



One Underwriting Pty Ltd

# Remotely Piloted Aircraft Hull Spares and Liability Insurance

Policy Wording

December 2019

Arranged by One Underwriting Pty Ltd  
ABN 50 006 767 540 AFSL 236 653

LLOYD'S

**one**  
UNDERWRITING

# Notices

## Documentation

This document, the **schedule** and any **endorsements** attaching to this document and/or **schedule** constitute the **policy**, which is the insurance contract and sets out the terms of this insurance between **you** and the **insurer**.

## Insurance Contracts Act

The terms and conditions of this insurance shall be governed by and construed in accordance with the laws of Australia, and as such shall be subject to the Insurance Contracts Act 1984 (Cth). Nothing contained in this insurance is to be construed to reduce or waive either **yours** or the **insurer's** privileges, rights or remedies available under the Insurance Contracts Act 1984 (Cth).

## General Insurance Code of Practice

The **insurer** has adopted and proudly supports the Insurance Council of Australia's General Insurance Code of Practice and its purpose of raising the standards of practice and service in the general insurance industry. A copy of this Code is available by contacting the **insurer** or from the Insurance Council of Australia's website at: [www.insurancecouncil.com.au](http://www.insurancecouncil.com.au)

## Defined Terms

Certain words or phrases in this **policy** have specific meaning as defined within this **policy** and wherever these words appear in bold in this **policy** the defined meanings shall apply. These defined words or phrases can be found under the Definitions **section** of this **policy**.

## Understanding this Policy

This **policy** must be read by **you** in its entirety as conditions, exclusions and other limitations apply.

The **policy** is made up of different classes of insurance, which are set out in separate **sections** of this **policy** with specific terms applying to each **section** separately in addition to general terms applying to all the **sections**.

**Your** attention is also drawn to the warranties contained in this **policy** (see Warranties under General Conditions)

The cover **you** have purchased or not purchased under this **policy** is shown in the **schedule**.

**You** must ensure that the cover **you** have purchased under this **policy** is adequate for **your** needs.

If you think there is a mistake in or a change needs to be made to this policy, then you must immediately notify **your insurance broker**.

## How to make a claim

In the event of a claim or potential claim or **occurrence** or incident or circumstances likely to give rise to a claim, please refer to Claims Notification, General Condition 7.

There are further obligations imposed on **you** under this **policy** in respect of claims, **occurrences** or incidents or circumstances likely to give rise to a claim. These can be found under the General Conditions **section** of this **policy** and where applicable, other sections of this **policy**.

## Questions and concerns about this policy and how to make a complaint

The **insurer** is committed to handling any complaint about their products or services efficiently and fairly. If **you** have a complaint please contact One Underwriting on (03) 9211 3700 or [oneunderwriting@oneunderwriting.com.au](mailto:oneunderwriting@oneunderwriting.com.au) if **you** have any concern about the services or product the **insurer** has provided.

If **you** are not satisfied with the resolution of **your** complaint or the manner in which it has been handled, please contact the **insurer's** Complaints Manager, who will attempt to resolve it in accordance with the Complaints Procedures. **You** may obtain a copy of procedures from the **insurer's** Complaints Manager at Level 50, 80 Collins Street Melbourne VIC 3000 t: 03 9211 3700

e: [oneunderwriting@oneunderwriting.com.au](mailto:oneunderwriting@oneunderwriting.com.au)

If **your** complaint is not satisfactorily resolved within fifteen (15) business days or **you** are not happy with the **insurer's** response to **your** complaint, **you** may request that **your** matter be reviewed by management by writing to:

Lloyd's Underwriters' General Representative in Australia  
Level 9, 1 O'Connell St, Sydney NSW 2000  
Telephone +61 (0)2 8298 0782

If **your** complaint remains unresolved **you** will be referred to the Australian Financial Complaints Authority (AFCA). AFCA can be contacted by phone on 1800 931 678 or email [info@afca.org.au](mailto:info@afca.org.au) or [www.afca.org.au](http://www.afca.org.au).

In writing to: Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001.

Making a complaint does not affect your right to take legal action, however, the AFCA will not adjudicate on any cases where litigation has commenced.

## Data protection statement

The **insurer** will use information given together with other information for the administration of this **policy**, the handling of claims and the provision of customer services and will take all reasonable steps to comply with the Privacy Act 1988 (Cth).

