

Recreational Aircraft Insurance Policy



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Recreational Aircraft Insurance Policy

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

Certain words and phrases used in this Policy have special meanings which can be found in Section 7 Definitions.

Vero Insurance Limited ABN 48 005 297 807 ('the Insurer') agrees to insure against loss, damage or liability, arising out of an Accident occurring during the Period of Insurance to the extent and in the manner provided in this Policy.

Section 1 – Accidental Loss of or Damage to Aircraft

1 Coverage

- 1.1 The Insurer will at its option pay for, replace or repair, accidental loss of or damage to the Aircraft, including parts temporarily removed and not replaced, as described in the Schedule arising from the Risks Covered in the Schedule, including disappearance if the Aircraft is unreported for 15 days after the commencement of Flight, but not exceeding the agreed value as specified in the Schedule and subject to the amounts to be deducted as specified in Schedule.
- Emergency Expenses** 1.2 If the Aircraft is insured hereby for the risks of Flight, the Insurer will, in addition, pay reasonable emergency expenses necessarily incurred by the Insured for the immediate safety of the Aircraft consequent upon damage or forced landing, provided always that Insurer's liability for such costs, expenses or expenditure, and for any loss of or damage to the Aircraft, shall not exceed the agreed value as specified in the Schedule.
- Agreed Value** 1.3 In respect of claims adjusted on the basis of a total loss the Insurer shall pay to the Insured the agreed value of the aircraft as stated in the Schedule less any applicable deductible and all reference to replacement is deleted. The Insurer may, at its discretion, take the salvage of such aircraft, together with all appropriate documents appertaining thereto, but the Insurer will not, under any circumstances, accept any abandonment.
- 1.4 If the Insurer exercises its option to pay the agreed value for the Aircraft the cover afforded by this policy is terminated even if the Aircraft is retained by the Insured for valuable consideration or otherwise.
- The foregoing provisions 1.3 and 1.4 shall not apply to claims arising in respect of partial loss or damage where the Insurer shall retain the right to repair, replace or make good as it deems expedient.

Exclusions applicable to this Section only

- 1.5 The Insurer shall not be liable for:
- Wear and Tear Breakdown** 1.5.1 wear and tear, deterioration, breakdown, defect or failure howsoever caused in any Unit of the Aircraft and the consequences thereof within such Unit;
- 1.5.2 damage to any Unit by anything which has a progressive or cumulative effect but damage attributable to a single incident (recorded in the Aircraft's Log Book, maintenance release or other formal record) is covered under paragraph 1.1 above.
- HOWEVER accidental loss of or damage to the Aircraft consequent upon 1.5.1 or 1.5.2 above is covered under paragraph 1.1 above.

Conditions applicable to this Section only

- Dismantling Transport and Repairs** 1.6 If the Aircraft is damaged:
- 1.6.1 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;
- 1.6.2 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.

See also Section 4 – General Exclusions and Section 5 – Conditions

Section 2 – Legal liability to third parties (Other than passengers)

2. Coverage

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

2.2 Exclusions applicable to this Section only

The Insurer shall not be liable for:

- | | | |
|--------------------------------------|-------|--|
| Employees and Others | 2.2.1 | bodily 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 or her employment with or duties for the Insured; |
| Operational Crew | 2.2.2 | bodily injury (fatal or otherwise) or loss sustained by any member of the flight, cabin or other crew whilst engaged in the operation of the Aircraft; |
| Passengers | 2.2.3 | bodily injury (fatal or otherwise) or loss sustained by any passenger whilst entering, on board, or alighting from the Aircraft; |
| Property | 2.2.3 | loss of or damage to any property belonging to or in the care, custody or control of the Insured; |
| Noise and Pollution and Other Perils | 2.2.5 | <p>2.2.5.1 claims directly or indirectly occasioned by, happening through or in consequence of:</p> <ul style="list-style-type: none">2.2.5.1.1 noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith;2.2.5.1.2 pollution and contamination of any kind whatsoever;2.2.5.1.3 electrical and electromagnetic interference;2.2.5.1.4 interference with the use of property; <p>unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.</p> <p>2.2.5.2 With respect to any provision in this 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:</p> <ul style="list-style-type: none">2.2.5.2.1 claims excluded by 2.5.1; or2.2.5.2.2 a claim or claims covered by this Policy when combined with any claims excluded by 2.5.1 (referred to below as "Combined Claims"). <p>2.2.5.3 In respect of any Combined Claims, the Insurer shall (subject to proof of loss and the limits of this Policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by this Policy:</p> <ul style="list-style-type: none">2.2.5.3.1 damages awarded against the Insured; and2.2.5.3.2 defence fees and expenses incurred by the Insured. <p>2.2.5.4 Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.</p> |

