



Aircraft Insurance Policy

QBE INSURANCE (MALAYSIA) BERHAD welcomes you as a Policyholder and we take this opportunity to recommend that you thoroughly examine this Document which sets out the limitations and benefits of the insurance. Please store it in a safe place.

Should you have any query, please contact your Registered Agent/Broker or our QBE office, especially if the insurance is not completely in accordance with your intentions.

"WE WOULD REMIND YOU THAT YOU MUST DISCLOSE TO US, FULLY AND FAITHFULLY, THE FACTS YOU KNOW OR OUGHT TO KNOW, OTHERWISE YOU MAY NOT RECEIVE ANY BENEFITS FROM YOUR POLICY."

The benefit(s) payable under eligible certificate/policy/product is(are) protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact QBE Insurance (Malaysia) Berhad or PIDM (visit www.pidm.gov.my).

Aircraft Insurance Policy

Agreement to Insure

QBE Insurance (Malaysia) Berhad (hereinafter referred to as “The Underwriter” or “The Insurer” or “The Company”) in consideration of the payment of the premium and in reliance upon the information provided by the Insured including any proposal which is agreed to be the basis of and incorporated into this Policy, agrees to insure against loss, damage of liability, arising out of an Accident occurring during the Period of Insurance to the extent and in the manner provide in this Policy.

Limit of the Company’s Liability

The liability of the Company is limited to 100% of the amounts as stated in the Schedule attaching to this Policy.

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

Certain words and phrases used in this policy have special meanings which can be found in Section IV (D) Definitions.

SECTION I LOSS OF OR DAMAGE TO AIRCRAFT

1. Coverage

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

2. Exclusions applicable to this Section only

The Insurers shall not be liable for

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

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

3. Conditions applicable to this Section only

- Dismantling Transport and Repairs
- (a) If the Aircraft is damaged
 - (i) no dismantling or repairs shall be commenced without the consent of the Insurers except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority;
 - (ii) the Insurers will pay only for repairs and transport of labour and materials by the most economical method unless the Insurers agree otherwise with the Insured.

Payment or Replacement	<p>(b) If the Insurers exercise their option to pay for or replace the Aircraft</p> <ul style="list-style-type: none"> (i) the Insurers may take the Aircraft (together with all documents of record, registration and title thereto) as salvage; (ii) the cover afforded by this Section is terminated in respect of the Aircraft even if the Aircraft is retained by the Insured for valuable consideration or otherwise; (iii) the replacement aircraft shall be of the same make and type and in reasonably like condition unless otherwise agreed with the Insured.
Amounts to be deducted from claim	<p>(c) Except where the Insurers exercise their option to pay for or replace the Aircraft, there shall be deducted from the claim under paragraph the 1(a) of this Section</p> <ul style="list-style-type: none"> (i) the amount specified in Part 6(B) of the Schedule and (ii) such proportion of the Overhaul Cost of any Unit repaired or replaced as the used time bears to the Overhaul Life of the Unit.
No Abandonment	<p>(d) Unless the Insurers elect to take the Aircraft as salvage the Aircraft shall at all times remain the property of the Insured who shall have no right of abandonment to the Insurers.</p>
Other Insurance	<p>(e) No claim shall be payable under this Section if other insurance which is payable in consequence of loss or damage covered under this Section has been or shall be effected by or on behalf of the Insured without the knowledge or consent of the Insurers.</p>

See also Section IV

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

1. Coverage

The Insurers 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

The Insurers shall not be liable for

Employees and Others	(a) injury (fatal or otherwise) or loss sustained by any director or employee of the Insured or partner in the Insured's business whilst acting in the course of his employment with or duties for the Insured;
Operational Crew	(b) injury (fatal or otherwise) or loss sustained by any member of the flight, cabin or other crew whilst engaged in the operation of the Aircraft;
Passengers	(c) injury (fatal or otherwise) or loss sustained by any passenger whilst entering, on board, or alighting from the Aircraft;
Property	(d) loss of or damage to any property belonging to or in the care, custody or control of the Insured;

Noise and
Pollution and
Other Perils

- (e) claims excluded by the attached Noise and Pollution and Other Perils Other Pollution and Perils Exclusion Clause.

