receipt by the Insurers of the final adjustment of all premiums due and settlement of all claims in respect of this period of insurance and subject to renewal with the same Insurers hereon for an additional twelve month Policy in full, Insurers agree to return to the Insured a profit commission of the percentage per the policy schedule, of the net ascertained profit in respect of this period of insurance. The net ascertained profit shall be returned to the Insured on the same basis as which the renewal premium is to be paid to Insurers.

The net ascertained profit shall be calculated by deducting the 'outgo' from the 'income' as follows:-

**INCOME**

The percentage (as expressed in the Schedule to the Policy), of hull premium less all returns of premium.

**OUTGO**

Total of settled hull claims and related expenses less any salvages and recoveries.

#### **SEVERABILITY OF INTEREST CLAUSE**

This insurance shall operate in all respects as if a separate Policy had been issued covering each party insured hereunder, but this provision shall not operate to include any claim howsoever arising in respect of loss or damage to the hull or spares insured under the hull or spares insurance of the Insured. Subject to Policy Terms, Conditions and Exclusions.

#### **SUPPLEMENTARY PAYMENTS CLAUSE**

It is understood and agreed that this Policy is extended to cover as more fully set forth under those paragraph(s) identified below. It is expressly understood that no cover is provided under those paragraphs of this Clause, which have not been identified below.

The Insurers agree to indemnify the Insured for

- (a) any reasonable expenses incurred for the purpose of search and rescue operations for an Aircraft insured hereunder determined to be missing and unreported after the computed maximum endurance of the flight has been exceeded;
- (b) any reasonable expenses incurred for the purpose of runway foaming to prevent or mitigate possible loss or damage because of malfunction or suspected malfunction of an Aircraft insured hereunder;
- (c) any reasonable expenses incurred for the purpose of attempted or actual raising, removal, disposal or destruction of the wreck of an Aircraft insured hereunder and the contents thereof;
- (d) any reasonable expenses which the Insured may be called upon to pay in respect of any public inquiry or inquiry by the Civil Aviation Authority or any other relevant authority into an Accident involving an Aircraft insured hereunder.

Coverage is provided under paragraphs (a), (b), (c), (d) above.

Provided always that Insurers' liability shall not exceed a maximum of 10% of Aircraft agreed value, in the aggregate over all paragraphs insured.

#### **TRESPASSERS COSTS CLAUSE**

Insurers agree to settle reasonable claims for loss of or damage to crops and/or other property, caused by trespassers, following a crash or forced landing of the aircraft, if such loss or damage is not recoverable from the trespassers.



#### **UNAUTHORISED USE CLAUSE (RESTRICTED TO THEFT ONLY)**

No claim under this Policy shall be rejected on the grounds that the Aircraft was used in a place or a manner or by a person not permitted under the terms of this policy provided such use was not authorised by the Insured and that the Insured had taken reasonable precautions to prevent such unauthorised use. Any consent given by an employee or agent of the Insured outside of the normal scope of his authority shall be deemed not to be authorisation given by the Insured.

#### **UNLICENSED LANDING GROUND SUITABILITY CLAUSE**

It is understood and agreed that the landing and taking off of the insured Aircraft by day on landing grounds other than licensed airfields are covered under this Policy.

Provided always that

- (a) the Insured and/or the pilot conducting the flight has obtained the permission of the owner or tenant of the land,
- (b) the Insured and/or the pilot conducting the flight has ascertained the suitability of the landing ground and has enquired from the landowner/tenant or from their authorised representative the condition of the landing ground at the expected time of arrival,
- (c) the pilot conducting the flight has surveyed the landing ground by flypast or overflight immediately prior to landing.

In the event of a claim being made under this Policy in respect of an Accident occurring during the use of such landing ground the onus of proving that (a) (b) and (c) above had been complied with shall rest entirely on the Insured.

#### **VOLUNTARY AIR TRANSPORT SQUADRON FLYING**

The cover provided by Section I of this Policy include the use of the Aircraft for Voluntary Air Transport Squadron duties authorised on the order of and under the general control of the chief of the Air Force of the Republic of South Africa. It is further agreed that such Authorised Duties are:-

1. Flights at Training Courses;
2. Ad hoc tasks flown in support of or at the request of the South African Defence Force, South African Police including communication flight(s) at the request of the South African Government Departments;
3. Search and Rescue tasks flown in support or at the request of the Division of Civil Aviation, South African Defence Force, South African Police or National Sea Rescue Institute of South Africa.

Subject to all such duties being carried out in compliance with Air Navigation Regulations notwithstanding any Regulations or section of the Aviation Act No. 74 of 1962, which purports or attempts to purport to exclude compliance therewith.

This Policy does not cover loss or damage to the above mentioned Aircraft as a result of or in the course of operations, hostile or malicious action of or against insurgents or other persons.



## **50/50 PROVISIONAL CLAIMS SETTLEMENT CLAUSE**

HEREAS the Insured has in full force and effect

- A) a "Hull All Risks" policy which inter alia contains the War, Hijacking and Other Perils Exclusion Clause (AVN 48B) / the Common North American Airline War Exclusion Clause, and
- B) a "Hull War Risks" policy which inter alia covers certain of the risks excluded by AVN 48B / the Common North American Airline War Exclusion Clause in A) above

NOW IT IS HEREBY UNDERSTOOD AND AGREED THAT in the event of loss of or damage to an aircraft identified on the schedule of aircraft forming part of this policy and where agreement is reached between the "Hull All Risks" Insurers and the "Hull War Risks" Insurers that the Insured has a valid claim under one or other policy where nevertheless it cannot be resolved within 21 days from the date of occurrence as to which policy is liable, each of the aforementioned groups of insurers agree, WITHOUT PREJUDICE to their liability, to advance to the Insured 50% of such amount as may be mutually agreed between them until such time as final settlement of the claim is agreed

PROVIDED ALWAYS THAT

- (i) the "Hull All Risks" and "Hull War Risks" placing slips are identically endorsed with this provisional claims settlement clause
- (ii) within 12 months of the advance being made all Insurers specified in (i) above agree to refer the matter to arbitration in London in accordance with the Statutory provision for arbitration for the time being in force
- (iii) once the arbitration decision has been conveyed to the parties concerned, the "Hull All Risks" Insurers as the case may be shall repay the amount advanced by the other group of Insurers together with interest for the period concerned which is to be calculated using the London Clearing Banks' Base Rate
- (iv) if the "Hull All Risks" and "Hull War Risks" policies contain differing amounts payable, the advance will not exceed the lesser of the amounts involved. In the event of Co-insurance or risks involving uninsured proportion(s), the appropriate adjustment will be made.