

**Professional Indemnity and Aviation Liability  
Insurance Proposal Form**

**Aviation Testing Officers & Flight Instructors**



**Aviation Insurance**  
Australia

# Important Notices

## General

Many areas of insurance are complex and some implications may not be evident to you. Your Broker will keep you informed, but if at any time you are unsure of any aspect of your insurance, please contact Aviation Insurance Brokers of Australia Pty Ltd to discuss the matter.

## Utmost Good Faith

A contract of insurance is a contract of the utmost good faith. This means that you and the Insurer must act towards each other, in respect of any matter arising under or in relation to the contract, with the utmost good faith. For example:

- You must act with the utmost good faith when submitting any claim to the Insurer
- If you fail to act towards the Insurer with the utmost good faith it may prejudice the claim; and
- The Insurer must act with the utmost good faith when handling the claim.

## Your Duty of Disclosure

You and everyone who is insured under your policy must comply with the duty of disclosure. Make sure you explain the duty to any other insureds you apply on behalf of.

The duty requires you to tell the Insurer certain matters which will help it decide whether to insure you, and if so, on what terms. The duty applies when you first apply for your policy and on any renewal, variation, extension or replacement of the policy. i.e.

- This is an ongoing responsibility throughout the duration of the policy.
- The type of duty that applies can vary according to the type of policy.
- If we act on your behalf, to assist us in protecting your interests, it is important that you tell us every matter that you know or a reasonable person in the circumstances could be expected to know, is relevant to the Insurer's decision whether to insure you and, if so, on what terms. We will then assist you in determining what needs to be disclosed to the Insurer in order to meet your duty.

When you answer any questions asked by the Insurer, you must give honest and complete answers and tell the Insurer, in answer to each question, about every matter that is known to you and which a reasonable person in the circumstances could be expected to have told the Insurer in answer to the question.

Examples of matters that should be disclosed are:

- any claims you have made in recent years for the particular type of insurance;
- refusal by an Insurer to renew your policy;
- any unusual feature of the insured risk that may increase the likelihood of a claim.

If you (or anyone who is insured under the policy) do not comply with the duty, the Insurer may cancel the policy or reduce the amount it pays in the event of a claim. If the failure to comply with the duty is fraudulent, the Insurer may treat the policy as if it never existed and pay nothing.

## Material Change of Risk

Many policies require you to notify the Insurer in writing of any material change to the insured risk during the period of insurance. The Insurer can then decide whether to cover the new risk. Some examples of material changes are if you;

- Change the aircraft use;
- Acquire or merge with another business;
- Are unable to pay your debts as they fall due and you enter into an arrangement with your creditors.

If you are in any doubt as to whether the Insurer should be told about any particular change to the insured risk, please ask us.

## Interests of Third Parties

Many policies do not cover the interest of third parties (eg. Co-owners, lessors and mortgagees) whose interest is not noted on the policy. If you require the interest of any third party to be covered, please let us know, so that we can ask the Insurer to note that party's interest on the policy.

## Subcontractors & Consultants

It is advisable to check all insurances held by subcontractors utilised, including Workers Compensation, Public Liability and Professional Indemnity.

## Leasing, Hiring and Borrowing Property

When you lease, hire or borrow property, plant, equipment or aircraft, make sure that the contract clearly identifies who is responsible to insure. This will help avoid arguments after a loss and ensure that any claims are efficiently processed.

## Recovery Rights / Hold Harmless / Waiver of Subrogation

Many policies exclude or limit the Insurer's liability if you have entered, or enter, into an agreement that excludes or limits your rights of recovery against third parties whose acts, errors, omissions or other conduct have caused or contributed to your loss or liability. (These are often called "hold harmless" agreements).

If you have entered, or consider entering, such an agreement, please let us know, so that we can advise you about how the agreement affects, or will affect, your cover.

### **Insurer's Documents**

Where applicable we send you herewith notice(s) issued by your Insurer(s) pursuant to the provisions of the Insurance Contracts Act 1984. Should these documents include details of variation to cover or should a new policy document or wording have been issued by the Insurer and be attached hereto, we urge you to read carefully the details included therein.

