

Group Aircrew Loss of Licence Insurance

Product Disclosure Statement and Policy Wording



Group Aircrew Loss of Licence Insurance

Product Disclosure Statement

Contents

1	Welcome to Vero	i
2	Who is the insurer	i
3	Who is the insured	i
4	The purpose of the PDS	i
5	How you contact Us	i
6	Significant Benefits & Features	i
7	When benefits are provided	ii
8	Significant Risks	ii
9	The amount the employer pays for this insurance	ii
10	How various factors affect the premium	ii
11	The amount the employer or crew members pays towards a claim	iii
12	How to make a claim	iii
13	How a claim payment is calculated	iii
14	Important information	iv
15	Duty of Disclosure	iv
16	How we resolve complaints	v
17	Taxation information	vi
18	Cooling Off	vi
19	We respect your privacy	vi

Product Disclosure Statement

1. Welcome to Vero

In Australia Vero is part of a group that can trace its origins back to 1833. Since then we have successfully protected our customers personal and business assets by operating with a depth of knowledge and a reputation for promises kept. Built on these solid foundations, Vero now provides dynamic and forward thinking solutions for all our customers.

The Vero brand is based upon a simple premise – to provide our customers with certainty and peace of mind, through innovative, specialised and expert insurance offerings.

Vero Aviation is a division of the Vero Group.

2. Who is the insurer

Vero Insurance Limited ABN 48 005 297 807, AFS License No. 230859, is the insurer and issuer of the Group Aircrew Loss of Licence policy (“the policy”) and the issuer of this Product Disclosure Statement (“PDS”).

3. Who is the insured

This policy is a group aircrew loss of licence policy, which if purchased, is owned by the employer and covers individual aircrew (“crew member”) who are employed by the employer. While the benefits under the policy are paid to the employer, those benefits are based on entitlements of crew members.

4. The purpose of the PDS

The purpose of this PDS is to help customers understand the insurance policy and provide them with sufficient information to compare and make an informed decision about insurance products.

The PDS also sets out the significant features, benefits and risks of the policy. Customers will still need to read the policy wording for a full description of the terms, conditions and limitations.

5. How you contact Us

Customers may contact Vero by calling:

- ▼ your insurance adviser; or
- ▼ 07 3246 6060,

or alternatively by writing to us at the following address:

Vero Insurance Limited
GPO Box 41
Brisbane Qld 4001

6. Significant Benefits & Features

Some crew members require issue of a Licence or Certificate which permits them to carry out activities related to their occupation. This insurance provides compensation for the insured crew member but which is paid to the employer in the event that the licensing issuing authority either:

- ▼ permanently revokes or imposes a long-term unfitness assessment on medical grounds on the insured’s Licence or Certificate, due to a qualified medical practitioner agreeing there will be no improvement in the medical condition of the insured or
- ▼ temporarily suspends the Licence or Certificate on medical grounds.

This policy covers revocation and suspension of the Licence or Certificate where the medical grounds are:

- ▼ Accident;
- ▼ General Illness;
- ▼ Substances Illness; and
- ▼ Undiagnosed Illness.

You are only covered for a specific medical ground where that coverage is chosen and it is specified on the schedule.

Note in particular that death cover is not provided by this policy and that the policy terminates if the insured person turns 60 or ceases to be employed in the same capacity as at the commencement of cover.

This summary of the benefits available under the policy is not exhaustive and limitations and conditions will apply. Please refer to the policy for further details of this insurance cover.

7. When benefits are provided

The benefits for which the crew member is insured under the policy are payable when an insured event occurs during the period of insurance, and the claim is accepted by us.

▼ When we pay a claim we consider a number of aspects in calculating the amount payable.

These can include:

- ▼ the time period which the Licence or Certificate have been suspended for
- ▼ the amount of compensation for the relevant insured event
- ▼ the benefit period
- ▼ the age of the crew member
- ▼ the policy limits
- ▼ the Excess period (period for which no benefit is payable)
- ▼ the terms and conditions of the policy.

8. Significant Risks

The risks associated with the policy, include:

▼ whether the policy will provide the cover the crew member requires. Cover may not be adequate because the type or amount of cover the crew member requires does not match the cover provided by the policy.

For example, the crew member may have a medical restriction on his licence or certificate which is not listed in the policy schedule or endorsed in the policy in which event there is no cover for that person.

▼ if the crew member does not comply with policy terms and conditions, for example, the crew member's duty of disclosure, we can refuse to pay part or all of a claim.

9. The amount the employer pays for this insurance

The amount the employer pays for this insurance policy is the total amount of the premium calculated to cover the risk, plus GST and any relevant government charges (such as stamp duty). These amounts add up to the total amount the employer must pay.

Once the policy is issued the premium is shown on the fulfilment documentation.

If the employer changes the policy in any way, for example by adding or removing another crew member, the employer may be entitled to a premium refund or may be asked to pay an additional amount.

10. How various factors affect the premium

A number of factors are considered when calculating the premium. The key factor that affects the premium is the compensation payable under the policy. The higher the compensation payable per crew member, the higher the premium will be.

