



# General Aviation Policy Wording

14 January 2025

## Aircraft Policy

**In Consideration** of the payment of the premium by or on behalf of the Insured (named in the Schedule) prior to the inception date and the Insured having by proposal or declaration, which shall form part of the basis of this insurance and are deemed to be incorporated herein, applied to **HDI Global South Africa Limited** (hereinafter called the Insurer) for the insurance hereinafter set out, the Insurer agrees subject to the terms, conditions, Warranties, Exclusions, Deletions, Definitions, Clauses, and limitations contained herein or endorsed hereon, to indemnify or compensate the Insured for any physical loss, damage, or liability as provided for in the policy but only in respect of an accident (as defined) occurring during the Period of Insurance as stated in the Schedule hereto.

Specific exceptions, conditions, and provisions shall override general exclusions, conditions, and provisions.

**Signed at** Click or tap here to enter text **this** Click or tap to enter a date.

For and on behalf of the

**Manager**

## Section I: Loss of or Damage to Aircraft

### 1. Coverage

- (a) The Insurer will at its option pay for, replace, or repair accidental loss of or damage to the Aircraft described in the Schedule hereto arising from the risks covered as stated in the Schedule hereto, including disappearance if the Aircraft is unreported, missing, or its whereabouts unknown for fifteen days after the commencement of Flight, but not exceeding the amount insured as stated in the Schedule hereto and subject to the amount to be deducted shown below in paragraph 3 (iii).

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 or emergency landing up to ten per cent (10%) of the amount insured as stated in the Schedule hereto subject to a maximum of R50,000 or as shown in schedule of insurance.

### 2. Exclusions Applicable To This Section Only

The Insurer shall not be liable for:

- (a) Wear and tear, deterioration, breakdown, defect or failure howsoever caused in any Unit of the Aircraft and the consequences thereof within the Aircraft and/or any Unit;
- (b) Damage to any Unit by anything which has a progressive or cumulative effect but damage attributable to a single recorded incident is covered under paragraph 1(a) above.
- (c) 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 or accidental damage to the Aircraft is carried out.

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

### 3. Conditions Applicable To This Section Only

- (i) If the Aircraft is damaged:
- (a) 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;
- (b) The Insurer will pay for the repairs and transport of labour and materials by the most economical method unless the Insurer agrees otherwise with the Insured.
- (ii) If the Insurer exercises its option to pay for or replace the aircraft:
- (a) The Insurer may take the Aircraft (together with all documents of record, registration, and title thereto) as salvage;
- (b) 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;

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- (c) The replacement Aircraft shall be of the same make and model and in reasonably like condition unless otherwise agreed with the Insured.
- (iii) There shall be deducted from each claim under paragraph 1(a) of this Section:
  - (a) the amount specified in the Schedule hereto; and
  - (b) such portion of the Overhaul Cost (hereinafter defined) or any Unit repaired or replaced as the used time bears to the Overhaul Life (hereinafter defined) of the Unit.
- (iv) Any claim in respect of an Engine is restricted to loss or damage caused by theft, lightning, flood, outbreak of fire external to the engine, or by sudden and unexpected impact with a foreign object requiring immediate withdrawal of the Engine from service.
- (v) Unless the Insurer elects to take the Aircraft as salvage, the Aircraft shall at all times remain the property of the Insured who shall have no right of abandonment to the Insurer. The fact that the Insurer has dealt with the Aircraft in any way whatsoever shall not be construed in such manner as to warrant the conclusion that the Insurer has made an election in terms of this Policy.
- (vi) 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 knowledge or consent of the Insurer.