2.3 Limit of Indemnity applicable to this Section

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

See also Section 4 – General Exclusions and Section 5 – Conditions

Section 3 – Legal liability to passengers

3 Coverage

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

3.1.1 accidental bodily injury (fatal or otherwise) to passengers whilst entering, on board, or alighting from the Aircraft; and

3.1.2 loss of or damage to baggage and personal articles of passengers arising out of an Accident to the Aircraft.

PROVIDED ALWAYS THAT:

Safety Warnings

3.2 before a passenger boards the Aircraft the Insured shall take such measures as are necessary to exclude or limit liability for claims under 3.1.1 and 3.1.2 above to the extent permitted by law.

Effect of Non-Compliance

In the event of failure to comply with proviso 3.2 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.

Expenses Reimbursement

3.3 The Insurer will cover reasonable expenses incurred for sustenance, travel and lodgings of the occupants of the Aircraft from the place where the insured Aircraft suffers accidental loss or damage or forced landing covered by this policy to the intended final destination or return to the place where the aircraft was originally boarded. The maximum amount payable shall be AUD 2,500 any one accident and in the aggregate during the policy period which sum is included within the overall Limit of Indemnity of this Section as set out in the Schedule.

Employees and Others

3.4 **Exclusions applicable to this Section only**

The Insurer shall not be liable for bodily 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 or her employment with or engaged in duties for the Insured.

3.5 **Limits of Indemnity applicable to this Section**

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

See also Section 4 – General Exclusions and Section 5 – Conditions

Section 4 – General Exclusions

	4(a) General exclusions applicable to all sections	
Illegal Uses	4.1	This Policy does not apply whilst the Aircraft is being used for any illegal purpose or for any purpose other than as stated in the Schedule.
Geographical Limits	4.2	This Policy does not apply whilst the Aircraft is outside the geographical limits stated in the Schedule unless due to force majeure.
Pilots	4.3	This Policy does not apply whilst the Aircraft is being piloted by any person other than as stated in the Schedule except that the Aircraft may be operated on the ground (other than whilst taking off or on landing) by any person competent for that purpose.
Transportation by Other Conveyance	4.4	<p>4.4.1 This policy does not apply 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 1 of this Policy.</p> <p>4.4.2 Notwithstanding 4.4.1 above, Section 1 of this Policy extends to include cover whilst the Aircraft is being loaded into, contained in or unloaded from a trailer specifically designed for the carriage of recreational aircraft.</p>
Landing and Take-off Areas	4.5	This Policy does not apply whilst the Aircraft is landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the Aircraft except as a result of force majeure.
Contractual Liability	4.6	This Policy does not cover any liability assumed or rights waived by the Insured under any agreement except to the extent that such liability would have attached to the Insured in the absence of such agreement.
Other Insurance	4.7	To the extent permitted by section 45(2) of the <i>Insurance Contracts Act 1984</i> , this Policy does not cover claims where another policy or policies respond to a claim that would otherwise be covered by this Policy, this Policy will only respond to so much of the claim as is not covered by the other policy or policies.
Nuclear Risks	4.8	<p>This Policy does not cover claims in respect of:</p> <p>4.8.1 loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;</p> <p>4.8.2 any legal liability of whatsoever nature;</p> <p>directly or indirectly caused by or contributed to by or arising from:</p> <p>4.8.3 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;</p> <p>4.8.4 ionising radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.</p>

