



**SANTAM LIMITED**  
(Reg. No. 04/01680/06)

**AIRCRAFT POLICY**  
**AVN-96 / RSA**

Whereas the insured named in the schedule hereto has, by a proposal or declaration which shall be the basis of this policy and is deemed to be incorporated herein, applied to Santam Limited (hereinafter called "the insurer") for the insurance hereinafter set out and conditional upon the prior payment of the premium specified in the schedule hereto by or on behalf of the insured and the receipt by or on behalf of the insurer.

The insurer hereby agrees subject to the conditions, warranties, terms exclusions, deletions, definitions clauses and limitations contained herein or endorsed hereon to insure against loss, damage or liability as provided in the sections of this policy which shall be specified in the schedule hereto as being operative and applicable but only in respect of an "accident" (hereinafter defined) which has occurred during the period of insurance as stated in the schedule hereto or any subsequent period of insurance in respect of which the insured has paid to the insurer and the insurer has accepted the premium required for the renewal of this insurance.

This insurance contract is conditional upon and will only come into effect following payment of the premium by or on behalf of the insured and the receipt thereof by or on behalf of the insurer.

## 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 sixty 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).
- (b) If the aircraft is insured hereby for the risks of "flight" (hereinafter defined) the insurer will in addition pay reasonable emergency expenses necessarily incurred by the insured for the immediate safety of the aircraft consequent upon damage or forced 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.

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

The insurer shall not be liable for:

*Wear and tear,  
breakdown*

- (a) wear and tear, deterioration, breakdown, defect or failure howsoever caused in any "unit" (hereinafter defined) of the aircraft and the consequences thereof within such unit;
- (b) damage to any unit by anything which has a progressive or cumulative effect but damage attributable to a single recorded incident is covered under paragraph 1(a) above;

*Modifications or  
inspections*

- (c) any expenses or loss incurred in connection with or directly arising out of the replacement of any undamaged part or parts or unit of the aircraft which, in terms of Service Bulletins and/or Air Navigation Regulations and/or Airworthiness Directives and/or orders and requirements issued by any competent authority, is required to be repaired or replaced at the time that the repair of accidental damage to the aircraft is carried out.

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

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

- (i) If the aircraft is damaged:

*Dismantling and  
repairs*

- (a) no dismantling or repairs shall be commenced without the consent of the insurer except whatever is necessary in the interest 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.

*Payments or  
replacement*

- (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 and/or records, 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;
  - (c) the replacement aircraft shall be of the same model and type in reasonably like condition unless otherwise agreed with the insured.

- Amounts to be deducted from claims*
- (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) of any unit repaired or replaced as the used time bears to the “overhaul life” (hereinafter defined) of the unit; this sub-paragraph shall not apply to claims settled on a Total Loss, Constructive Total Loss or Arranged Total Loss Basis.
- Amounts to be deducted from claims in respect of flights to and from Botswana*
- (c) in respect of all claims occurring in Botswana North of 20°S and West 25°E other than loss, damage or liability occurring in the “maun circuit” (hereinafter defined), a minimum of R25 000, including claims settled on an Arranged Total Loss, and/or Constructive Total Loss and/or Total Loss Basis.
- However should the amount to be deducted specified in the schedule hereto exceed the amount stated above then this paragraph 3(iii)(c) shall be deemed not to apply.
- No abandonment*
- (iv) 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 a manner so as to warrant the conclusion that the insurer has made an election in terms of this policy.
- Other insurance*
- (v) **No claims shall be payable under this section if other insurance which is payable in consequence of loss or damage covered under this section has been or shall be effected by or on behalf of the insured without the knowledge or consent of the insurer.**
- Engine*
- (vi) 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 services.
- As used herein “engine” means an engine for propulsion or auxiliary power complete with all parts necessary for test cell running.

## 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

- Employees and others*
- (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;
- Operational crew*
- (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;
- Passengers*
- (c) injury (fatal or otherwise) or loss sustained by any passenger whilst entering, on board or alighting from the aircraft;
- Property*
- (d) loss of or damage to any property belonging to or in the care, custody or control of the insured.

Noise and  
pollution and other  
perils exclusion  
clause

- (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 inflight emergency causing abnormal aircraft operation. Nothing in this paragraph shall override General Exclusion 9

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

Limits

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 TO PASSENGERS

#### 1. COVERAGE

The insurer will indemnify the insured in respect of all sums which the insured shall become legally liable to pay and shall pay as 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

Documentary  
precautions

- (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 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 October 1929 as amended by the Hague Protocol dated 28 September 1955, or the minimum amount prescribed by the law of the country in which the aircraft is registered, 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.

Effect of  
non-compliance

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.

Flying instruction

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 those being regarded as a passenger.