The **insurer** acknowledges that **you** may disclose information of a commercially sensitive and confidential nature. The **insurer** undertakes to restrict use of this information to matters related to the coverage provided by this **policy** and will not disclose this information to other parties.

### Goods and Service taxes and Stamp Duty

The premium payable under this **policy** may be subject to Stamp Duty and Goods and Service Tax, which shall be payable by **you** at the appropriate rate. The applicable Stamp Duty and Goods and Service Tax is shown in the **schedule** and/or on the applicable premium debit note(s)/invoice(s).

### Choice of Law and Jurisdiction

This **policy** shall be subject to the law of the domicile of the insured and as stated under the **schedule** and any dispute shall be handled in the courts of that state.

In the event of a dispute arising under this **insurance**, the **insurer** will at **your** request submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court. Any summons notice or process to be served upon the **insurer** may be served upon the Lloyd's Underwriters' General Representative in Australia at the aforementioned address, who has the authority to accept service and to enter an appearance on the **insurer's** behalf. If a suit is instituted against the **insurer**, they will abide by the final decision of any such Court or any competent Appellate Court.

### Trading sanction(s) restrictions

The **insurer** shall not provide any benefit under this **policy** to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

### Disclosure of Information

Before **you** enter into this **policy**, **you** have a duty under the Insurance Contracts Act 1984 (Cth) to disclose to the **insurer** every matter **you** know, or could reasonably be expected to know, that is relevant to the **insurer's** decision to provide **you** with the insurance cover.

The duty of disclosure does not require **you** to disclose any matter:

- that diminishes the risk;
- that is of common knowledge;
- that the **insurer** knows, or in the ordinary course of their business as an insurer, ought to know; or
- as to which compliance with the duty of disclosure is waived by the **insurer**.

If **you** fail to comply with **your** duty of disclosure the **insurer** may be entitled to reduce their liability under this insurance in respect of a claim or may cancel this insurance. If **your** non-disclosure is fraudulent the **insurer** may also have the option of avoiding this insurance from the beginning.

### Change in Risk Information

If:

- the information **you** have given the **insurer** in relation to the insurance provided under this **policy** changes, or
- there is any significant change in or variance of the risk(s),

before or during the **period of insurance** then the **insurer** needs to know as it may result in:

- the **insurer** applying different terms, and/or
- a claim not being paid (in whole or in part), and/or
- the **policy** no longer being suitable to meet **your** needs.

To enable the **insurer** to assess any such changes or variations in information and/or risks **you** must tell the **insurer** as soon as is reasonably practicable of any such changes or variations. This can be done by advising **your insurance broker**.

### Cancellation of this policy

#### (a) Cancellation by **you**

**You** can cancel this **policy** during the **period of insurance** by giving thirty (30) days' written notice to **your insurance broker**.

If **you** cancel this **policy** and a claim has not been made under this **policy** and there is no known potential claim or **occurrence**, incident or circumstance likely to give rise to a claim under this **policy**, the **insurer** will return a pro rata portion of premium paid in respect of the unexpired **period of insurance**.

#### (b) Cancellation by the **insurer**

The **insurer** may cancel this **policy** if:

- (i) **you** provide any information that proves to be inaccurate or incomplete (see Disclosure of Information Notices in this **policy**).
- (ii) there is a change or variation in the risk which means:
  - the **insurer** can no longer provide the insurance cover under this **policy** and will cancel the **policy** by giving **you** thirty (30) days' written notice via **your insurance broker**. The cancellation will take effect thirty (30) days after the day **you** are notified of the cancellation and the **insurer** shall return the premium paid for the unused **period of insurance**, or

- the extent of the change or variation makes the risk unacceptable to the **insurer** and the **insurer** cannot continue to insure **you** for any further period, the **insurer** will cancel the **policy** by giving **you** immediate notice via **your insurance broker**. The cancellation will take effect on the day **you** are notified of the cancellation and the **insurer** shall return the premium paid for the unused **period of insurance**.

In accordance with the Change in Risk Information condition under this Notices **section** the **insurer** may not pay any claim where that claim arises from or relates to a change or variation in risk.