War, Hi-jacking and Other Perils	4.9	<p>This Policy does not cover claims directly or indirectly caused by, contributed to by, or arising out of or in consequence of:</p> <p>4.9.1 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;</p> <p>4.9.2 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;</p> <p>4.9.3 Strikes, riots, civil commotions or labour disturbances;</p> <p>4.9.4 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;</p> <p>4.9.5 Any malicious act or act of sabotage;</p> <p>4.9.6 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;</p> <p>4.9.7 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.</p> <p>In addition to and without derogating from the exclusions listed in section 4.9, this Policy does not cover claims arising whilst the Aircraft is outside the control of the Insured by reason of any of the perils in 4.9.1 to 4.9.7 above.</p> <p>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>
Nervous Shock and Other Perils	4.10	This Policy does not cover claims in respect of nervous shock, psychological injury, mental anguish or distress, unless directly resulting from a physical injury that is not otherwise excluded.
Punitive or Exemplary Damages	4.11	This Policy does not cover claims for punitive, aggravated or exemplary damages or for any fines or penalties.
Worker or Employee Compensation Legislation	4.12	This Policy does not cover any claim or part of a claim in connection with the entitlement of a worker or employee to compensation in respect of loss of income or earnings by reason of any workers' compensation, employees' compensation, accident compensation, occupational health and safety or similar legislation, other than a subrogation claim brought by an insurer to recover sums paid pursuant to such legislation, which is not otherwise excluded by the Exclusions applicable to Sections 2 and 3.
"Act" Liability	4.13	This Policy does not cover any claim relating to any carriage to which the <i>Civil Aviation (Carriers' Liability) Act 1959</i> (Commonwealth, as amended) or similar State legislation applies.
Date Recognition Exclusion	4.14	<p>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 in consequence of (whether directly or indirectly and whether wholly or partly):</p> <p>4.14.1 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;</p> <p>4.14.2 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;</p>

Date Recognition Exclusion (cont)	<p>4.14.3 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;</p> <p>and any provision in this Policy concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.</p>
Number of Passengers	<p>4.15 This Policy does not apply whilst the total number of passengers being carried in the Aircraft exceeds the declared maximum number of passengers as stated in the Schedule. However, the maximum number of passengers carried at any one time, as declared in the Schedule, may be exceeded in accordance with Civil Aviation Orders Part 20, Section 20.16.3 (Air Service Operations – Carriage of Persons) Subsections 12 and 13. This section does not derogate from the requirements of section 5.3 of this Policy.</p> <p>4(b) General exclusions applicable only to Sections 2 and 3</p>
Asbestos Exclusion	<p>4.16 This Policy does not cover claims directly or indirectly caused by, relating to, contributed to by or arising out of or in consequence of:</p> <p>4.16.1 the actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain, asbestos; or</p> <p>4.16.2 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 actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.</p> <p>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.</p> <p>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 4.16.1 or 4.16.2 hereof.</p>
Experimental Aircraft	<p>4.17 This Policy does not apply whilst such aircraft is participating in any flight test or trial other than following regular maintenance or unless approved in writing by the Insurer.</p> <p>4.18 This Policy does not apply whilst the aircraft is in Flight and Taxiing following any Major Modification of the insured aircraft unless approved in writing by the Insurer.</p>

Section 5 – Conditions

	5	Conditions applicable to all sections
Due Diligence	5.1	The Insured and/or Pilot 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.
Full Premium if loss	5.2	In the event of a claim arising hereunder which exceeds the premium paid, the balance of the full annual premium including all applicable Government charges shall become due and payable forthwith.
Compliance with Air Navigation, Orders etc.	5.3	<p>The Insured and/or Pilot shall comply with the <i>Air Navigation Act 1920</i> (Commonwealth, as amended) the <i>Civil Aviation Act 1988</i> (Commonwealth, as amended), all regulations and orders made thereunder, all other applicable statutory and regulatory requirements relating to aircraft or flying, and all air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of the Aircraft and shall ensure that:</p> <p>5.3.1 the Aircraft is airworthy at the commencement of each Flight;</p> <p>5.3.1 all Log Books and other records in connection with the Aircraft which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the Insurer or its agents on request;</p> <p>5.3.1 the employees and agents of the Insured comply with such statutory and regulatory requirements and orders.</p>
Claims Procedure	5.4	<p>Immediate notice of any event likely to give rise to a claim under this Policy shall be given as stated in the Schedule. In all cases the Insured and/or Pilot shall:</p> <p>5.4.1 furnish full particulars in writing of such event and forward immediately notice of any claim with any letters or documents relating thereto;</p> <p>5.4.2 give notice of any impending prosecution relating to the event;</p> <p>5.4.3 render such further information and assistance as the Insurer may reasonably require;</p> <p>5.4.4 not act in any way to the detriment or prejudice of the interest of the Insurer.</p> <p>The Insured shall not make any admission of liability or payment or offer or promise of payment without the written consent of the Insurer.</p>
Claims Control	5.5	The Insurer shall be entitled (if it so elects) at any time and for so long as it desires to take absolute control of all negotiations and proceedings and in the name of the Insured to settle, defend or pursue any claim.
Mitigation of Loss	5.6	The Insured and/or Pilot shall co-operate with the Insurer and do all things necessary or required by the Insurer to mitigate any loss to which this Policy may respond.
Subrogation	5.7	Upon an indemnity being given or a payment being made by the Insurer under this Policy, the Insurer shall be subrogated to the rights and remedies of the Insured who shall co-operate with and do all things necessary to assist the Insurer to exercise such rights and remedies.
Variation in Risk	5.8	Should there be any change in the circumstances or nature of the risks which are the basis of this contract the Insured shall give immediate notice thereof to the Insurer and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted by the Insurer.