The amount of premium that the employer pays will also depend on the information the crew member provides about themselves and the other factors listed below. These other factors include:

- ▼ the age of the crew member(s)
- ▼ the health of the crew member(s)
- ▼ the Excess Period to apply.

Where a factor is viewed as decreasing the risk, it will tend to reduce the premium; and where a factor is viewed as increasing the risk, it will tend to increase the premium. The following table is a guide on how these factors combine together and may impact on the assessment of risk, and therefore the premium.

Factor	Lower Risk	Higher Risk
Age of the insured	Younger person	Older person
Health of the insured	Excellent health	Poor health
Excess period	180 days	90 days

11. The amount the employer or crew member pays towards a claim

There is no excess payable for a claim under this policy.

However, there is an Excess Period, or waiting period for claims for temporary total disablement. This period will be stated in the schedule. Where it applies, it means that no benefit will be payable by us for temporary total disablement of the particular crew member for the duration of the Excess Period. Any benefits will be calculated from the expiration date of that period.

12. How to make a claim

As soon as possible after an insured event, the crew member must first notify the insurer of the circumstances as soon as possible and furnish documentary evidence issued by the relevant licence issuing authority.

We will then acknowledge the claim and provide assistance with any other requirements.

13. How a claim payment is calculated

The following hypothetical example illustrates how we will calculate the amount payable for a claim.

Claim for Temporary Total Disablement (Loss of Licence) caused by accident.

Factors affecting calculation* –

- ▼ Capital sum insured – \$200,000
- ▼ Compensation Benefit as per schedule say 2% of capital sum insured but not to exceed 75% of net monthly earnings
- ▼ Capital sum insured restriction (clause 7.3) say – age of insured person 45 – \$200,000 or 3 times annual earnings from normal profession, whichever the lesser
- ▼ Excess period – 90 days
- ▼ Annual earnings – \$65,000
- ▼ Net monthly earnings – \$4,000
- ▼ Period of disablement 31/3/02 – 31/12/02 (9 months)
- ▼ No other insurance exists

Calculation

- ▼ Capital sum insured \$200,000 but restricted to \$195,000 (3 times annual earnings) multiplied by compensation percentage of 2% = \$3,900
- ▼ Period of compensation 9 months (275 days) less 90 days (excess period) = 185 days
- ▼ Amount of compensation –

9 months at \$3,900	= \$35,100
less excess period 90/275	= 11,487
Total	= 23,613

but this amount subject to limitation of 75% of net monthly earnings from normal profession
ie 9 (months) X \$4,000 X 185/275 X 75% = \$18,164

therefore the amount payable is \$18,164

**Note: most of the factors used in this claim example are the subject of negotiation between the insurer and the employer when the product is sold and are therefore variable. Reference should be made to the policy schedule for clarification of the factors applicable to the cover.*

14. Important Information

The insurance we offer the crew member is set out in the policy.

It is important that the crew member and employer:

- ▼ read all of the policy before the employer buys it to make sure that it gives the crew member the protection the crew member needs,
- ▼ are aware of the limits on the cover provided and the amounts the insurer will pay in relation to a crew member, and
- ▼ are aware of the policy definitions.

The crew member and employer will find the policy definitions on page 10 of the policy wording.

For the policy limits:

- ▼ some of these will be stated in the policy itself (these are our standard policy limits), and
- ▼ the remainder will be stated in the policy schedule.

In some circumstances the terms and conditions of this policy may be amended by endorsement. If the policy is endorsed the employer will receive notification of the endorsement.

If the employer has purchased this insurance product through someone other than Vero, for example, a person who has authority from Vero to distribute Vero's insurance products, that person will receive remuneration from Vero for providing a financial service.

15. Duty of Disclosure

The employer has a legal duty of disclosure to us whenever it applies for, changes or renews an insurance policy. The crew member has a duty of disclosure as set out in the Application to be an Insured Person.

The crew member has a continuing legal duty of disclosure to us in accordance with the policy terms and conditions.

What the employer and crew member must tell us

The employer and crew member have a general duty to disclose to us everything that they know, or could reasonably be expected to know, is relevant to our decision whether to insure the crew member, and, if we do, on what terms.

However, the duty does not require the employer or crew member to disclose anything:

- ▼ that reduces the risk to be undertaken by us,
- ▼ that is generally well known,
- ▼ that we know or, in the ordinary course of our business, ought to know, or
- ▼ in respect of which we have waived their duty.

The general duty applies to renewals and changes

The general duty applies in full when the employer or crew member renew an insurance policy or change an existing policy including when the policy is extended or reinstated.

The general duty is limited for new policies

When a new policy is applied for the duty of disclosure applies, but the employer or the crew member does not need to disclose something to us unless we specifically ask about it. However, the employer and the crew member must be honest in answering any questions we ask. They have a legal duty to tell us anything they know, and which a reasonable person in their circumstances would include in answering the questions. We will use the answers in deciding whether to insure the crew member and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that the employer and crew member understand they are disclosing to us and answering our questions for themselves and anyone else they want to be covered by the policy.