## Section II: Legal Liability to Third Parties (other than passengers)

### 1. Coverage

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

- (i) The Insurer shall not be liable for claims arising from:
  - (a) Injury (fatal or otherwise) or loss sustained by any director or employee of the Insured or partner in the Insured's business whilst acting in the course of his employment with or duties for the Insured;
  - (b) Injury (fatal or otherwise) or loss sustained by any 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;
  - (c) Injury (fatal or otherwise) or loss sustained by any passenger whilst entering, on board, or alighting from the Aircraft;
  - (d) Loss or damage to any property belonging to or in the care, custody, or control of the Insured.
- (ii) This Policy does not apply to claims directly or indirectly occasioned by, happening through, or in consequence of:
  - (a) Noise (whether audible to the human ear or not), vibration, sonic boom, and any phenomena associated therewith;
  - (b) Pollution and contamination of any kind whatsoever;
  - (c) Electrical and electromagnetic interference;
  - (d) Interference with the use of property;

unless caused by or resulting in a crash, fire, explosion or collision, or a recorded in-flight emergency causing abnormal aircraft operation. Nothing in this paragraph shall override General Exclusion 9.

### 3. Limits of Indemnity Applicable To This Section Only

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 its 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 claims 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 Passengers

### 1. Coverage

The Insurer will indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay, and shall pay, as 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 the baggage and personal articles of passengers arising out of an Accident to the Aircraft.

Provided always that:

- (i) Before a passenger boards the Aircraft for a flight for reward including flights being conducted in terms of a licence permit or authority held by the Insured duly issued by the competent authority of the country in which the Aircraft is registered authorising carriage of passengers and/or goods and/or any other air service operated for hire or reward, the Insured shall insofar as it is legally competent to do so and in any event in respect of all carriage that is not "international" as defined in the Warsaw Convention referred to below, limit its liability for claims under (a) and (b) above up to the maximum amount prescribed in Article 22(1), 2(a) and (b), and (3) of the Warsaw Convention dated 12<sup>th</sup> October 1929 as amended by the Hague Protocol dated 28<sup>th</sup> September 1955, or the minimum amount prescribed by the law of the country, whichever is the greater.
- (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 Limit of Indemnity by 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.

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 such instruction, neither of whom being regarded as a passenger.

### 2. Exclusions Applicable To This Section Only

The Insurer shall not be liable for injury (fatal or otherwise) or loss:

- (i) Sustained by any:
  - (a) members of the household or family of the Insured;
  - (b) director, employee, or partner of the Insured or member in the Insured's business whilst acting in the course of their employment with or duties for the Insured;
  - (c) member of the flight, cabin, or other crew members whilst engaged in the operation of the Aircraft or while such crew member is in any way engaged in his capacity as such.
- (ii) Whilst the total number of passengers being carried in the Aircraft exceeds the declared maximum number of passenger seats stated in the Schedule hereto.

### **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 cost and expense incurred with its 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 claims 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: General Conditions

### (A) General Exclusions Applicable To All Sections

This Policy does not apply:

1. Whilst the Aircraft is being used for any illegal purpose or for any purpose other than that stated in the Schedule hereto and as defined in the Definitions.
2. 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 competent aviation authorities.
3. Whilst the Aircraft is outside the geographical limits stated in the Schedule hereto.
4. 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.
5. Whilst the Aircraft is being transported by any means of conveyance (excluding conveyance by its own motive power) except if it is transported by other conveyance as a result of an Accident giving rise to a claim under Section I of this Policy.
6. Whilst the Aircraft is landing or taking off or attempting to do so either at or from a place which does not comply with the recommendations laid down by the manufacturer of the Aircraft, unless due to force majeure.
7. To liability assumed or rights waived by the Insured under any agreement (other than passenger ticket/baggage check issued under Section III) except to the extent that such liability would have attached to the Insured in the absence of such agreement.

However, this exclusion shall not apply in the event of the Insured or the employees or agents of the Insured accepting conditions which exclude or limit liability in respect of loss of or damage to the Aircraft imposed by:

- (i) repair, servicing, or maintenance organisations (who undertake any repairs or maintenance of the Aircraft);
  - (ii) hangarkeepers and suppliers of fuel;
  - (iii) any airport owner or airport licence holder.
8. To claims which are payable under any 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.
  9. Does not cover:
    - (i) 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;
    - (ii) any legal liability of whatever nature directly or indirectly caused by 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) ionising radiations or contamination by radioactivity from, or the toxic, explosive, or other hazardous properties of, any other radioactive source whatsoever.