## 2. EXCLUSIONS APPLICABLE TO THIS SECTION ONLY

The insurer shall not be liable for injury or loss:

(i) sustained by any

*Employees and  
others*

(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 member whilst engaged in the operation of the aircraft, or while such crew member is in any way engaged in his capacity as such,

*Number of  
passengers*

(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 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 IV

### (A) GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

This policy does not apply:

- |   |   |
|---|---|
| <i>Purpose and<br/>manner of use</i>          | 1. whilst the aircraft is being used for any illegal purpose or for any purpose other than stated in the schedule hereto and as defined in the Definitions hereto;  |
| <i>Licences</i>                               | 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 appropriate aviation authorities;   |
| <i>Geographical<br/>limits</i>                | 3. whilst the aircraft is outside the geographical limits stated in the schedule hereto;  |
| <i>Pilots</i>                                 | 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;   |
| <i>Transportation by<br/>other conveyance</i> | 5. whilst the aircraft is being transported by any means of conveyance (excluding conveyance by its own motive power) except if it is then transported by other conveyance as the result of an accident giving rise to a claim under section I of this policy;          |
| <i>Landing and<br/>take-off areas</i>         | 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 or at an unlicensed landing ground at night, unless due to force majeure; |
| <i>Contractual liability</i>                  | 7. to liability assumed or rights waived by the insured under any agreement (other than passenger ticket/ baggage check issued under section III hereof) except to the extent that such liability would have attached to the insured in the absence of such agreement.  |

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 to or maintenance of the aircraft),
- (ii) hangarkeepers and suppliers of fuel,
- (iii) any airport owner or airport licence holder;

*Non-contribution* 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 insurance not been effected;

- Nuclear risks* 9. (i) to loss of or destruction of or damage to any property whatsoever or any loss or expenses whatsoever resulting or arising therefrom or any consequential loss
- (ii) in respect of any legal liability of whatsoever 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) ionizing 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:

*War hijacking and other perils*

- (a) war, invasion, acts of foreign enemies hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power, or attempts at usurpation of power;
- (b) any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (c) strikes, riots, civil commotions or labour disturbances;
- (d) any act of one or more persons whether or not agents of a sovereign power for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional;
- (e) any malicious act or act of sabotage;
- (f) confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil, military or de facto) or public or local authority;
- (g) 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 manufacturers of the aircraft (such safe return shall require that the aircraft be parked free of duress with engines shut down).

## **(B) WARRANTIES APPLICABLE TO ALL SECTIONS**

The insured warrants:

- Compliance with Air Navigation Orders etc.* 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) all log books and other records in connection with the aircraft which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the insurers or their agents on request;
  - (c) the employees and agents of the insured comply with such orders and requirements.
- Variation in risk* 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.
- Instruction* 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**

- Due observance* 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 insurer to make any payment under this policy.
- Claims procedure* 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 immediate 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.**

- Control of proceedings* 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.
- Subrogation* 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.
- More than one insured* 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.
- False and fraudulent claims* 6. If the insured or is 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.
- Cancellation* 7. This policy may be cancelled by either the insurer or the insured giving 10 days notice in writing of such cancellation. If cancelled by the insurer it will return a pro rata portion of the premium in respect of the unexpired period of the policy. If cancelled by the insured a return of premium shall be at the discretion of the insurer. There will be no return of premium in respect of any aircraft on which a loss exceeding the annual policy a premium has been paid or is payable under this policy.

- Assignment* 8. 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* 9. This policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance.
- Interpretation* 10. Wording in the margins is purely for reference purposes and shall not be used in the interpretation of this policy.
- Due diligence* 11. 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.
- Prescription* 12. In the event of an incident which may or does give rise to a claim or claims under any section of the 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 insurers advising the insured or its agent of the decision not to afford benefit whatsoever to the insured.
- Premium payment* 13. 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.
- Full premium if loss* 14. 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.
- South African jurisdiction* 15. This insurance policy shall be governed by the law of the Republic of South Africa whose courts shall have jurisdiction in any dispute arising hereunder.
- Penalties* 16. This policy will not indemnify the insured in respect of fines, penalties, punitive, exemplary or vindictive damages.

#### (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 use or operational and/or calendar time which according to the Airworthiness Authority, determines when overhaul or replacement of a unit is required.
- (e) **“Overhaul cost”** means the costs of labour and materials which are or would be incurred in overhaul or replacement (whichever is necessary) at the end of the overhaul life of the damaged or a similar unit.
- (f) **“Private pleasure”** means the use for private and pleasure purposes but **not** use for any business or profession nor for hire or reward.
- (g) **“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 for hire or reward of the aircraft.
- (h) **“Commercial or charter”** means the uses stated in “Private, pleasure” and “Business” and use for the carriage by the insured of passengers, baggage accompanying passengers and cargo, all for hire or reward, in terms of a licence issued by a competent aviation authority.