If the employer and crew member do not tell us

If the employer and crew member do not answer our questions honestly or do not properly disclose to us, we may reduce or refuse to pay a claim or may cancel the policy. If the employer or the crew member act fraudulently in answering our questions or not disclosing to us, we may refuse to pay a claim or treat the policy as never having existed.

16. How we resolve complaints

Resolving your complaints

If either the employer or the crew member ("the person making the complaint") think we have let them down in any way, or our service is not what you expect (even if through one of our representatives), please tell us so we can help.

The person making the complaint can tell us . . .

by phone

We will put the person making the complaint in contact with an appropriate person to deal with the complaint.

in writing

Please send us the full details of the complaint together with any supporting documents and an explanation of what the person making the complaint wants us to do. This letter will be directed to the appropriate person.

in person

If the person making the complaint would like to come in to talk to us at their local or State branch, please call and we will arrange an appointment for a meeting.

What we will do to resolve the complaint

When the person making the complaint first lets us know about the complaint or concern:

- ▼ it will be handled by the person who has authority to deal with it, and
- ▼ this person will listen to the person making the complaint, consider the facts and contact them to resolve the complaint as soon as possible, usually within 24 hours.

If the person making the complaint is not satisfied with this person's decision on the complaint, then it will be referred to the relevant Operational Manager, who will contact the person making the complaint within 5 working days.

If the person making the complaint is not satisfied with the Operational Manager's decision, then it will be referred to our General Management in Head Office. We will send our final decision to the person making the complaint within 15 working days from the date the complaint was first made.

What if the person making the complaint is not satisfied with our final decision?

We expect our procedures will deal fairly and promptly with your complaint. However, if the person making the complaint is not satisfied with our final decision you can take your complaint to the Financial Ombudsman Service (FOS). This is an independent body and its services are free to you. We agree to accept the FOS's decision. You can still take legal action if you disagree with the FOS's decision.

You must contact the FOS within 3 months of receiving our final decision.

You can phone the FOS from anywhere in Australia on 1300 780 808 or write to them at:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
info@fos.org.au

17. Taxation Information

This insurance policy is subject to GST and stamp duty.

If the employer is registered for GST purposes, they may be able to claim an Input Tax Credit in respect of the GST we collect from them. For more information on GST please refer to clause 10 of the insurance policy.

Stamp duty is imposed by every state and territory in Australia and the amount payable by the employer varies, depending on the applicable state or territory.

If the employer is unsure about the taxation implications of the policy, the employer should seek advice from their accountant or tax professional.

18. Cooling Off

If the crew member is in a compulsory scheme, this section is not relevant to the crew member, but only to the employer.

If the crew member is in an opt-in scheme, this section is relevant to the employer, and to the crew member.

The employer has the right to cancel and return the insurance contract within 20 days of the date it was issued ("cooling off period"), unless a crew member makes a claim under the contract within the cooling off period.

If the crew member is in an opt-in scheme, then the crew member has the right to decline an offer of coverage under the policy within 20 days of being informed that coverage is agreed ("crew member cooling off period"), unless the crew member makes a claim within the crew member cooling off period.

If the employer cancels it in the cooling off period or the crew member declines the offer of coverage within the crew member cooling off period, we will return the relevant amount the employer has paid.

To cancel the policy at other times, please see section 7.5 of the policy.

19. We respect your privacy

Privacy Statement

The Privacy Act 1988 (as amended) now applies and requires us to inform you that:

Purpose of Collection

We collect personal information (this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person) from or about you, for the purposes of:

- ▼ providing insurance services to you,
- ▼ evaluate your application,
- ▼ evaluate any request for amendment to any insurance provided,
- ▼ issuing, administering and managing the insurance provided following acceptance of an application; and
- ▼ investigating and, if covered, manage claims made in relation to any insurance you have with us or other members of the group of companies to which we belong.

The personal information collected can be used or disclosed by us for a secondary purpose related to those purposes listed above, but only if you would reasonably expect us to use or disclose the information for this secondary purpose.

However for sensitive information, the secondary purpose must be directly related to the purposes listed above.

Disclosure

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

- ▼ other members of the group of companies to which we belong,
- ▼ your insurance intermediary or our agent,
- ▼ Government bodies, loss assessors, claim investigators, reinsurers,
- ▼ other insurance companies, mailing houses, claims reference providers, legal and other professional advisers,
- ▼ other service providers, hospitals, medical and health professionals.

Consequences if Information is not Provided

If you do not provide us with the information we need we will be unable to consider your application for insurance cover, administer your policy or manage any claim under your policy.

Access

You can request access to the personal information we hold about you by contacting us at the address shown on this proposal form.

In some circumstances we may not agree to allow you access to some or all of the personal information we hold such as when it is unlawful to give it to you. In such cases we will give you reasons for our decision.

Privacy Statement issued

Vero Insurance Limited, 465 Victoria Avenue, Chatswood NSW 2067.

Code of Practice

We have adopted the General Insurance Code of Practice. Please contact us for more information.