In addition to the above Cancellation of this Policy notice, **your** attention is also drawn to the following cancellation and termination conditions in:

- 1 Extension 1, **strikes, malicious acts** and **hi-jack** Coverage applicable to Sections 1 and 2 of this **policy**.
- 2 Paragraph 4 (b) of Section 3 of this **policy** – Review and Cancellation applicable to Coverage 4 - war and related perils.

Coverage 4 – **war** and related perils - shall also terminate automatically in certain circumstances as detailed in paragraph 4 (a) in Section 3 of this **policy**.

There will be no return of premium in respect of any **RPA** or **RPA spares** on which a claim is paid or is payable under this **policy**.

### **Agreement to Insure**

This **policy** is an insurance contract between the **insurer** and **you**.

Provided the premium (including the applicable taxes and duties) has been paid by **you** in accordance with the terms of this **policy**, the **insurer** shall provide the insurance in accordance with the terms of this **policy**.

A person who is not a party to this **policy** shall have no right to enforce any of its terms.

# Definitions

## activities covered

**Business** and / or **commercial** activities including **continuation flying** as shown in the **schedule**.

## annual aggregate

The total amount the **insurer** will pay as claims under this **policy** during the **period of insurance**. If the **period of insurance** exceeds one (1) year, the annual aggregate will be increased proportionately by the ratio that the excess period bears to the **period of insurance**. The same method will be conversely applied for any **period of insurance** less than a year.

## bodily injury

Physical injury including death resulting from such injury but excluding nervous shock or psychological injury unless accompanied by and directly caused by such physical injury to the same individual.

## business

Your use of the **RPA** in the usual course of **your** work and / or work duties excluding **commercial** activities.

## commencement of the operation of fitting it to

From the moment the property ceases to be in contact with the ground or the trolley / stand on which it is located when the process of fitting it to the **RPA** is commenced.

## commercial

**Your** use of the **RPA** for the benefit of third parties, in exchange for remuneration, as identified in the information supplied to the **insurer** when applying for this insurance.

## computer virus

Programming code or series of instructions designed to achieve an unexpected, unauthorised, undesirable effect or operation when loaded onto a **system** or **ground control station**, transmitted via networks, extranets, internets or electronic mail or attachments thereto.

## confiscation

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.

## continuation flying

Use of the **RPA** for the purpose of the **RPA operator** maintaining their skill and proficiency of operation of the **RPA** for the **activities covered**, which includes participating in or on a training course for such purpose.

## deductible(s)

The amount that is to be paid by **you** and is deducted from each claim or each **occurrence** as shown in the **schedule**. If a claim is less than the deductible amount then **you** will bear all of the claim.

In the event of an **occurrence** involving more than one deductible under Section 3 of this **policy**, then if beneficial to **you**, only one deductible shall apply being the highest deductible applicable to the **occurrence**.

## detachable payload(s)

The removable equipment shown in the **schedule** that is used for photography / filming, thermal scanning or other types of survey. Such equipment is additional to the **RPA** and counted outside of the weight of the **RPA** itself.

## endorsement(s)

Any special terms and conditions added to this **policy**.

## flight(s)

Occurs from the time the **RPA** is switched on, attempts to take off, whilst in the air, and until the **RPA** completes its landing and is powered down.

## force majeure

Unusual and unforeseeable circumstances beyond **your** control, the consequences of which could not have been avoided.

## ground control station

An interface which can be used to control / monitor single / multiple **RPA flights** during **flight**. The interface may also provide effective control of both **detachable payloads** / **non-detachable payloads**, potentially allowing data collated whilst in **flight** to be monitored.

## hi-jack

Any unlawful seizure or wrongful exercise of control of the **RPA** in **flight** (including any attempt at such seizure or control without **your** consent).

Hi-jack shall include hacking and spoofing that enables third parties to take control of the **RPA**.

## insurance broker

The party named in the **schedule** who acts as your agent.

## insured / you / your / yours

The party named in the **schedule**.

**insured value(s)**

The market value of the **RPA** and **detachable payload** as determined by the **insurer** at the date of the loss or damage giving rise to a claim, taking into account all material aspects including age, wear and tear, and service history.

However, Insured Values shown in the **schedule** represent the estimated market values supplied by **you** to the **insurer** at the inception of this **policy**. The **insurer** will never pay more than these amounts.

**insurer**

One Underwriting Pty Ltd on behalf of Certain Underwriters at Lloyds of London.