Cancellation	5.9	<p>The Insurer may cancel this Policy in the circumstances and on the grounds permitted under the <i>Insurance Contracts Act 1984</i> by giving notice in accordance with that Act. In the case of non-payment of premium, the Insurer will give 10 days notice in writing of such cancellation. If cancelled by the Insurer for any reason other than for non-payment of premium a pro rata portion of the premium in respect of the unexpired period of this Policy will be returned.</p> <p>If cancelled by the Insured by giving advanced notice in writing a return of premium shall be at the discretion of the Insurer.</p> <p>There will be no return of premium in respect of any Aircraft on which a loss is paid or is payable under this Policy</p>
Assignment	5.10	This Policy shall not be assigned in whole or in part except with the consent of the Insurer verified by endorsement hereon.
Not Marine Insurance	5.11	This Policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance.
Applicable Law	5.12	This Policy shall be construed in accordance with Australian Law and any dispute or difference between the Insured and the Insurer shall be submitted to a court in Australia for determination.
Limit(s) of Indemnity	5.13	Notwithstanding the inclusion herein of more than one Insured, whether by endorsement or otherwise, the total liability of the Insurer in respect of any or all Insureds shall not exceed the Limit(s) of Indemnity stated in this Policy.
False and Fraudulent Claims	5.14	If the Insured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise the Insurer shall be entitled to refuse the claim. This section in no way derogates from the Insurer's rights under the <i>Insurance Contracts Act 1984</i> to deny indemnity for a claim or reduce its exposure in respect of a claim.
Goods and Services Tax	5.15	<p>The premium charged for this Policy will include an amount on account of Goods and Services Tax (GST), where applicable.</p> <p>The Insured must inform the Insurer of the extent to which the Insured is entitled to an input tax credit for the premium, in relation to the period during which the insured event happened, each time that a claim is made under this Policy.</p> <p>No payment will be made to the Insured for any GST liability that the Insured may acquire on the settlement of a claim if the Insured has not informed the Insurer of their entitlement or correct entitlement to an input tax credit.</p> <p>Despite the other provisions of this insurance (including provisions in the wordings, any schedules and any endorsements), the Insurer's liability will be calculated taking into account any input tax credit to which the Insured is entitled for any acquisition relevant to a claim, or to which the Insured would have been entitled were the Insured to have made a relevant acquisition.</p> <p>If the sum insured or Policy limit is not sufficient to cover the Insured's loss, the Insurer will only pay GST (less any relevant input tax credit) that relates to the Insurer's proportion of the Insured's loss. The Insurer will pay that GST amount in addition to the sum insured or policy limit.</p> <p>"GST", "input tax credit", "acquisition" and "supply" have the meaning given in the <i>A New Tax System (Goods and Services Tax) Act 1999</i></p>
Insurance Contracts Act 1984	5.16	Nothing in this contract of insurance will affect the rights of the Insured or the Insurer under the Insurance Contracts Act 1984 as amended from time to time. Where such Act is applicable and in the event that there is a conflict between the provisions of this Policy and the Act, then the provisions of this Policy shall be amended as necessary in order to comply with the requirements of such Act.