Group Aircrew Loss of Licence Insurance

Policy Wording

1	About this policy of insurance	3
1.1	Legal Contract	3
1.2	Interpretation	3
1.3	Applicable Law	3
1.4	Waivers	3
	Schedule	4
	Schedule of Insured Persons	4
2	Duties of the Employer	5
3	Duties of Individual Insured Persons	5
4	Insuring Agreements	5
5	Special Limitations and Conditions in Respect of Certain Insured Events	5
5.1	All Insured Event 8,1 Permanent Total Disablement (Loss of Licence)	5
5.2	Insured Event 8.1.3, Permanent Total Disablement (Loss of Licence) by Substances Illness	6
5.3	Insured Event 8.1.4, Permanent Total Disablement (Loss of Licence) by Undiagnosed Illness	6
5.4	All Insured Event 8.2, Temporary Total Disablement (Loss of Licence)	6
6	Exclusions	6
6.1	Pre-existing Medical Restriction to Licence(s)/Certificate(s)	6
6.2	Death	6
6.3	Suicide	6
6.4	AIDS	6
6.5	Drugs and Alcohol	7
6.6	Pre-existing Physical Conditions	7
6.7	Pre-existing Mental Conditions	7
6.8	War, Hi-jacking and Other Perils	7
6.9	Radioactivity	7
6.10	Dangerous Activities	7
6.11	Deliberate Exposure	8
6.12	Pregnancy	8
7	Conditions	8
7.1	Good Health	8
7.2	Termination	8
7.3	Capital Sum Insured Restriction	8
7.4	False and Fraudulent Claims	9
7.5	Cancellation	9
7.6	Insurance Contracts Act 1984	9
8	Claims Procedures	9
9	Expert Determination of Medical Condition	10
10	Goods and Services Tax	10

11	Definitions	10
11.1	Insured Event	10
11.2	By Accident	10
11.3	Accident	10
11.4	By General Illness	10
11.5	By Substances Illness	10
11.6	By Undiagnosed Illness	10
11.7	Permanent Total Disablement (Loss of Licence)	11
11.8	Temporary Total Disablement (Loss of Licence)	11
11.9	Licence(s)/Certificate(s)	11
11.10	Date of Loss	11

1 About this policy of insurance

1.1 Legal Contract

This policy of insurance is a legal contract. This policy and any endorsements are to be read as a complete document. No waiver or change of the terms of this policy shall be valid unless evidenced by written endorsement signed by the Insurer or its authorised representatives. Such written changes form a part of this policy. The interests and duties of the parties to this policy are not assignable.

1.2 Interpretation

Words and expressions in bold type to which a specific definition is given shall have the same meaning wherever they appear in this policy. Where permitted by the context the masculine gender shall include the feminine, the singular shall include the plural and the plural the singular.

1.3 Applicable Law

This policy shall be construed in accordance with Australian law and shall be subject to the jurisdiction of the Australian courts.

1.4 Waivers

The Insurer, at its entire discretion, may effect a waiver of Exclusion 6.6, 6.7. or 6.10. or Condition 7.2. or 7.3. in respect of specified Insured Persons subject to full information being received and any special conditions or additional premiums as may be imposed or requested. Subject otherwise to all the terms and conditions of this policy. No waiver will be operative unless signified by an endorsement signed by the Insurer or its authorised representative and attached to this policy. Advice to the Insurer of any circumstance, accident or illness or physical or medical condition under any previous policy shall not constitute an acceptance by it of the same under this policy unless endorsed hereon as aforesaid.

Schedule

Policy Number:

Item 1: the Employer

Item 3: the Insured Person

As per Schedule of Insured Persons

Item 5: Notices

All notices under this policy to be given through

Item 2: the Insurer

Vero Insurance Limited

Item 4: Capital Sum Insured

As per Schedule of Insured Persons

Item 6: Period of Insurance

From 00:00:01 on ####/####

To 23:59:59 on ####/####

Both times EST

Item 7: Premium

Item 8: Insured Events and Compensation

Item No.	Insured Event	Compensation (Amount or Percentage of Capital Sum Insured)	
8.1	Permanent Total Disablement (Loss of Licence)	8.1.1 by Accident	%
		8.1.2 by General Illness	%
		8.1.3 by Substances Illness	% or AU\$ whichever the lesser
		8.1.4 by Undiagnosed Illness	% or AU\$ whichever the lesser
8.2	Temporary Total Disablement (Loss of Licence)	8.2.1 by Accident	% per month*
		8.2.2 by General Illness	% per month*
		8.2.3 by Substances Illness	% or AU\$ whichever the lesser, per month*
		8.2.4 by Undiagnosed Illness	% or AU\$ whichever the lesser, per month*
		8.2.5 Benefit Period	* during such Disablement but not exceeding the Benefit Period stated below
		8.2.6 Excess Period	but always limited to 75% of net monthly earnings from the Insured Person's normal profession
		months	days but days in respect of Undiagnosed Illness

Schedule of Insured Persons

Insured Person	Date of Birth	Licences held (Type and Number)	Capital Sum Insured

2 Duties of the Employer

- 2.1 To pay the Premium within thirty (30) days of the inception date of the cover under this policy.
- 2.2 To have in force throughout the period of this policy a scheme for its aircrew staff which includes the payment of moneys under this policy for their sole benefit.
- 2.3 To comply with its obligations as to disclosure pursuant to section 21 of the Insurance Contracts Act 1984 (Aust) prior to the inception date of the cover under this policy, including but not limited to an exact description of all Licence(s) and Certificate(s) held by Insured Persons.
- 2.4 To advise every Insured Person of the terms of and their rights and duties under this policy.