10. To 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 powers;
  - (ii) any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force of 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) hijacking 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 as prescribed by the manufacturer of the Aircraft (such safe return shall require that the Aircraft be parked free of duress with engines shut down.

11. To and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity provided that the loss or losses are caused or contributed to by the hazardous nature of asbestos.
12. 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):
- (a) 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;

- (b) 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;
- (c) 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 of this Policy concerning any duty of Insurer to investigate or defend claims shall not apply to any claims so excluded.

### **(B) Warranties Applicable To All Sections**

The Insured warrants:

1. Compliance 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:
  - (a) the Aircraft is airworthy at the commencement of each Flight;
  - (b) the Logbooks 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 their Agents on request;
  - (c) the employees and agents of the Insured comply with such orders and requirements.
2. 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 and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been expressly accepted by the Insurer.
3. That any flying instruction of whatsoever nature shall be effected by or under the supervision of a duly qualified licensed instructor only.

### **(C) General Conditions Applicable To All Sections**

1. The due observance and fulfilment of the terms, conditions, and endorsements of this Policy shall be a condition precedent to any liability of the Insured to make any payment under this Policy.
2. Immediate notice of any event likely to give rise to a claim under this Policy shall be given to the Insurer. In all cases the Insured shall:
  - (a) furnish full particulars in writing of such event and forward immediately notice of any claim (by a third party or passenger) with any letters or documents relating thereto;
  - (b) give notice of any impending prosecution;
  - (c) render such further information and assistance as the Insurer may reasonably require;
  - (d) not act in any way to the detriment of or prejudice to the interest of the Insurer.

**The Insured shall not make any admission of liability or payment or offer or promise of payment without the written consent of the Insurer.**

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3. The Insurer shall be entitled (if it so elects) at any time for as long as it desires to take absolute control of all negotiations, proceedings, and litigation affecting the Insured and to deal with such matters as it deems fit. This includes the right to settle, defend, or pursue any claim or prosecution in the name of the Insured.
4. Upon an indemnity being given or a payment being made by the Insurer under this Policy, it 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.
5. 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 the Schedule hereto.
6. If the Insured or his agent or employee shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise, this Policy shall become void and all claims hereunder shall be forfeited.
7. The Policy may be cancelled by either the Insurer or the Insured giving 30 days' notice in writing of such cancellation. If cancelled by the Insurer, it will return a pro-rata portion of the premium in respect of the unexpired period of the Policy. If cancelled by the Insured, a return of premium shall be at the discretion of the Insurer. There will be no return of premium in respect of any Aircraft on which a loss exceeding the annual policy premium has been paid or is payable under this Policy. Notwithstanding the above cancellation terms for non-payment of premium are 10 days unless otherwise agreed by endorsement.
8. This Policy shall not be assigned in whole or in part except with the consent of the Insurer verified by endorsement hereon.
9. This Policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance.
10. The Insured shall at all times use due diligence and do and concur in doing everything reasonably practicable to avoid or diminish any loss hereon.
11. In the event of an incident which may or does give rise to a claim or claims under any Section of this Policy, the Insured shall comply with the obligations set out in General Condition 2. If after due and proper notice has been given by the Insured to the Insurer, the latter concludes and advises that the Insured is not entitled to any protection or indemnity under the Policy in its entirety or under any Section thereof, albeit for claims at that time or at any time in the future, all benefit under this Policy, under all Sections thereof, shall be forfeited by the Insured unless legal action for protection under the Policy is instituted within nine months of the date of the Insurer advising the Insured or its agent of the decision not to afford any benefit whatsoever to the Insured.
12. The premium under this Policy is payable on or before inception date or renewal date as the case may be. The Insurer shall not be obliged to accept premium tendered to it after such date but may do so upon terms as it, in its sole discretion, may determine.
13. It is understood and agreed that, in the event of a claim arising in terms of this Policy, the full annual premium less the amount of premium already paid shall become due and payable forthwith.

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14. This Po will not indemnify the Insured in respect of fines, penalties, punitive, exemplary, or vindictive damages.
15. In the event of a claim, when two or more Aircraft are insured hereunder, the deductible in terms of this Policy shall apply separately to each Aircraft.