3. Limit of Indemnity applicable to this Section

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

See also Section IV

SECTION III LEGAL LIABILITY TO PASSENGERS

1. Coverage

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

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

Provided always that

Documentary
Precautions

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

Effect of
Non-Compliance

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

2. Exclusions applicable to this Section only

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

Employees
And Others

- (a) director or employee of the Insured or partner in the Insured's business whilst acting in the course of his employment with or duties for the Insured;

Operational
Crew

- (b) member of the flight, cabin or other crew whilst engaged in the operation of the Aircraft.

3. Limits of Indemnity applicable to this Section

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

See also Section IV

SECTION IV

(A) GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

This Policy does not apply

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| Illegal Uses | 1. Whilst the Aircraft is being used for any illegal purposes or for any purpose other than those stated in Part 3 of the Schedule and as defined in the Definitions. |
| Geographical Limits | 2. Whilst the Aircraft is outside the geographical limits stated in Part 5 of the Schedule unless due to force majeure. |
| Pilots | 3. Whilst the Aircraft is being piloted by any person other than as stated in Part 4 of the Schedule except that the Aircraft may be operated on the ground by any person competent for that purpose. |
| Transportation by other Conveyance | 4. Whilst the Aircraft is being transported by any means of conveyance except as the result of an Accident giving rise to a claim under Section 1 of this Policy. |
| Landing and Take-off Areas | 5. Whilst the Aircraft is landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the Aircraft except as a result of force majeure. |
| Contractual | 6. To liability assumed or rights waived by the Insured under any Liability agreement (other than a 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. |
| Number of Passengers | 7. Whilst the total number of passengers being carried in the Aircraft exceeds the declared maximum number of passengers stated in Part 2(4) of the Schedule. |
| Non-Contribution | 8. To claims which are payable under any other policy or policies except in under such other policy or policies had this Policy not been effected. |
| Nuclear Risks | 9. To claims excluded by the attached Nuclear Risks Exclusion Clause. |
| War, Hi-jacking, and Other Perils | 10. To claims caused by
(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 acts of sabotage.
- (f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil, military or de facto) or public or local authority.
- (g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured.

Furthermore this Policy does not cover claims arising whilst the Aircraft is outside the control of the Insured by reason of any of the above perils.

The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

(B) CONDITIONS PRECEDENT APPLICABLE TO ALL SECTIONS

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

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| Due Diligence | 1. The Insured shall at all times use due diligence and do and concur in doing everything reasonably practicable to avoid accidents and to avoid or diminish any loss hereon. |
| Compliance with Air Navigation Orders etc. | 2. The Insured shall comply with all air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of the Aircraft and shall ensure that <ul style="list-style-type: none"> (a) the Aircraft is airworthy at the commencement of each Flight; (b) all Log Books and other records in connection with the Aircraft which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the Insurers or their Agents on request; (c) the employees and agents of the Insured comply with such orders and requirements. |
| Claims Procedure | 3. Immediate notice of any event likely to give rise to a claim under this Policy shall be given as stated in Part 8 of the Schedule. In all cases the Insured shall <ul style="list-style-type: none"> (a) furnish full particulars in writing of such event and forward immediately notice of any claim with any letters or documents relating thereto; |

- (b) give notice of any impending prosecution;
- (c) render such further information and assistance as the Insurers may reasonably require;
- (d) not act in any way to the detriment or prejudice of the interest of the Insurers.