### **Making Claims**

It is important that you notify us of any claim or potential claim or circumstance that may give rise to a claim under your various policies. It is your responsibility to notify these circumstances to us. Failure to adhere to the notification requirements particularly timing, as set out in the policy or other coverage document, may entitle Insurer(s) to deny your claim. In presenting a claim it is your responsibility to disclose all facts which are material to the claim.

It is impossible to give guidelines for procedures in every claim, simply because of the nature of accidents; they cannot be predicted; and they do not follow set patterns. However by following the general procedures outlined below, the impact of any incident or loss on your business operations will be minimised.

1. Report the incident to Aviation Insurance Brokers of Australia Pty Ltd by telephone, facsimile or email – wherever practical, within 24 hours of the incident.
2. Regardless of whether or not the claim has been reported or a loss assessor appointed, you must immediately do whatever is necessary to prevent further loss of life or property damage. For example:
  - Call the fire brigade, ambulance, police or other appropriate emergency service.
  - If during business hours, ensure the evacuation, if necessary, of staff and neighbours.
  - Secure aircraft or move to a secure location.
3. Complete all claims documentation and forward to Aviation Insurance Brokers of Australia Pty Ltd with any supporting documents without delay.
4. Whatever the circumstances of the incident, **DO NOT ADMIT LIABILITY EVEN IF YOU THINK YOU ARE AT FAULT.**

Your Insurer is entitled to deny a claim or pay a reduced amount if statements made by you or your employees prejudice the Insurer's position.

### **"Claims Made" Policies**

Some kinds of liability policies (such as Professional Indemnity, Directors' & Officers' Liability) are usually issued on a "claims made" basis. This means that (subject to the other terms of the policy) the policy only covers claims first made against you during the period of insurance.

Under Section 40(3) of the Insurance contract Act, if your policy is a "claims made" policy, and you give notice in writing to the Insurer of facts that might give rise to a claim against you as soon as is reasonably practicable after you become aware of those facts but before the period of insurance expires, the policy will cover (subject to the other terms of the policy) any subsequent claims against you that arises from those facts, even if that claim is not made until after the period of insurance has expired. In order to ensure that any entitlement to indemnity under the policy is protected, you must therefore report all incidents that may give rise to a claim against you to the Insurers without delay after such incidents first come to your attention and prior to the expiration of the policy period.

If your policy is a "claims made" policy, and if it has a "retroactive date", it will not cover any claim that arises from any act, error, omission or contact that occurred before that retroactive date.

### **Where Placement is with an Unauthorised Foreign Insurer**

The insurance contract may be placed wholly or partly with a foreign Insurer that is not authorised under the Insurance Act 1973 to conduct insurance business in Australia. Such Insurer(s) are not subject to the provisions of that Act which establishes a system of financial supervision of general Insurer(s) in Australia.

It is a matter for your consideration whether you should obtain any further information from us on matters such as:

- name and postal address of the Insurer;
- country of incorporation of Insurer and whether the country has a scheme of financial supervision of Insurer(s);
- paid up capital of the Insurer; and
- which country's laws will determine disputes under the contract.

### **Misstatement of Premium**

We try to tell you the correct amount of premium and statutory charges that applies to your insurance. In the event that we misstate that amount (either because we have made an unintentional error or because a third party has misstated the amount), we reserve the right to correct the amount. By instructing us to arrange insurance for you, you agree, where permitted by law, that you shall not hold us responsible for any loss that you may suffer as a result of any such misstatement.

### **Payment of Premium**

Payment of premium is required on receipt of invoice/s. This is an important part of the transaction and often there are strict requirements imposed by Insurers. It is important to note, Aviation Insurance Brokers of Australia Pty Ltd will not be responsible for any consequences that may arise from any delay or failure by you to pay the invoice amount by the due date.

### **Notification of Circumstances & Claim Professional Risks**

Professional Risks Insurance policies are written on a 'claims made and notified' basis. The policy responds to claims which are both made against the Insured and reported to Insurers during the policy period, provided the act which cause the claim/circumstance occurred after the Retroactive Date specified in the policy schedule.

The contractual right of the Insured is dependent upon the Claim being first made against them during the policy period and notification being made to the relevant Insurer prior to the expiry of the policy in effect at that time.