### (D) Definitions

- (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 the 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) All amounts stated with the prefix “**R**” means South African Rand.
- (g) All amounts stated with the prefix “**\$**” means United States Dollars.
- (h) All amounts stated with the prefix “**€**” means Euros.
- (i) “**Private, Pleasure**” means the use for private and pleasure purposes but not use for any business or professional or for the hire or reward.
- (j) “**Business/Industrial Aid**” means the uses stated in “Private, Pleasure” and use for the purpose of the Insured’s business or profession but not use of the Aircraft for hire or reward.
- (k) “**Commercial or Charter**” means the uses stated in “Private, Pleasure” and “Business/Industrial Aid” and use for the carriage by the Insured of passengers, baggage accompanying passengers, and cargo, all for hire or reward, in terms of a licence issued by a competent aviation authority.
- (l) “**Rental**” means rental, lease, charter, or hire by the Insured to any person, company, or organisation for “Private, Pleasure” and “Business/Industrial Aid” uses only where the operation of the Aircraft is not under the control of the Insured. Rental for any other purpose is not insured under this Policy unless specifically declared to the Insurer and stated under “**Special Rental Uses**” in the Schedule.
- (m) “**Sales and Demonstration**” whilst of the Ground in Flight.
- (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.

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- (o) **“Conversion to Type Instruction”** means use for instruction to a pilot for the purpose of obtaining a type or category rating in respect of the Aircraft in compliance with legal regulations for type and category ratings. It does not include **“AB Initio Instruction”**.
- (p) **“Advanced Instruction”** means additional flying training 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”.
- (q) **“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.
- (r) **“Taxiing”** means movement of the Aircraft under its own power other than Flight as defined. Taxiing shall not be deemed to cease merely by reason of a temporary halting of the Aircraft.
- (s) **“Ground”** means while the Aircraft is not in Flight or Taxiing as defined.
- (t) **“Engine”** means an engine for propulsion or auxiliary power complete with all parts necessary for test cell running.

Definitions (i), (j), (k), and (l) constitute “Standard Uses” and do not include instruction, patrol (including but not limited to security, traffic, powerline, pipeline, and anti-poaching patrol), wire-stringing, pole setting, firefighting and/or spotting and/or control and/or patrol and/or support, all forms of racing including speed trials, record attempts, aerial or cloud seeding, crop dusting or spraying, hunting, shooting, herding, counting, capture, all forms of game work, 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 and/or filming or photography, external loads and/or under slung and/or winching operations, offshore servicing, offshore drilling, erection, construction, banner towing, any use which requires prior permission from competent authority and additionally any other use involving abnormal hazard but when cover is provided details of such use(2) are stated under “Special Uses” in the Schedule hereto.

## Section IV: War Risk Extension

### 1. Loss Of or Damage To Aircraft

Subject to the terms and conditions and limitations set out below, this Section covers loss of or damage to the Aircraft described in the Schedule against claims excluded under Section I 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 commotion 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) Hijacking 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 covers claims excluded from the Insured's Hull All Risks Policy 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 the 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 and Hijack Expenses

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:

- (a) Threats against any Aircraft described in the Schedule or its passengers or crew made during the currency of this Policy;
- (b) Extra expenses necessarily incurred following confiscation, etc. (paragraph 1(e) above) or hijacking, etc. (paragraph 1(f)) of any Aircraft described in the Schedule.

No cover will be provided under this paragraph 2 of this Extension 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. General Exclusions

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

- (a) War (whether there be a declaration of war or not) between any of the following States:

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The United Kingdom, the 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) Directly or indirectly arising out of any detonation of any weapon or war employing atomic or nuclear fission and/or fusion, or other like reaction or radioactive force or matter, whether hostile or otherwise;
- (c) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the authority of the Government of the country in which the Aircraft is registered, or any public or local authority under its jurisdiction;
- (d) Any debt, failure to provide bond or security, or any other financial cause under court order or otherwise;
- (e) The repossession or attempted repossession of the Aircraft either by any title holder or arising out of any contractual agreement to which any Insured protected under this Policy may be party;
- (f) Delay, loss of use or, except as specifically provided in paragraph 2 of this section, any other consequential loss; whether following upon loss of or damage to the Aircraft or otherwise.