**invasion of privacy**

Data collected from the **RPA** whilst in **flight** and subsequently made available to third parties without the consent of the party to whom the data relates, including any breach of confidentiality, infringement, or violation of any right to privacy, or of any statutes, laws and regulations associated with the confidentiality, access, control, and use of personally identifiable, non-public information.

**malicious acts**

Any malicious act including vandalism or act of sabotage.

**noise liability**

Claims for **bodily injury** and / or **property damage** arising from the noise of the **RPA** whilst in **flight**.

**non-detachable payload(s)**

Any equipment used for photography / filming, thermal scanning or other types of survey, which forms an integral part of the **RPA** and is not intended to be removed from the **RPA**.

**occurrence(s)**

An accident or a continued or repeated exposure to conditions occurring during the **period of insurance** which is neither expected nor intended from **your** standpoint. All liability arising out of such exposure to substantially the same general conditions shall be deemed to arise out of one occurrence.

**overhaul cost**

The costs of labour and materials which are or would be incurred in the overhaul or replacement (as necessary) at the end of the **overhaul life** of the damaged or similar **unit**.

**overhaul life**

The amount of use, or operational and / or calendar time which, according to the manufacturer of the **RPA** and evidenced to **you**, determines when overhaul or replacement of a **unit** is required.

**period of insurance**

The length of time for which this **policy** is in force, from the start date until the expiry date, as shown in the **schedule** and for which **you** have agreed to pay a premium.

**policy**

This document, the **schedule** and any **endorsements** attached or attaching to this document and / or **schedule**.

**property damage**

Physical loss of or damage to or destruction of tangible property only.

**section(s)**

Part(s) of the **policy** that detail(s) the insurance cover provided.

**schedule**

The part of this **policy** setting out information provided to the **insurer** that shows the insurance coverage and includes the **schedule of RPA**.

**schedule of RPA**

The RPA covered by this policy and itemised in the schedule.

**strikes**

Strikes, riots, civil commotions or labour disturbances.

**sub-limit(s)**

A financial limitation in this **policy** on the amount of coverage available to cover a specific type of loss. A sub-limit is part of, rather than in addition to, the limit that would otherwise apply to that loss.

**system**

Computers, other computing and electronic equipment linked to a computer, hardware, or electronic data processing equipment owned or leased by **you**, not inclusive of the **ground control station**.

**terrorism**

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.

**tethered aerostats**

A balloon, deriving its lift from the buoyancy of surrounding air, and connected to the ground at all times by a cable.

**total loss**

Physical damage to the **RPA** where in the reasonable opinion of the **insurer**:

(a) the **RPA** is damaged to such an extent that it cannot economically be repaired; or

(b) the cost of repairing the **RPA** is estimated to exceed the **insured value**; or

(c) the **RPA** cannot be located fourteen (14) days after:

- (i) the commencement of **flight** and arising from the **activities covered**; or
- (ii) the date on which the theft was reported to the **insurer**.

#### **transit**

The carrying of the **RPA** and / or **RPA spares** from one location to another whilst packed in accordance with the relevant manufacturers' guidelines or the **RPA** is in a securely locked and padded **RPA** flight case and the **RPA spares** are in a securely locked and padded **RPA** spare parts case.

#### **RPA**

An aircraft owned by **you** or utilised under **your** care, custody, possession or control which is operated remotely without any on-board pilot, for which **you** are legally responsible, as itemised in the **schedule of RPA**. **RPA** includes any **non-detachable payload** and / or **detachable payload** where applicable and / or **tethered aerostats** but excludes kites.

#### **RPA operator**

The person who at all times directly manipulates the flight controls of the **RPA** and exercises direct authority over the initiation, continuation, diversion or termination of the **RPA flight**, excluding observers employed by **you**.

#### **RPA spares**

All equipment owned by **you** destined to be fitted to or form part of the **RPA** and ancillary equipment including the **ground control station** exclusively associated with the **activities covered**.

**RPA spares** do not include **detachable payloads**, for which cover applies in accordance with Section 1 of this **policy**.

#### **unit**

A part or an assembly of parts (including any subassemblies) of the **RPA** which has been assigned an **overhaul life** as a part or an assembly.

#### **vicariously liable**

The liability of one person for the acts or omissions of another.

#### **war**

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.