Section 6 – Policy Extensions

Airfreight Costs	6.1	This Policy covers the extra cost of air freighting spare parts or accessories following an accident covered under Section 1 of this Policy or which would be covered but for the deductible therein, up to 10% of the agreed value as specified in the Schedule each accident.
Ancillary Equipment and Flying Clothing and Effects	6.2	<p>This Policy covers the Insured or any pilot described in the Schedule 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) actually in or on the Aircraft being the property of the Insured or any pilot described in the Schedule to this Policy, but excluding money and securities.</p> <p>Subject to a maximum amount payable of AUD 5,000 each loss of which the Insured shall bear the first AUD 250 each loss.</p>
Extended Coverage (Hulls)	6.3	<p>Notwithstanding the contents of Section 4 General Exclusions 4.9, Section 1 of this Policy covers claims caused by the following risks:</p> <p>6.3.1 Strikes, riots, civil commotions or labour disturbances;</p> <p>6.3.2 Any malicious act or act of sabotage;</p> <p>6.3.3 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;</p> <p>PROVIDED ALWAYS THAT</p> <p>6.3.4 The above extension shall only apply to the extent that the loss or damage is not otherwise excluded by 4.9.1, 4.9.2, 4.9.4 and 4.9.6 of Section 4 General Exclusions 4.9;</p> <p>6.3.5 The limits of Insurer's liability in respect of any or all of the risks covered under 6.3 shall not exceed the agreed value as stated in the Schedule and in the aggregate during the policy period;</p> <p>6.3.6 The insurance provided by this endorsement may be cancelled by the Insurers giving notice effective on the expiry of seven days from midnight Coordinated Universal Time (UTC) on the day on which notice is issued.</p>
Extended Coverage (Liabilities)	6.4	<p>6.4.1 All sub-paragraphs other than 4.9.2 of Section 4 General Exclusions 4.9 are deleted in respect of Sections 2 and 3 of this Policy SUBJECT TO all terms and conditions of 6.4.</p> <p>6.4.2 In respect of the deletion of sub-paragraph 4.9.1 of Section 4 General Exclusions 4.9 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.</p> <p>6.4.3 LIMITATION OF LIABILITY</p> <p>The limit of Insurers' liability in respect of the coverage provided by 6.4 shall be the applicable Limit of Indemnity as stated in the Schedule any one occurrence and in the aggregate per policy year. This sub-limit shall apply within the full Limit of Indemnity as stated in the Schedule and not in addition thereto.</p> <p>6.4.4 AUTOMATIC TERMINATION</p> <p>To the extent provided below, cover extended by 6.4 shall CEASE AUTOMATICALLY in the following circumstances:</p> <p>6.4.4.1 All cover</p> <p>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;</p> <p>6.4.4.2 Any cover extended in respect of the deletion of sub-paragraph 4.9.1 of Section 4 General Exclusions 4.9</p> <p>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 of whensoever such detonation may occur and whether or not the Insured Aircraft may be involved;</p>

Extended Coverage
(Liabilities) (cont)

6.4.4.3 **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 6.4.4.1, 6.4.4.2 or 6.4.4.3 occurs, then the cover provided by 6.4 (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.

6.4.5 REVIEW AND CANCELLATION

6.4.5.1 **Review of Premium and/or Geographical Limits**

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 UTC on the day on which notice is given.

6.4.5.2 **Limited Cessation**

Following a hostile detonation as specified in 6.4.4.2 above, Insurers may give notice of cessation of one or more parts of the cover provided by 6.4.1 by reference to sub-paragraphs 4.9.3, 4.9.4, 4.9.5, 4.9.6 and/or 4.9.7 of Section 4 General Exclusions 4.9 - such notice to become effective on the expiry of 48 hours from 23.59 hours UTC on the day on which notice is given.

6.4.5.3 **Cancellation**

6.4.5.3.1 The Insurer may cancel the cover provided by section 6.4 in the circumstances and on the grounds permitted under the Insurance Contracts Act 1984 by giving notice in accordance with that Act.

To the extent the cover provided by 6.4 falls within the type of cover described in section 9(3) of the Insurance Contracts Act, the Insurer may cancel cover by giving notice to be effective on the expiry of seven days from 23.59 hours UTC on the day on which such notice is given.

6.4.5.3.2 If cover under 6.4 is cancelled by the Insured by giving advanced notice in writing, a return of premium shall be at the discretion of the Insurer.

6.4.5.4 **Notices**

All notices referred to herein shall be in writing.

Supplementary
Payments

6.5 The Insurers agree to indemnify the Insured for:

- 6.5.1 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;
- 6.5.2 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;
- 6.5.3 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;
- 6.5.4 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.

Provided always that Insurer's liability shall not exceed 10% of the agreed value as specified in the Schedule or AUD 25,000 whichever the lesser any one accident and in the aggregate per policy year.

Unauthorised Use/
Theft

6.6 No claim under this Policy shall be rejected on the grounds that the Aircraft was used in a place or in 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.