### **4. General Conditions**

- (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) and except as otherwise provided herein) as are contained in or may be added to the Insured's Hull All Risks Policy covering the Aircraft;
- (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 material change to the Underwriters; no claim arising subsequent to a material changeover which the Insured had control shall be recoverable hereunder unless such change has been accepted by the Insurer;
- (c) Material change shall be understood to mean any change in the operation of the Insured which might reasonably be regarded by the Insurer as increasing its risk in degree or frequency, or reducing possibilities of recovery or subrogation;
- (d) The due observance and fulfilment of the terms, provisions, conditions, and endorsement of this Section shall be conditions precedent to any liability of the Insurer 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 obtain all permits necessary for the lawful operation of the Aircraft;
- (e) Subject always to the provision of this Section, and the Schedule, Insurer hereon agree to follow the Hull All Risks Policy in respect of Breach of Warranty Cover, Hold Harmless Agreement, and Waivers of Subrogation.

### **5. Cancellation, Automatic Termination, and Suspension**

- (a) Insurer may give notice effective on the expiry of seven days from midnight GMT on the day on which notice is issued to cancel the Insurance provided under this section.

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- (b) This insurance provided by this section may be cancelled by the Insurer or the Insured giving notice not less than seven days prior to the end of each period of three months from inception.

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, the 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.

## Clauses Incorporated In and Forming Part of the Policy

- **Agreed Value Clause**

In the event of total destruction or loss of the insured Aircraft and its equipment and accessories, the agreed value set against such Aircraft and its equipment and accessories will be paid in full less the applicable deductible.

- **Arbitration and Jurisdiction Clause**

This insurance shall be exclusively governed by the laws of the Republic of South Africa and, to the extent lawfully and legally permissible, any dispute between the Insured and the Company shall be submitted to arbitration in the Republic of South Africa in accordance with the Statutory provisions for arbitration for the time being in force. Any summons, notice, or process to be served upon the Company for the purpose of instituting any legal proceedings against it in connection with this insurance shall be served upon it as its offices.

- **Hail Damage Clause**

It is hereby warranted that, in the event of any Aircraft insured in terms of this Policy having been damaged by hail not fully repaired prior to inception of the risk, this Policy will specifically exclude all further hail damage until such time as the Insured has proved to the Insurer that any hail damage which existed at inception of the risk has been fully repaired.

- **Unlicensed Landing Grounds Suitability Clause**

It is hereby declared and agreed that the landing on and taking off of the Aircraft by day from landing grounds other than duly licensed airports is covered under this Policy, subject to each such landing ground being surveyed from the ground or from the air by the Insured and/or pilot immediately prior to landing or taking off, as the case may be. In the event of a claim being made under this Policy arising out of the use of any such landing ground, the onus of proving its suitability as such shall rest entirely on the Insured.

- **Airfreight of Spares Clause**

The Insurer will pay for the airfreighting of materials provided that the airfreight charges do not exceed 10 per cent of the agreed value of the Aircraft subject to the maximum of R50,000.00 (FIFTY THOUSAND RAND) if the hull of the Aircraft which is the subject of an admitted claim is Insured in South African Rands or US\$10,000.00 (TEN THOUSAND UNITED STATES DOLLARS) if the hull of the Aircraft which is the subject of an admitted claim is insured in United States Dollars.

- **Breach of Air Navigation Regulations Clause**

It is agreed that any breach of Air Navigation and Airworthiness orders and requirements issued by any competent authority without the Insured's knowledge and consent shall not invalidate a claim by the Insured under this insurance, but the individual causing such breach or contravention shall not be entitled to indemnity hereunder.

- **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.

- **Contingent Pilots Clause**

It is hereby declared and agreed that in respect of piston-engine fixed-wing aircraft only, the Permitted Pilot and Purpose of Use provisions in this Policy are extended to include the following:

- (a) Any type rated commercially licensed pilot solely for the purpose of collection and/or delivery and/or test flights in connection with overhaul, maintenance, or repair of the Aircraft.
- (b) Any type rated privately licensed pilot solely for the purpose of collection and/or delivery and/or test flights required in connection with overhaul, maintenance, or repair of the Aircraft provided that the pilot has been specifically approved by the Civil Aviation Authority for this purpose.