3 Duties of Individual Insured Persons

- 3.1 The duties of the Employer stated in clause 2.3 above shall apply to each Insured Person and the failure to comply will result in the same consequences as for the Employer except that they shall only apply to the individual concerned, not to the entire insurance.
- 3.2 Each Insured Person must advise the Insurer of any relevant changes in the medical standards of the licence issuing authority or any other authority having jurisdiction over the **Licence(s)/Certificate(s)**, including a governmental authority.
- 3.3 Each Insured Person must advise the Insurer of any additional **Licence(s)/Certificate(s)** gained during the Period of Insurance and any changes to the type or number of the **Licence(s)/Certificate(s)** stated in the Schedule of Insured Persons held at the inception date of the cover under this policy.

4 Insuring Agreements

In consideration of the fulfilment of the Duties described in Sections 2 and 3 of this policy, the Insurer hereby agrees as follows:

- 4.1 The Insurer will for each Insured Person pay to the Employer the amount of the compensation stated in **Item 8** of the Schedule upon the happening of an **Insured Event** subject always to all the terms and conditions of this policy.
- 4.2 Compensation will be paid for only one **Insured Event** in respect of any one Insured Person except where either any of **Insured Event 8.1, Permanent Total Disablement (Loss of Licence)**, follows on from any of **Insured Event 8.2, Temporary Total Disablement (Loss of Licence)**, in which case the amount of any compensation paid under any of **Insured Event 8.2** will be deducted from the amount payable under any of **Insured Events 8.1** whether under this policy or any previous policy of insurance of which this policy is a renewal.

5 Special Limitations and Conditions in respect of certain Insured Events

5.1 All Insured Event 8.1, Permanent Total Disablement (Loss of Licence)

No payment will be made should the Insured Person die within 12 months of the issuance of the long term unfitness assessment or permanent revocation by the licence issuing authority. The Insurer shall not be obliged to settle any claim until 180 days after the **Date of Loss** or the date the Insured Person makes a claim under this policy, whichever occurs last nor before all reasonable enquiries relating to the claim have been completed by the Insurer. The Insurer may at its option settle the claim in yearly instalments and require proof of the continuing disability if in its opinion it is likely that the **Licence(s)/Certificate(s)** may be obtained elsewhere in the world within five years of the **Date of Loss**.

No payment will be made unless the issuance of the long term unfitness assessment or permanent revocation by the licence issuing authority occurs within 12 months of the date of the **Accident** or the date illness manifested itself or **Undiagnosed Illness** was reported to a qualified medical practitioner, as the case may be except in the following circumstances:

- (a) where the Insurer has accepted the existence of the pre-existing condition, and in such case no payment will be made unless the issuance of the long term unfitness assessment or permanent revocation by the licence issuing authority consequent upon such condition occurs during the Period of Insurance.
- (b) where the issuance of the long term unfitness assessment or permanent revocation by the licence issuing authority follows immediately upon any of **Insured Event 8.2**.

5.2 Insured Event 8.1.3, Permanent Total Disablement (Loss of Licence) by Substances Illness

Compensation will only be payable if the Insured Person within ninety days from the date of the diagnosis enters a rehabilitation programme approved by the Insurer and demonstrates and continues to demonstrate to the satisfaction of the Insurer that he is participating and co-operating in all aspects of such rehabilitation programme. The cost of participation in the programme will be deducted from the compensation payable. Provided always that the Insurer shall not be liable to pay more in total than the relevant amount of the compensation stated in the Schedule.

5.3 Insured Event 8.1.4, Permanent Total Disablement (Loss of Licence) by Undiagnosed Illness

Compensation is payable at the entire discretion of the Insurer, without any right of recourse of the Employer or Insured Person under the Arbitration clause contained herein or to any court having jurisdiction.

5.4 All Insured Event 8.2, Temporary Total Disablement (Loss of Licence)

Compensation will not be payable in respect of the Excess Period stated in the Schedule from the **Date of Loss**.

Where the Insurer has accepted the existence of a pre-existing condition, the Insurer shall not be liable to pay under this policy and any previous policy or policies combined for more than the total Benefit Period stated in **Item 8.2.5** of the Schedule in respect of any one medical condition or set of conditions.

No payment will be made unless the medical condition necessitates treatment and regular attendance by a qualified medical practitioner and evidence of the continuance of disability shall be provided to the Insurer.

Subject to any provisions of this policy which would entail an earlier termination, the period for which compensation is paid shall terminate upon

- (a) the cancellation or expiry of the temporary unfitness assessment by the licence issuing authority, whether or not the Insured Person decides to return to normal duties,
- (b) the issuance of a long term unfitness assessment or permanent revocation by the licence issuing authority or
- (c) the expiry of the Benefit Period

whichever shall occur first.