### **General interpretation**

- (a) The singular includes the plural and vice versa, and the masculine includes the feminine and neutral;
- (b) "Including" and "include(s)" and "inclusive" mean without limitation;
- (c) Any obligation or payment owed by the **insurer** shall in every case be subject to the limits shown in the **schedule**;
- (d) Any reference to legislation includes any similar or related law, ordinance or regulation, any amendments, and any rules or regulations or executive orders issued thereunder, or by Federal, state, local or other agencies or similar bodies;
- (e) The descriptions in the headings and subheadings of this **policy** are solely for convenience and form no part of the terms and conditions of coverage; and
- (f) All or part of any provision of this **policy** which is or becomes void or illegal, invalid or unenforceable by a court or other competent body under the law of any applicable jurisdiction shall be deleted. The parties shall use their best efforts to agree a replacement for the provision deleted which achieves as far as possible the same effect as would have been achieved by the deleted provision had it remained enforceable.

# Section 1

## Physical Loss of or Damage to RPA

### Coverage

The **insurer** will pay **you** for physical loss of or damage to the **RPA**, inclusive of theft, occurring during the **period of insurance** and arising from the **activities covered**, whilst in **flight**, on the ground or in **transit** up to the **insured value**, less any applicable **deductible**.

### Exclusions applicable to this section

This **section** does not apply to:

- 1 loss or damage caused by:
  - (a) wear and tear or deterioration;
  - (b) defect, malfunction, breakdown or failure howsoever caused in any **unit** of the **RPA** and the consequences thereof within that **unit**. However, physical loss of or damage to the **RPA** consequent upon such defect, malfunction, breakdown or failure is covered.
- 2 loss of or damage to an engine **unit** caused by the ingestion of stones, grit, dust, sand, ice or any corrosive or abrasive material or any other substance which has a progressive or cumulative engine damage effect. Such loss or damage shall be regarded as wear and tear or deterioration and shall be excluded. However, ingestion causing sudden loss or damage to the **RPA** which is attributable to a single identifiable incident is covered.
- 3 loss or damage caused by:
  - (a) rot, fungus, mould, vermin, infestation, rust, oxidation, warping or shrinkage;
  - (b) dryness or humidity, or exposure to light or extreme temperatures, unless this results from high winds of destructive nature, rainstorm, hailstorm or snowstorm or fire;
  - (c) seepage, pollution or contamination, however such seepage, pollution or contamination may have been caused.
- 4 depreciation in value of the **RPA**.
- 5 theft or attempted theft of the **RPA**:
  - (a) by **you** or with **your** knowledge or consent; or
  - (b) by others. However, theft by others involving violent or forcible entry to or exit from a building, shipping container, gated compound secured with a closed shackle padlock, or locked boot, trailer, roof box or locked compartment of a motor vehicle, is covered under this **section** provided all security measures on the motor vehicle, trailer or roof box are in force at the time of the theft or attempted theft and the **RPA** is kept out of sight at all times.
- 6 loss or damage occurring whilst the **RPA** is being used for any illegal activity or whilst at air shows or participating in air racing events / meets or for any activity other than the **activities covered**.
- 7 loss or damage occurring whilst the **RPA**, when in **transit** or not in use, is not packed in accordance with manufacturer guidelines or in a securely locked and padded **RPA** flight case.
- 8 loss or damage occurring whilst the **RPA** 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 **RPA**, unless due to **force majeure**.
- 9 claims arising from **your** failure to take all reasonable care / measures to protect the **RPA** at all times and to maintain / operate it in good and proper condition in accordance with the manufacturer's guidelines.
- 10 loss or damage caused by maintenance, repair, renovation, restoration, modification or any similar process except where the **RPA** is being cleaned, repaired, inspected, worked on or maintained by a third party for whose acts or omissions **you** are **vicariously liable**.
- 11 scratching / fogging / misting of lenses and / or mechanical derangement of **detachable payload** and **non-detachable payload** unless the **UAS** suffers damage at the same time, arising from the **activities covered**.
- 12 loss or damage caused by any **computer virus**. However, this exclusion shall not apply where Extension 4, Cyber Extension - Loss of Digital Assets is shown in the **schedule** as being operative.
- 13 any indirect losses which result from the **occurrence**, incident or circumstances which caused **you** to claim under this **section** and which includes any loss of use or expense incurred through **your** inability to operate the **RPA** following damage.
- 14 loss or damage caused by:
  - (a) **war, terrorism** or **confiscation**;
  - (b) **strikes, malicious acts** or **hi-jack**;which would include whilst the **RPA** is outside of **your** control by reason of any of the above perils. However, exclusion (b) above shall not apply where Extension 1, Strikes, Malicious Acts and Hijack Coverage is shown in the **schedule** as being operative.