- **South African Air Force Reserve Squadron Flying/Police Airwing/South African Civil Reserve Clause (Applicable to Section I only)**

The cover provided by Section I of this Policy includes the use of the Aircraft for Commando Squadron duties authorised on the order of and under the general control of the Chief of the Air Force/Commissioner of Police of the Republic of South Africa. It is further agreed that such authorised duties are:

- (a) Flights at training courses.
- (b) Ad hoc tasks flown in support of or at the request of the Civil Aviation Authority, South African National Defence Force, South African Police Service, and National Sea Rescue Institute of South Africa.

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

The Policy does not cover loss or damage to the abovementioned Aircraft as a result of or in the course of operational, hostile, or malicious action of or against insurgents or other persons.

- **VAT Payments**

It is understood and agreed that notwithstanding the Agreed Value Clause that may be contained in the policy the Insurer agrees that VAT, calculated at 15% (or as may be amended by the Government from time to time) will be paid in addition to the sum insured as stated in the schedule in the event of the aircraft being a total or constructive total loss.

In respect of partial losses, VAT will be added to the deductible where such deductible is expressed as a percentage of the sum insured.

- **Aggravation of Injury/Illness/Medical Malpractice Exclusion**

Notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that this Policy shall exclude coverage in respect of the Insured's liability arising out of the transportation of human blood, plasma, and/or organs or for medical malpractice or aggravation of existing injuries or illness of any passenger carried by the Insured as the result of such passenger entering into, alighting from, or flying in the Aircraft.

- **Legal Liability to Student Pilot(s) Clause**

It is hereby agreed that the coverage afforded by this Policy is extended to indemnify the Insured and/or any qualified licensed instructor who may be engaged by the Insured in respect of their legal

liability to pilot(s) undergoing instruction, subject to a limit of liability of R250,000 any one person/each Accident in this policy period of Insurance (included with the Combined Single Limit).

Subject to the terms, clauses, conditions, and limitations of the policy.

- **Pilot's Indemnity Clause**

It is hereby declared 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 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 has devolved upon the Insured.

Provided always that:

1. at the time of any Accident giving rise to a claim under this extension the said pilot:
  - (a) is not entitled to indemnity under any other policy.
  - (b) shall as though he were the Insured observe, fulfil, and be subject to all warranties, terms, exclusions, deletions, definitions, conditions, and clauses contained in the Policy so far as they can apply.
2. the Insurer shall not be liable under this extension in respect of claims by the Insured.
3. 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:
  - (a) the Insured named in the Schedule hereto; and/or
  - (b) any pilot as aforesaid in respect of whom this extension is operative.

- **Foreign Currency Clause**

In respect of any Aircraft insured hereunder where the Hull value is expressed in any currency except South African Rands in the Schedule/Endorsement it is agreed that all losses/payments will be paid in either the Foreign Currency stated (subject to South African Reserve Bank approval), or the South African Rango equivalent at the sole discretion of the Insurer. The exchange rate quoted by **HDI Global South African Limited** bankers' at the close of business on the date of loss or the first trading day after such loss will be utilised.

- **Cross Liabilities Clause**

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 had been issued to each of the parties.

- **Unauthorised Use Clause (Theft Only)**

This Policy includes cover for loss, damage, and liability of the Insured as defined herein whilst the insured Aircraft is used in a place and/or in a manner and/or by a person not permitted by this Policy provided such use results from the theft of the aircraft and provided that the Insured takes reasonable precautions to prevent such theft. Nothing in this clause shall extend this Policy to indemnify an unauthorised person and/or organisation in respect of any claims for which they may be liable.

- **Ingestion Clause**

Ingestion damage by stones, grit, dust, sand, ice, and the like which result in progressive engine deterioration will be regarded as “wear and tear and deterioration” and excluded; but ingestion causing sudden damage attributable to a single recorded incident is covered, each occurrence, each Engine to be a separate claim unless such damage is caused by a forced or crash landing.