Benefit payable shall be payable monthly, 30 days in arrears and apportionable pro rata from day to day.

No payment will be made unless the issuance of the temporary unfitness assessment by the licence issuing authority occurs within 12 months of the date of the **Accident** or the date illness manifested itself or **Undiagnosed Illness** was reported to a qualified medical practitioner, as the case may be except where the Insurer has accepted the existence of a pre-existing condition and in such case no payment will be made unless the consequent issuance of the temporary unfitness assessment by the licence issuing authority occurs during the Period of Insurance.

6 Exclusions

6.1 Pre-existing Medical Restriction to Licence(s)/Certificate(s)

The policy does not apply to any person having any medical restriction to his **Licence(s)/Certificate(s)** unless specifically noted in the Schedule of Insured Persons or otherwise endorsed on this policy in writing and signed by the Insurer or its authorised representative.

Except where specifically stated to the contrary, this policy does not cover any **Insured Event** directly or indirectly, wholly or partially, arising out of or consequent upon or contributed to or aggravated by:

6.2 Death

Death of an Insured Person.

6.3 Suicide

Suicide or attempted suicide or intentional self-injury or assault provoked by the Insured Person.

6.4 AIDS

Venereal disease or Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC) howsoever this syndrome has been acquired or may be named.

6.5 Drugs and Alcohol

(not applicable to Insured Events 8.1.3 and 8.2.3)

The Insured Person being under the influence of alcohol or drugs. Where drugs or alcohol are administered or prescribed by a qualified medical practitioner, the Insured is covered provided that all related advice and warnings are being heeded. Drugs or alcohol administered or prescribed in the context of dependency are, however always excluded from coverage.

6.6 Pre-Existing Physical Conditions

Physical impairment, defect, degenerative process or infirmity existing prior to the inception date of the cover under this policy.

For the purposes of this exclusion a physical impairment, defect, degenerative process or infirmity exists prior to the inception date of this policy if it has been diagnosed by a qualified medical practitioner prior to the said inception date or in the event that it has not been diagnosed then in the opinion of a qualified medical practitioner the Insured Person could reasonably have been expected to be aware of its existence at the said inception date.

6.7 Pre-Existing Mental Conditions

Any mental or behavioural disorders known to exist at the inception date of this policy stated in the Schedule diagnosed by a qualified medical practitioner for which medical treatment has been received by an Insured Person and which is included in the internationally recognised classification system DSM-IV (the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition, 1994). Such a diagnosis shall imply severe and lasting impairment in personal performance as indicated by at least one of the following:

- (a) a limitation in activities of daily living,
- (b) social functioning,
- (c) impairment in concentration, memory or other cognitive functioning leading to chronic task under-performance in terms of aptitude, learning new material, reliable accuracy, endurance and pace of work,
- (d) deterioration or decompensation in work settings,
- (e) episodic disorders of mood,
- (f) disorders of form and control of thought.

6.8 War, Hi-jacking and Other Perils

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, or 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) any act of terrorism, including but not limited to the use of force or violence and/or threat of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes or reasons, including the intention to influence any government and/or put the public, or any section of the public, in fear.

6.9 Radioactivity

Radioactive contamination.

6.10 Dangerous Activities

An Insured Person engaging in or taking part in

- (a) naval, military or air force service or operations other than non-combatant duties but always excluding taking part in military or joint military exercises,
- (b) flying involving the intentional dropping, spraying or release of anything, slung cargo, aerial photography, fire-fighting, slash and burn, animal capture and other similarly hazardous activities,
- (c) winter sports (other than skating or curling),
- (d) skin diving involving the aid of breathing apparatus, rock climbing or mountaineering normally involving the use of ropes or guides, potholing, hang gliding, parachuting, hunting on horseback, paragliding, bungee-jumping, canyoning, abseiling, ballooning, deep sea fishing, quad biking or driving or riding in any kind of race,
- (e) driving or riding on motor cycles or motor scooters other than mopeds.

6.11 Deliberate Exposure

Deliberate exposure to exceptional danger (except in an attempt to save human life or in self-defence) or an Insured Person's own criminal act.

6.12 Pregnancy

Pregnancy or childbirth.

7 Conditions

7.1 Good Health

It is hereby warranted that all Insured Persons are in good health and are not only present at their place of work but are mentally and physically capable of carrying out their normal regular duties associated with the job for which they are employed at the inception date of this policy and have not been absent for more than 10 days in the preceding 3 months.

If an Insured Person does not satisfy this condition then cover will not be provided until:-

- (a) The Insured Person has returned to work and completed 2 months continuous and active service, or
- (b) The Insured Person has completed a proposal form, satisfactory to the Insurer, if the Insured wishes to be included in the policy earlier.

If the Insured Person elects to complete a proposal form, which is unacceptable to the Insurer, option a) may not be chosen subsequently.