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

(C) GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

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| Claims Control | 1. The Insurers shall be entitled (if they so elect) at any time and for so long as they desire to take absolute control of all negotiations and proceedings and in the name of the Insured to settle, defend or pursue any claim. |
| Subrogation | 2. Upon an indemnity being given or a payment being made by the Insurers under this Policy, they shall be subrogated to the rights and remedies of the Insured who shall co-operate with and do all things necessary to assist the Insurers to exercise such rights and remedies. |
| Variation in Risk | 3. 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 Insurers and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted by the Insurers. |
| Cancellation | 4. This Policy may be cancelled by either the Insurers or the Insured giving 10 days notice in writing of such cancellation. If cancelled by the Insurers they 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 Insurers. There will be no return of premium in respect of any Aircraft on which a loss is paid or payable under this Policy. |
| Assignment | 5. This Policy shall not be assigned in whole or in part except with the consent of the Insurers verified by endorsement hereon. |
| Not Marine Insurance | 6. This Policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance. |
| Arbitration | 7. This Policy shall be construed in accordance with English Law and any dispute or difference between the Insured and the Insurers shall be submitted to arbitration in London in accordance with the Statutory provision for arbitration for the time being in force. |
| Two or More Aircraft | 8. When two or more Aircraft are insured hereunder the terms of this Policy apply separately to each. |
| Limit(s) of Indemnity | 9. Notwithstanding the inclusion herein of more than one Insured, whether by endorsement or otherwise, the total liability of the Insurers in respect of any or all Insureds shall not exceed the Limit(s) of Indemnity stated in this Policy. |
| False and Fraudulent Claims | 10. If the Insured 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. |

(D) DEFINITIONS

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

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

9. "FLIGHT" means from the time the Aircraft moves forward in taking off or attempting to take off, whilst in the air, and until the Aircraft completes its landing run. A rotary-wing aircraft shall be deemed to be in Flight when the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.
10. "TAXIING" means movement of the Aircraft under its own power other than in Flight as defined above. Taxiing shall not be deemed to cease merely by reason of a temporary halting of the Aircraft.
11. "MOORED" means, in the case of aircraft designed to land on water, whilst the Aircraft is afloat and is not in Flight or Taxiing as defined above, and includes the risks of launching and hauling up.
12. "GROUND" means whilst the Aircraft is not in Flight or Taxiing or Moored as defined above.

IMPORTANT NOTICE:

1. **You** need to read this **Policy** carefully, and if any error or incorrect description is found herein, or if the cover is not in accordance with your wishes, you should inform the **Company** immediately and return this **Policy** to the **Company** for alteration.
2. If you are not satisfied with the course of action taken by the **Company** or decision made by the **Company**, you may seek recourse through the **Company's** Complaints Management Unit and alternatively, may seek redress or assistance from the Financial Markets Ombudsman Service or approach Bank Negara Malaysia's Laman Informasi Nasihat dan Khidmat (LINK) addressed below:

A) COMPLAINTS MANAGEMENT UNIT

QBE INSURANCE (MALAYSIA) BERHAD

No. 638, Level 6, Block B1, Pusat Dagang Setia Jaya,
(Leisure Commerce Square),
No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor
Tel: +603-7861 8400
Fax: +603-7873 7430

B) FINANCIAL MARKETS

OMBUDSMAN SERVICE

Company No: 200401025885
(formerly known as Ombudsman for Financial Services)
Level 14, Main Block,
Menara Takaful Malaysia,
No. 4, Jalan Sultan Sulaiman,
50000 Kuala Lumpur
Tel: +603-2272 2811

C) LAMAN INFORMASI NASIHAT DAN KHIDMAT (LINK)

Tingkat Bawah, Blok C
Bank Negara Malaysia
Peti Surat 10922
50929 Kuala Lumpur
Tel : 1-300-88-5465
Fax : +603-2174 1515

CONTACT DETAILS

QBE Insurance (Malaysia) Berhad

Reg. No.: 198701002415 (161086-D) Part of QBE Insurance Group
(Licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia)

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www.qbe.com/my

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