The deductible to be borne by the Insured in respect of each claim shall be as applicable in the case of flight and Taxi claims.

- **Engine Endorsement**

Any claim in respect of an Engine is restricted to loss or damage caused by theft, lightning, flood, outbreak of fire external to the Engine, or by sudden and unexpected impact with a foreign object requiring immediate withdrawal of the Engine from service or by a Hot start or by a Hung start.

As used herein, “Engine” means an engine for propulsion or auxiliary power complete with all parts necessary for test cell running.

**Search and Rescue Clause**

It is agreed that this Policy extends to indemnify the Insured in respect of expenses incurred in rescue work (including the cost of search) necessitated by an accident during the policy period to the insured Aircraft whilst within the geographical limits as stated in the Schedule.

The word “Accident” as used herein shall mean any occurrence which prevents the completion of a Flight from point of origin to destination and involves either a forced landing or crash away from the premises of any recognised airfield and which necessitates searching for the Aircraft or rescuing any person involved in such forced landing or crash and returning them to the nearest point of hospitalisation (if necessary) or the nearest point of public transportation.

The liability of the Company under this extension is limited to ten per cent (10%) of the agreed value of the Aircraft subject to a maximum of R50,000.00 (Fifty Thousand Rand) in respect of any one accident.

- **Wreck Removal Expenses Clause**

This Policy is extended to indemnify the Insured in respect of all expenses which the Insured may incur and become legally liable to pay for the raising, removal, disposal, or destruction of the wreck of the insured Aircraft necessitated by an Accident to the Aircraft as a result of a risk covered by this Policy.

The liability of the Company under this extension is limited to R50,000.00 (Fifty Thousand Rand).

- **Runway Foaming Expenses Clause**

The coverage under Sections II and III of this Policy is extended to indemnify the Insured in respect of runway foaming expenses which the Insured may incur and become legally liable to pay as a result of an Accident of the insured Aircraft caused by a risk covered by this Policy.

The liability of the Company under this extension is limited to R50,000.00 (Fifty Thousand Rand).

- **The President’s Trophy Air Race and/or Rallies Clause**

Notwithstanding the exclusion relating to racing and/or rallies in the within Policy it is agreed to include participation in The President’s Trophy Air Race and/or rallies subject to the following conditions:

1. Cover in respect of Section II of the Policy (Legal Liability to Third Parties) is restricted to a limit of R100,000 (One Hundred Thousand South African Rands) whilst the insured Aircraft is being used in the said race or rally.
2. Cover in respect of Section III of the Policy (Legal Liability to Passengers) shall not apply whilst the insured Aircraft is being used in the said race or rally.
3. All deductibles are increased to ten per cent (10%) of the Agreed Value of the insured Aircraft subject to a minimum of R20,000 (Twenty Thousand South African Rands) including Total Loss, Constructive Total Loss, and Arranged Total Loss).
4. This cover to apply from arrival of the insured Aircraft at the aerodrome prior to the start of the race or rally and to remain in force until departure from the aerodrome after the end of the race or rally.

It is further agreed and understood that any breach of Air Navigation Regulations by either the Insured or any pilot flying the Aircraft Navigation Regulations by either the Insured or any pilot flying the Aircraft will invalidate any claim of whatever kind under any Section of the Policy.

- **Sequence Display or Aerobatic Flying Excursion Clause**

It is agreed that Section III of this Policy is deleted whilst the Aircraft is being used for Sequence Display or Aerobatic Flying.

- **Chemical Liability Exclusion**

Notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that this Policy does not apply to claims caused by:

1. any injury (fatal or otherwise), sickness or disease;
2. loss of or destruction of or damage to any property whatsoever or any loss or expense or consequential loss,

directly or indirectly related or caused or arising from any form of aerial application (including but not limited to the dusting, spraying, or dropping of any chemicals, pesticides, herbicides, seed, or the like) whether the aerial application is deliberate or in error.