7.2 Termination

The cover with respect to any Insured Person will terminate and cease to have effect upon:-

- (a) the attainment of age 60 by that person
- (b) The Insured Person ceasing to be gainfully employed by the Employer in the capacity for which he holds the **Licence(s)/Certificate(s)** held at the inception date of the cover under this policy.

7.3 Capital Sum Insured Restriction

With respect to **Insured Events 8.1 and 8.2**, the Capital Sums Insured shall not exceed the following multiples under this and /or all other current Loss of Licence Policies held in the name of any Insured Person:-

Age	Capital Sum Insured Restriction
Up to and including 29	5.0 times annual earnings from normal profession
30-39	4.0 times annual earnings from normal profession
40-49	3.0 times annual earnings from normal profession
50-54	The lesser of \$ or 2.0 times annual earnings from normal profession
55	The lesser of \$ or 1.8 times annual earnings from normal profession
56	The lesser of \$ or 1.6 times annual earnings from normal profession
57	The lesser of \$ or 1.4 times annual earnings from normal profession
58	The lesser of \$ or 1.2 times annual earnings from normal profession
59	The lesser of \$ or 1.0 times annual earnings from normal profession

In order to recover the full benefits payable under this policy, the Insured Person must have notified the Insurer of any other loss of licence insurance and the existence of that other insurance must have been noted and accepted by the Insurer before a claim arises. If no such prior notification has been given, the cover under this policy is deemed to be surplus to all other valid and collectable insurance. Any payment under these circumstances will only be the difference, if any, between the Capital Sum Insured Restriction, as stated above, and all other valid insurance.

7.4 False and Fraudulent Claims

If the Employer shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise the Insurer shall be entitled to refuse the claim.

7.5 Cancellation

This policy may be cancelled by either the Insurer or the Employer 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 if a claim is paid or payable under this policy.

7.6 Insurance Contracts Act 1984

Nothing in this contract of insurance will affect the rights of the Insured or the Insurer under the Insurance Contracts Act 1984 as amended from time to time. Where such Act is applicable and in the event that there is a conflict between the provisions of this policy and the Act, then the provisions of this policy shall be amended as necessary in order to comply with the requirements of such Act.

8 Claims Procedures

The Insured Person must fully comply with the following procedures. Upon the happening of an **Insured Event**, the Insured Person and/or his Legal Personal Representatives must:

- 8.1 Make a claim by notifying the entity named in Item 5 of the Schedule in writing by registered mail as soon as possible and in any event not later than thirty days after the date of unfitness or permanent revocation by the licence issuing authority as a result of sustaining an **Accident** or the manifestation of illness. Such notification shall include all details as known to the Insured Person and documentary evidence issued by the relevant licence issuing authority. The date of notification shall be taken as the date upon which the notice was delivered to the entity named in Item 5 of the Schedule. Advice of a claim by telephone message is not deemed to be proper notice of a claim.
- 8.2 At the request and expense of the Insurer, submit to an independent medical examination in the event of an **Accident** or illness.
- 8.3 Irrevocably authorise the Insurer:
 - (a) to obtain details of all medical reports and hospital records and obtain information from any physicians, surgeons, and hospital authorities concerned with the treatment of or consulted by the Insured Person;
 - (b) to obtain information from and seek the opinion of the principal medical officer of the Civil Aviation Safety Authority or any other competent authority or its successors (or other appropriate medical officer appointed for the purpose) as to the likelihood of the Insured Person ever obtaining a restoration of his **Licence(s)/Certificate(s)**. If the opinion is that the Insured Person is unlikely to ever obtain such restoration the Insurer will accept that opinion as evidence in favour of the Insured Person.
- 8.4 Sign all authorisations required by the Insurer for these purposes, on written demand by the Insurer make a statutory declaration as to any facts relating to the claim and complete the Insurer's standard claim questionnaire on request.
- 8.5 Notify the Insurer immediately if any action against a third party relating to the Insured Person's **Licence(s)/Certificate(s)** is planned or contemplated.
- 8.6 Notify the Insurer immediately upon becoming aware of any investigation, Court of Enquiry or similar proceedings likely to affect this insurance and give all possible assistance and information to lawyers appointed by the Insurer as it may reasonably require.
- 8.7 Furnish the Insurer with satisfactory proof of:
 - (a) the happening of the event on which the Sum Insured will become payable;
 - (b) any other information that the Insurer may require.

The receipt by the Insurer of a release from the Insured Person or any other duly authorised representative shall constitute an absolute discharge to the Insurer in respect of payments made under this policy.

9 Expert Determination of Medical Condition

The Insurer reserves the right to refer all unfitness assessments to its own medical advisers. In addition, the Insured Person may be required to undergo an examination by a qualified medical practitioner experienced in the medical examination of flying personnel.

The Insurer also reserves the right to request the Insured Person to undergo reasonable medical treatment and investigations at the expense of the Insurer if, in the opinion of the Insurer and its medical advisers, such treatment and/or investigations would probably result in the restoration of the Insured Person's **Licence(s)/Certificate(s)**.