Pilot/Crew Indemnity 6.7 Sections 2 and 3 of this Policy are extended to cover, as if they were the Insured, any pilot and/or crew member authorised by the Insured under the terms of this Policy in respect of injury or damage arising out of the operation of the Aircraft described in the Schedule, but not so as to increase the liability of Insurers beyond the amount which would otherwise have been payable under this Policy had liability been incurred by the Insured.

PROVIDED ALWAYS THAT:

- 6.7.1 At the time of any Accident giving rise to a claim under 6.7 the said pilot and/or crew member:
 - 6.7.1.1 shall as though he/she were the Insured, observe, fulfil and be subject to the terms, conditions and exclusions contained in this Policy; and
 - 6.7.1.2 to the extent permitted by section 45(2) of the Insurance Contracts Act 1984, where another policy or policies respond to a claim that would be covered under 6.7, this Policy will only respond to so much of the claim as is not covered by the other policy or policies.
- 6.7.2 There shall be no indemnity under 6.7 in respect of claims made against the pilot and/or crew member by the Insured and/or with respect to the Aircraft described in the Schedule.

Breach of Air Navigations Regulations 6.8 The cover afforded to each Insured by this Policy shall not be invalidated by any act or 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 and/or Pilot so protected has not caused, contributed to or knowingly condoned the said act or omission. Any Insured and/or Pilot who has caused, contributed to or knowingly condoned the said act or omission shall not be entitled to indemnity under this Policy.

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

Date Recognition Limited Coverage 6.69 Section 4 General Exclusions 4.14 shall not apply:

- 6.9.1 to any accidental loss of or damage to an Aircraft described in the Schedule (“Insured Aircraft”);
- 6.9.2 to any sums which the Insured shall become legally liable to pay, and (if so required by this Policy) shall pay (including costs awarded against the Insured) in respect of:
 - 6.9.2.1 accidental bodily injury, fatal or otherwise, to passengers caused by an accident to an Insured Aircraft; and/or
 - 6.9.2.2 loss of or damage to baggage and personal articles of passengers caused by an accident to an Insured Aircraft; and/or
 - 6.9.2.3 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:

- 6.9.3 Coverage provided pursuant to 6.9 shall be subject to all terms, conditions, limitations, exclusions and cancellation provisions of this Policy (except as specifically provided herein), and nothing in 6.9 extends coverage beyond that which is provided by this Policy.
- 6.9.4 Nothing in 6.9 shall provide any coverage:
 - 6.9.4.1 in respect of grounding of any aircraft; and/or
 - 6.9.4.2 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 this Policy.
- 6.9.5 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.

Section 7 – Definitions

7 Definitions

- 7.1 "ACCIDENT" means any one accident or series of accidents arising out of one event which occurs at an identifiable time and place.
- 7.2 "AIRCRAFT" means the aircraft described in Part 2 of the Schedule including parts temporarily removed and not replaced.
- 7.3 "AUSTRALIA" means continental Australia, including its external Territories (except Australian Antarctica, Macquarie Island, Heard Island and McDonald Island) and passage between them and an area of 100 km off shore.
- 7.4 "BUSINESS" means the uses stated in Private Pleasure and use for business or professional purposes but NOT use for hire or reward.
- 7.5 "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.
- 7.6 "GROUND" means whilst the Aircraft is not in Flight or Taxiing or engine running as defined above.
- 7.7 "MAJOR MODIFICATION" means any modification that has appreciable effect on the weight, balance, structural strength, reliability, operational characteristics or other characteristics affecting airworthiness of the insured aircraft including the engine or propeller.
- 7.8 "PERIOD OF INSURANCE" means the period stipulated in the Schedule
- 7.9 "PILOTS" means the Pilots stated in the Schedule and shall include qualified instructors for flight reviews, rating renewals, re-currency and/or refresher training of those Pilots.
- 7.10 "POLICY" includes the Schedule, together with any endorsements shown in the Schedule as included, all of which attach to and form part of this Policy.
- 7.11 "PRIVATE PLEASURE" means use for private and pleasure purposes, and includes biennial flight reviews, rating renewals, re-currency and/or refresher training, but NOT use for any business or profession nor for hire or reward.
- 7.12 "RENTAL" means rental, lease 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.
- 7.13 "TAXIING" means movement of the Aircraft under its own power other than in Flight as defined above including engine running (including starting and shut down). Taxiing shall not be deemed to cease merely by reason of a temporary halting of the Aircraft.
- 7.14 "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.