- (i) **“Rental”** means rental, lease, charter or hire by the insured to any person, company or organisation for private, pleasure and business uses only where the operation of the aircraft is not under the control of the insured. Rental for any other purpose is **not** insured under this policy unless specifically declared to the insurer and stated under “Special Rental uses” in the schedule.
- (j) **“Sales and demonstration”** means the situation arising whenever the aircraft is made available for sale by one party to another which includes negotiations arising there from as well as the demonstration of the aircraft or parts thereof on the ground or in the air whilst the aircraft is actually flown. Sales and demonstration is not insured under this policy unless specifically declared to the insurer and stated under “Special uses” in the schedule hereto.
- (k) **“Ab initio or licence reinstatement instruction”** means practical or theoretical tuition to a person who is undergoing flying training on the aircraft for the purposes of obtaining or reinstating a private or higher pilot’s licence.
- (l) **“Conversation 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”.
- (m) **“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.
- (n) **“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.
- (o) **“Taxying”** means movement of the aircraft under its own power other than flight as defined. Taxying shall not be deemed to cease merely by reason of a temporary halting of the aircraft.
- (p) **“Ground”** means while the aircraft is not in flight or taxying as defined.
- (q) **“Maun circuit”** means the area bounded by lines drawn as follows:

Circle Radius: 5 Nautical Miles,  
 Centre: 19°56’S, 23°26’E

Definitions (f), (g), (h) and (i) constitute “Standard uses” and **do not include** instruction, patrol (including but not limited to security, traffic, power line and anti-poaching, patrol) fire fighting/spotting/control, all forms of racing including speed trials, record attempts, aerial or cloud seeding, crop dusting or spraying, hunting, shooting, herding, counting, capture, fish spotting, experimenting with or testing new parts (other than replaced standard parts) or new devices or new designs, sequence display or aerobatic flying, parachute dropping, vehicle tracking, aerial survey / filming or photography, under slung and / or winching operations, offshore servicing, 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(s) are stated under “Special uses” in the schedule hereto.

## **SPECIAL CLAUSES**

### **PILOT'S INDEMNITY CLAUSE**

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

### **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**

In the event of the insured aircraft sustaining damage constituting a valid claim in terms of section I of this policy and necessitating the importation and/or exportation of aircraft spare parts and/or components the insurer shall be liable for the cost of transportation by air of such spare parts and/or components up to ten per cent (10) % of the Sum insured of such damaged aircraft subject to a maximum R50 000.

### **NO CLAIM BONUS ON RENEWAL (Applicable to section I only excluding extensions)**

Subject to there being no claim settled or outstanding or expenses incurred in connection with any claim on this policy and provided this policy has been in force for twelve consecutive months and subject to this insurance having been renewed with the insurer on a similar basis for a further period of twelve consecutive months a no claim bonus calculated at the rate stated in the schedule hereto shall be allowed to the insured, it being understood that no obligation on the insurer or the insured to renew is implied.

## **COMMONDO SQUADRON FLYING / POLICE AIRWING (Applicable to section I only)**

The cover provided by section 1 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:

1. flights at training courses
2. ad hoc tasks flown in support of or at the request of the Directorate of Civil Aviation, South African National Defence Force, South African Police Services and National Sea Rescue Institute of South Africa,

subject to all such duties being carried out in compliance with Air Navigation Regulations notwithstanding the provisions contained in paragraph 1.4(1)(a) of the Air Navigation Regulations of 1976, paragraph 2.1 of Rules of the Air, Air Traffic Services, Search and Rescue and Overflight Regulations of 1975; Section 2(3) of the Aviation Act No. 74 of 1962.

This policy does not cover loss or damage to the above-mentioned aircraft as a result of or in the course of operational, hostile or malicious action of or against insurgents or other persons.

### **HAIL DAMAGE**

It is hereby agreed and accepted that in the event of any aircraft (insured in terms of this policy) having been damaged due to hail strike on the ground and not being fully and completely repaired and reinstated in its condition immediately prior to the said hail strike at the time of the inception of the risk under this policy all and any further hail damage of whatever nature sustained to the aircraft whilst on the ground, is specially excluded. The insurer's obligation to indemnify the insured in respect of such further hail damage shall only come into being in the event of the insured discharging its onus to satisfy the insurer that the hail damage caused prior to the inception of the risk, has been fully and completely repaired and the aircraft reinstated.

In the event of the insured aircraft suffering any additional hail damage on the ground subsequent to the inception of the risk and in consequence is rendered unairworthy, the insurer agrees to make good the repairs to render the aircraft airworthy insofar as it relates to the said hail damage.

### **CONTINGENT PILOTS CLAUSE (Piston Engine Fixed Wing Aircraft Only)**

It is hereby declared and agreed that the Permitted Pilot provision and Purpose of Use provision in this policy is extended to include the following:

1. 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.
2. 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 Department of Civil Aviation for this purpose.

### **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 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.