Should the Insured Person wish to dispute the decision of the Insurer or its medical advisers or qualified medical practitioner the matter will be referred for expert determination before a single person appointed from a panel of qualified medical practitioners experienced in the examination of flying personnel and in the relevant branch of medicine, such panel to be agreed between the Insurer and the Insured Person and failing agreement nominated by the President of the Australian Medical Association. That person (the referee) shall not act as an arbitrator but the Insurer and the Insured Person shall each have a right to submit information, evidence and submissions, and to attend a meeting with the referee but have no right to a hearing. The referee will not be bound by the rules of natural justice and evidence.

The decision of the referee shall be final and binding on all parties.

The costs of examination and expert determination will be borne by the Insurer.

10 Goods and Services Tax

The premium charged for this policy will include an amount on account of Goods and Services Tax (GST), where applicable.

The Employer must inform the Insurer of the extent to which the Employer is entitled to an input tax credit for the premium, in relation to the period during which the **Insured Event** happened, each time that a claim is made under this policy. No payment will be made to the Employer for any GST liability that the Employer may incur on the settlement of a claim if the Employer has not informed the Insurer of its entitlement or correct entitlement to an input tax credit.

Despite the other provisions of this policy (including provisions in any schedules and endorsements), the Insurer's liability will be calculated taking into account any input tax credit to which the Employer is entitled for any acquisition relevant to a claim, or to which the Employer would have been entitled were it to have made a relevant acquisition.

"GST", "input tax credit" and "acquisition" have the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.

11 Definitions

- 11.1 **Insured Event** means any of the events specified as such in Item 8 of the Schedule.
- 11.2 **by Accident** means
- (a) by reason of or on the sole grounds of the Insured Person having sustained identifiable physical injury or illness directly resulting from or medical or surgical treatment rendered necessary by such injury AND
 - (b) where such injury is caused by an **Accident** in a manner which is violent, unforeseen, external and visible AND
 - (c) where such injury occurs during the Period of Insurance.
- 11.3 **Accident** means a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place, but shall also include exposure to the elements resulting from such an event.
- 11.4 **by General Illness** means on the sole grounds that the Insured Person has sustained an illness which manifests itself during the Period of Insurance and which is not an illness falling within the terms of Definition 11.5, **Substances Illness** or Definition 11.6, **Undiagnosed Illness** and which is not in itself the direct consequence of identifiable physical injury caused by an **Accident**.
- 11.5 **by Substances Illness** means on the sole grounds that the Insured Person has sustained an illness which manifests itself during the Period of Insurance directly or indirectly consequent upon the influence of alcohol, drugs or narcotics.
- 11.6 **by Undiagnosed Illness** means on the sole grounds that the Insured Person has sustained a set of physical or mental symptoms which is advised to a qualified medical practitioner during the Period of Insurance and which is not detectable or diagnosable as an illness.

11.7 **Permanent Total Disablement (Loss of Licence)** means the prevention of the Insured Person from acting in any capacity for which any **Licence(s)/Certificate(s)** are held due to all such **Licence(s)/Certificate(s)** being permanently revoked or a long term unfitness assessment being issued in respect thereof on medical grounds which in the opinion of a qualified medical practitioner are beyond hope of improvement and which entails both the following consequences:

- (a) the inability of the Insured Person to obtain a renewal of such Licence(s) or Certificate(s) or to obtain withdrawal of the unfitness assessment or revocation within a period of 60 months from the date of the same:
- (b) the inability of the Insured Person to obtain any similar licence or certificate anywhere in the world within a period of 60 months from the date of the issuance of the unfitness assessment or revocation.

Provided that nothing in this Definition shall impose any obligation on the part of the Insured Person to seek the withdrawal of any long term unfitness assessment or permanent revocation of the **Licence(s)/Certificate(s)**.

11.8 **Temporary Total Disablement (Loss of Licence)** means the prevention of the Insured Person from acting in any capacity for which he holds a **Licence(s)/Certificate(s)** due to the **Licence(s)/Certificate(s)** being temporarily suspended by the licence issuing authority on medical grounds.

Temporary Total Disablement (Loss of Licence) shall also include any period of self-suspension provided it is confirmed within 28 days by the issuance of a "temporarily unfit" assessment by the relevant licence issuing authority.

11.9 **Licence(s)/Certificate(s)** means all Licences or Certificates held by the Insured Person in connection with his occupation.

11.10 **Date of Loss** means the first day that the Insured Person is suspended from active duty consequent upon the issuance of the temporary suspension or issuance of a long term unfitness assessment or permanent revocation of the Insured Person's **Licence(s)/Certificate(s)**. Suspension must be evidenced by receipt by the Insurer within 28 days of issuance of a "temporarily unfit" assessment issued by the relevant licence issuing authority failing which, the **Date of Loss** shall not be deemed to be earlier than the date of receipt by the Insurer of the same.

Vero Aviation Contact Details

GPO Box 41
Brisbane Qld 4001

Telephone +61 7 3246 6060
Fax +61 7 3246 6055

Vero Insurance Limited ABN 48 005 297 807 AFS Licence No. 230859
Vero Aviation is a division of Vero Insurance Limited

V5423 06/08