In addition to this contractual right to notify claims, the Insurer under this contract of liability insurance is not relieved of liability in respect of a claim made after the policy period, where the Insured during the policy period gave written notice of facts which might give rise to a claim as soon as was reasonably practicable, after the Insured first became aware of those facts.

This right provides the Insured with the ability to provide notice of circumstances which might give rise to a claim covered under the policy.

Policies regularly exclude claims made against the Insured, or which arise from circumstances known to the Insured (which might reasonably be expected to give rise to a claim covered by the policy) prior to the inception date of that policy.

As a result, failure to notify Insurers within the policy period of claims brought against the Insured and circumstances which become apparent to the Insured during that policy period may be rejected by Insurers of both current and future policies.

In addition, Insurers have the right to withhold indemnity to the extent their position has been prejudiced by the actions of late notification.

Indemnity under the policy is also often dependent upon the Insurer's prior written consent to the insured incurring legal costs and/or agreeing any settlement with a third party.

In order to preserve your right to indemnity under the policy, it is therefore necessary that both claims made and circumstances which may give rise to claims in the future are notified to Insurers immediately as they become apparent.

Both claims and circumstances which may give rise to claims in the future are referred to below as 'notifications'.

### **Claims Management**

The proper management of notifications made under Professional Risks Insurance policies is vital for the following reasons:

The preservation of the Insured's right to indemnity under the policy;

The management of disappointed clients and the effect that this might have on the Insured's business; and

To ensure the most efficient resolution of dispute between the Insured and the third party concerned.

## **Privacy & Consent Notice**

The new amendments to the Privacy Act 1988(Cth) took effect on 12 March 2014. The Act and its Australia Privacy Principles set out standards for the collection, use, disclosure and handling of personal information.

Aviation Insurance Brokers of Australia Pty Ltd respects your privacy and is committed to protecting your personal information.

- We require personal information in order to recommend, advise on and arrange insurance, assist on claims, and generally administer your insurance, including financing thereof, transacted through our company.
- We may disclose your personal information to Insurers and their service providers such as Loss Adjusters, Risk Surveyors, our Business Partners; your Financiers when seeking evidence of insurance and/or negotiating premium funding.
- Where personal information is provided to Insurers offshore, we take reasonable steps to ensure that the overseas recipient does not breach the privacy principles, by way of them being bound to privacy laws in their country.
- We may also disclose personal information about you as required or permitted by law.
- In requesting our services in any form you are consenting to us collecting and disclosing your personal information to meet our service objectives.
- Quality of personal information is critical and you should advise any changes thereto immediately.
- If you do not provide the requested information, our ability to assist in placement or administration of your insurance covers may be hampered to the extent where we may decline to provide services to you. Additionally you may be in breach of your Duty of Disclosure.
- On request, in most cases, we will give you access to your personal information held by us.

For specific issues on privacy contact our "Privacy Officer",

Building 221, Qantas Avenue  
Archerfield Airport  
Archerfield Qld 4108  
Telephone: (07) 3274 4732  
Facsimile: (07) 3274 4758

Unless you notify us in writing otherwise, by proceeding to deal with us you confirm on your behalf and/or on the behalf of those your represent agreement to the above principles.

## Financial Services Guide

### **The Purpose of this Guide**

This Financial Services Guide (FSG) is designed to assist you in deciding whether to use any of our services and contains important information about:

- The services we offer you
- How we and our associates are remunerated
- Any potential conflicts of interest we may have
- What to do in the event of a complaint

### **Responsibility for Services Provided**

We hold an Australia Financial Services Licence and we are authorised to advise and deal in the full spectrum of general insurance products. We are responsible for the financial services provided to you, including the distribution of this FSG. We are required to meet high standards for staff training, organisational competence, management expertise, financial control and compliance disciplines.

### **Who Do We Act For**

We usually act on your behalf and in your interests in all matters. Sometimes, it may be more appropriate for us to access insurance or manage claims where we act as an agent of the Insurer. If and when this situation arises we will explain and highlight this to you.

### **Our Services**

We offer a range of specialist insurance broking services to assist you to protect you assets and guard against unexpected liabilities including:

- Reviewing and advising on your insurance needs
- Identifying risk factors to avoid claims
- Seeking competitive premium quotations

### **Our Products**

We can advise on and arrange a broad range of aviation insurance products on your behalf.