- **Legal Liability to Employees Clause**

Notwithstanding anything contained herein to the contrary, it is hereby declared and agreed that if 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 described in the Schedule hereto (including mounting into or dismounting from that Aircraft) in the course of his employment by the Insured and if the Insured shall become legally liable to pay and shall pay any compensation (including costs awarded against the Insured) in respect of such injury, the Insurer, subject otherwise to all terms, conditions, limitations, and exclusions of this insurance contained herein or endorsed hereon will indemnify the Insured in respect of all sums for which the Insured shall be so liable up to but not exceeding the limits of indemnity as described in the Schedule hereto, provided always that:

- (a) The indemnity provided by this clause shall not apply if the liability of the Insured arises under any law requiring compensation to be paid for injury to workmen.
- (b) The indemnity provided by this clause shall not apply to claims payable under another policy of policies including any Employers Liability coverage except in respect of any excess beyond the

amount which would have been payable under such other policy or policies had this insurance not been effected.

• **Extended Coverage Endorsement (Aviation Liabilities)**

1. WHEREAS the Policy of which this Endorsement forms part includes the War, Hijacking, and Other Perils Exclusion Clause (General Exclusions Applicable To All Sections), IN CONSIDERATION of an Additional Premium of (as stated in the schedule) it is hereby understood and agreed that with effect from (as stated in the schedule) all sub-paragraphs other than paragraph 10(ii) of General Exclusions 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 (i) of General Exclusions Applicable To All Sections.

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 US\$10,000,000 or the applicable policy limit, whichever the lesser any one Occurrence and in the annual aggregate (the "Sublimit"). This sublimit shall apply within the full Policy limit and not in addition thereto.

To the extent coverage is afforded to an Insured under the Policy, this sublimit shall not apply to such Insured's liability:

- a) to the passengers (and for their baggage and personal effects) of any aircraft operator to whom the Policy affords cover for liability to its passengers arising out of its operation of aircraft;
  - b) for cargo and mail while it is on board the aircraft of any aircraft operator to whom the Policy affords cover for liability for such cargo and mail arising out of its operation of aircraft.
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 (i) of General Exclusions Applicable To All Sections – 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)

Insurer may give notice to review premium and/or geographical limits – such notice to become effective on the expiry of seven days from 23.59 GMT on the day on which notice is given.

(b) Limited Cancellation (48 hours)

Following hostile detonation as specified in 4(ii) above, Insurer 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 (iii), (iv), (v), (vi), and/or (g) of General Exclusions Applicable To All Sections – 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 Insurer 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.

● **Hire Purchase Clause**

It is hereby agreed that the Owners as stated in the Schedule are the owners of the Aircraft described in the Schedule hereto and that the said Aircraft is the subject of a Hire Purchase Agreement made between the Owners of the one part and the Insured of the other part, and it is further agreed that the said Owners are interested in any monies which but for this clause would be payable to the Insured under the Policy in respect of the loss of or damage to the said Aircraft (which loss or damage is not made good by repair, reinstatement, or replacement) and such monies shall be paid to the said Owners as long as they are the Owners or regarded as the Owners under the Hire Purchase Agreement of the Aircraft and the receipt shall be a full and final discharge to the Company in respect of such loss or damage.

Save as hereby expressly agreed nothing herein shall modify or affect the rights or liabilities of the Insured or the Company respectively under or in connection with the Policy or any condition or term thereof.

● **Forced Landing Clause**

Insurer 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 that Insurer's 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.

● **Babes in Arms Clause**

This Policy is extended to allow for the carriage of babes-in-arms in addition to the designated number of Passengers stated in the Schedule of Aircraft, subject to the maximum take-off weight of the Aircraft not being exceeded and manufacturers' guidelines not being breached.

- **Pro-Rata Cancellation Clause**

It is hereby declared and agreed that in the event of the aircraft being sold and no claim having occurred or costs being incurred by the Insurer, the Insured will be entitled to a pro-rata refund premium.

**Sanctions and Embargo Clause**

Notwithstanding anything to the contrary in the Policy the following shall apply:

1. If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Policy 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 Policy, but the payment of a valid and otherwise collectible 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 Policy period 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 Policy in accordance with the laws and regulations applicable to the Policy 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 Policy 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 Policy 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.