Definitions 7.4, 7.11 and 7.12 **do not include** instruction (**where the instructor is in command of the Aircraft**), aerobatics, hunting, mustering, patrol, fire-fighting, the intentional dropping, spraying or release of anything, air work, any form of experimental or competitive flying, and any other use involving abnormal hazard.

Duty of Disclosure

Your Duty of Disclosure

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

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

Your duty however does not require disclosure of matter:

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

Non- Disclosure

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

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

Privacy Statement

The Insurer is a member of the Suncorp Group.

The Privacy Act 1988 (Cth) requires us to inform you that:

Purpose of collection

Personal information is information about an identifiable individual and includes facts or an opinion about you which identifies you or by which your identity can be reasonably determined. The collection of your personal information is essential to enable us to conduct our business of offering and providing you with our range of financial products and services.

We collect personal information for the purposes of:

- ▼ identifying you when you do business with us;
- ▼ protecting your personal information from unauthorised access;
- ▼ establishing your requirements and providing the appropriate product or service including evaluating your application for insurance and any request for amendment to any insurance provided;
- ▼ setting up, issuing, administering and managing the insurance following acceptance of an application;
- ▼ assessing and investigating, and if covered, managing a claim made in relation to any insurance you have with us or other companies in within the Suncorp Group; and
- ▼ understanding your needs and improving our financial products and services, including training and developing our staff and representatives.

Consequences if personal information is not provided

If we request personal information about you and you do not provide it, we may not be able to provide you with the insurance product you request, manage or pay any claim under an insurance policy or provide you with the full range of services we offer.

Disclosure

We use and disclose your personal information for the purposes we collected it.

We may also use and disclose your personal information for a secondary purpose related to the purpose for which we collected it, where you would reasonably expect us to use or disclose your personal information for that secondary purpose. In the case of sensitive information, any secondary purpose, use or disclosure will be directly related to the purpose of collection.

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

- ▼ other companies within the Suncorp group;
- ▼ where required or authorised under our relationship with our joint venture companies;
- ▼ information technology providers, including hardware and software vendors and consultants such as programmers;
- ▼ customer research organisations;

- ▼ intermediaries including your agent, adviser, a broker, a representative acting on your behalf, other Australian Financial Services Licensee or our authorised representatives and our agents;
- ▼ accounting or finance specialists;
- ▼ government, law enforcement or statutory bodies;
- ▼ other insurers, reinsurers, financial institutions, insurance and claims reference agencies, credit agencies, loss assessors, financiers or investigative service providers;
- ▼ hospitals, medical and health professionals;
- ▼ legal and other professional advisers;
- ▼ printers and mail service and delivery providers for the mailing of statements, insurance policy documents and marketing material;
- ▼ imaging and document management services.

Disclosure overseas

There are also instances where we may have to send your personal information overseas or collect personal information from overseas. These instances include:

- ▼ sending your personal information to companies in the Suncorp group;
- ▼ when you have asked us to do so;
- ▼ when we are authorised or required by law to do so;
- ▼ when we have outsourced a business activity or function to an overseas service provider with whom we have a contractual arrangement;
- ▼ certain electronic transactions; or
- ▼ when it is necessary in order to facilitate a transaction on your behalf.

We will only send your personal information overseas or collect personal information about you from overseas for the purposes in this statement and in compliance with the privacy regime.

Access

You can request access to the personal information we hold about you by contacting us.

In some circumstances, we are able to deny your request for access to personal information. If we deny your request for access, we will tell you why.

If accessing your personal information will take an extended period of time, we will inform you of the likely delay. For more detailed requests for access to personal information, for example, access to information held in archives, a fee may be charged to cover the associated cost of retrieval and supplying this information.

Marketing

We would like to use and disclose your personal information to keep you up to date with the range of products and services available from Suncorp. Generally, our companies in the Suncorp group will use and disclose your personal information for Suncorp's marketing purposes.

If you do not want us to use and disclose your personal information for the purpose of marketing products and services to you, you should contact us and tell us.

Contact

Please contact us to:

- ▼ change your mind at any time about receiving marketing material;
- ▼ request access to the personal information we hold about you; or
- ▼ obtain more information about our privacy practices by asking for a copy of our Privacy Policy.

You can contact us on the details provided in Part 9 of the Schedule.

Our Privacy Policy can also be found on our website at www.vmat.com.au.