### **Premium Refunds**

Please note that refund of premiums issued under this contract of insurance as a result of cancellation or adjustment may be calculated on a "Nett" basis ie. Nett of Broker's Earnings.

### **What We Expect From You**

To enable us to provide the right advice we need you to provide us with complete information about the risk(s) that you face and those that you want to be insured for. You should also tell us about any relevant changes as they occur so that we can review your insurance needs accordingly.

### **Customer Relations/Complaints**

Clients not satisfied with our services should contact our Complaints Officer. We are members of the Financial Ombudsman Service (FOS), a free consumer service. Further information is available from our office or contact FOS directly on 1300 780 808 or visit [www.fos.org.au](http://www.fos.org.au). We also follow the Insurance Brokers Code of Practice.

We hold a Professional Indemnity Policy. This policy is designed to pay claims by Third Parties (including our clients) arising out of our Professional Negligence and satisfies the requirements for compensation arrangements under Section 912B of The Act.

### **Our Sources of Income**

When placing your insurance we usually receive a commission from the Insurer. The amount varies between 0% and 20% of the base premium you pay. Where a policy is cancelled before the period of insurance has ended we usually retain the commission on any return premium involved.

We have a set standard non-refundable Broker Fees that we charge you for services such as:

- Market research on products available.
- Assessing the claims paying ability of Insurers.
- Sourcing alternative quotations and coverage.
- Risk analysis and portfolio co-ordination.

All fees payable for our services will be advised to you at the time of providing the advice or service. We retain the interest on premium paid by you that are held in our trust account before paying the Insurer. If you pay by credit card we may charge you a credit card fee, which is disclosed and shown separately on invoices, they are non-refundable. This fee covers the costs of bank charges associated with such facilities.

### **Steadfast Group**

We are a Steadfast Group Limited (Steadfast) Network Broker. Steadfast has exclusive arrangements with some Insurers and premium funders (Partners) under which Steadfast will receive between 0.5 – 1.5% commission for each product arranged by us with those Partners. Steadfast is also a shareholder of some Partners.

We may receive a proportion of that commission from Steadfast at the end of each financial year (or other agreed period).

As a Steadfast Network Broker we have access to member services including model operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by Steadfast, subsidised by Steadfast or available exclusively to Steadfast Network Brokers for a fee.

You can obtain a copy of Steadfast's FSG at [www.steadfast.com.au](http://www.steadfast.com.au)

### **Premium Funding**

Premium funding allows you to spread out the cash flow associated with paying your insurance premiums over the next twelve months. We receive a commission from the funder for arranging the funding contract, full details are available on request. Please note that should the insurance policy be cancelled before the expiry date for whatever reason, the Premium Funder will charge you the full interest applicable to the contract, as detailed in the Loan Application Form. Typically there will be no refund of our commission on the refund premium and no refund of any fee we may have charged you for arranging the cover. We also reserve the right to charge you a policy cancellation handling fee. In some cases Insurers also apply minimum premiums to policies, which may further reduce the refund that you might otherwise receive. The impact of the above on you is that any refund you receive for the mid term cancellation of your policy will usually be significantly less than a pro rata calculation would produce and in extreme cases may involve you having to make an additional final payment even though the policy has been cancelled. Therefore prior to cancelling a policy and replacing it with another cover we strongly recommend that you discuss your situation with us so that we can advise the exact extent and impact of the early cancellation provisions mentioned above.

### **How Our Representatives Are Paid**

Our staff do not receive any benefit directly from the sale of a product to you. Our staff receive an annual salary but may receive bonuses payable based on the overall performance of our business. If a person has referred you to us, we may pay them a part of any fees or commission received.

### **Conflicts Of Interest**

As a business we have relationships with and receive income from various third parties. All material conflicts that impact our advice, that are not mentioned in this FSG, will be advised to you on the invoices related to that advice.

AFS Licence No.: 241408 / ABN: 52 647 799 869

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FAX: (07) 3274 4758

EMAIL: [admin@aviationinsurance.com.au](mailto:admin@aviationinsurance.com.au)

WEBSITE: [www.aviationinsurance.com.au](http://www.aviationinsurance.com.au)

This FSG applies from 17.05.2017

1. Please state the full name of all entities and persons to be insured (collectively referred to in this form as the "Proposer")

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2. Address (please provide a street address only)

Street	City
State	Country
	Postcode

3. ABN

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4. Please advise the approximate percentage of your fee income generated in the last financial year from the following activities.

<b>Disciplines</b>	<b>% of Fee Income</b>
Aviation Testing Services	%
Flight Instructing Services	%
Other	%

If "Other", please specify:

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5. What year did the Proposer first commence Aviation Testing or Flight Instructing Services?

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6. Do you earn less than \$250,000 per annum from Aviation Testing and/or Flight Instruction Services?

Yes       No

If "No", please advise your annual income from these activities.

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7. Please provide a breakdown as to where Aviation Testing and/or Flight Examination activities in the last financial year were undertaken:

ACT	%	NSW	%	NT	%
QLD	%	SA	%	TAS	%
VIC	%	WA	%	Overseas	%

8. Please provide the following information:

<b>Name</b>	_____	
<b>Age</b>	_____	
<b>Type of Licence</b>	CPL <input type="checkbox"/>	ATPL <input type="checkbox"/>
<b>Ratings</b>	Fixed Wing <input type="checkbox"/>	Rotor Wing <input type="checkbox"/>
<b>Total Flying Experience:</b>		
Last 12 months	_____	
Last 90 Days	_____	
Piston engine aircraft – single	_____	
Piston engine aircraft – multi	_____	
Turbo prop – single	_____	
Turbo prop – multi	_____	
Jet – below 5700kg	_____	
Jet – above 5700kg	_____	
<b>Specialist:</b>		
Flight Training	_____	
Aerial Agriculture	_____	
Mustering	_____	
Aerobatic	_____	
RPT – low capacity	_____	
RPT high capacity	_____	
<b>Expected Flying Hours Per Annum:</b>		
Flight Instruction	_____	
Flight Testing	_____	
Number of Flight Tests	_____	

9. Has the Proposer ever had any insurance policy cancelled, entitlement to indemnity under any insurance policy denied, or otherwise affected due to non-disclosure, misrepresentation or non-payment of premium? Yes  No

If "Yes", please provide date and details including outcome.

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10. Has any partner, director or employee of the Proposer ever been subject to any inquiry or disciplinary proceedings? Yes  No

If "Yes", please provide date and details including outcome.

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11. Has a professional indemnity and/or aviation liability claim ever been made against the Proposer (or any previous company name used by the Proposer), or any past or present partner, director or employee of the Proposer? (If more than one, please provide details via attachment). Yes  No

If "Yes", please provide details:

Year Notified \_\_\_\_\_

Status of Claim Open  Closed

Amount Paid \$ \_\_\_\_\_

Outstanding Reserve \$ \_\_\_\_\_

Amount Claimed \$ \_\_\_\_\_

Details

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12. Is the Proposer including any of its partners, directors or employees aware of any facts which might give rise to a professional indemnity and/or aviation liability claim against any of them? (If more than one, please provide details via attachment). Yes  No

If "Yes", please provide details:

Date Notified \_\_\_\_\_

Potential Loss Amount \$ \_\_\_\_\_

Details

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Please specify the Limit of Liability Professional Indemnity for which you would like a quotation:

- a) \$1 Million
- b) \$2 Million
- c) \$5 Million

14. Please specify the Limit of Aviation Liability for which you would like a quotation:

- a) \$1 Million
- b) \$2 Million
- c) \$5 Million

**Please note that the Limit of Liability applies separately to each section of the policy – Professional Indemnity and Aviation Liability.**

## Declaration

(To be signed by a principal, partner or director.)

I, the undersigned, declare and acknowledge:

- that I am, after enquiry, authorised by all persons and entities seeking insurance, to make this proposal;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, I am obliged to inform Insurers of any changes to any information supplied or of any new information that is relevant;
- that I understand Insurers rely on the accuracy of the information and documentation supplied in proposing for this insurance;
- that I have read and understood the Important Notices which form part of this proposal;
- that I understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by the Insurers, if any.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Dated \_\_\_\_\_

Preferred Contact Details

Email \_\_\_\_\_

Phone \_\_\_\_\_