## Conditions applicable to this Section

### 1 Dismantling, Transport and Repairs

If the **RPA** is damaged:

- (a) no dismantling or repairs shall be commenced without the consent of the **insurer** except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority;
- (b) the **insurer** will pay only for repairs and transport of labour and materials by the most economical method unless the **insurer** agrees otherwise with **you**.

### 2 Partial Loss

If the **insurer** settles a claim other than on the basis of a **total loss** they will pay the cost of repairing the **RPA** less:

- (a) any applicable **deductible** and / or
- (b) an amount for wear and tear of any **unit**. This will be calculated as the proportion of the **overhaul cost** of any **unit** repaired or replaced as the used time bears to the **overhaul life** of the **unit**.

### 3 Total Loss

If the **insurer** settles a claim on the basis of a **total loss** they will pay the **insured value** of the **RPA** less any applicable **deductible**.

### 4 Salvage

If the **insurer** settles a claim on the basis of a **total loss**, the respective **RPA** will no longer be insured under this **policy**, and the **insurer** may take the **RPA** together with all documents of record, registration and title as salvage.

### 5 Right of Ownership

Unless the **insurer** agrees in writing to take the **RPA** as salvage the **RPA** shall at all times remain as **your** property and **you** shall have no right of abandonment to the **insurer**.

### 6 Records

**You** shall maintain all log books and other records which shall include the number of hours of **continuation flying** in connection with the **RPA** and produce them to the **insurer** or their agents on request.

### 7 Detachable Payloads

The cover afforded by this section in respect of **detachable payloads** applies whether attached to the **UAS** or not for purposes of the **activities covered**.

## Section 2

# Physical Loss of or Damage to RPA Spares

### Coverage

The **insurer** will pay **you** for physical loss of or damage to **RPA spares**, inclusive of theft, occurring during the **period of insurance**, being **your** property or the property of others for which **you** are responsible, whilst such property is in **your** care, possession, custody or control on the ground, or whilst in **transit** by any conveyance, up to the limit as shown in the **schedule**, less any applicable **deductible**.

### Exclusions applicable to this Section

This **section** does not apply to:

- 1 loss of or damage to **RPA spares** occurring at any time after the **commencement of the operation of fitting it to** or placing it on board the **RPA** to which it is destined.
- 2 loss of or damage to detachable payloads.
- 3 loss of or damage to an engine occurring during the running or testing thereof.
- 4 loss or damage caused by mechanical or electrical derangement.
- 5 loss or damage caused by wear and tear or deterioration.
- 6 loss or damage caused by:
  - (a) rot, fungus, mould, vermin, infestation, rust, oxidation, warping or shrinkage;
  - (b) dryness or humidity, or exposure to light or extreme temperatures, unless this results from high winds of destructive nature, rainstorm, hailstorm or snowstorm or fire;
  - (c) seepage, pollution or contamination, however such seepage, pollution or contamination may have been caused.
- 7 depreciation in value of the **RPA spares**.
- 8 theft or attempted theft of the **RPA spares**:
  - (a) by **you** or with **your** knowledge or consent; or
  - (b) by others. However, theft by others involving violent or forcible entry to or exit from a building, shipping container, gated compound secured with a closed shackle padlock, or locked boot, trailer, roof box or locked compartment of a motor vehicle, is covered under this **section** provided all security measures on the motor vehicle, trailer or roof box are in force at the time of the theft or attempted theft and **RPA spares** are kept out of sight at all times.

- 9 loss or damage caused by maintenance, repair, renovation, restoration, modification or any similar process except where the **RPA spares** are being cleaned, repaired, inspected, worked on or maintained by a third party for whose acts or omissions **you** are **vicariously liable**.
- 10 claims arising from **your** failure to take all reasonable care / measures to protect the **RPA spares** at all times.
- 11 unexplained loss or disappearance or inventory shortage of **RPA spares**.
- 12 loss or damage occurring whilst the **RPA spares**, when in **transit** or storage, are not packed in accordance with manufacturer guidelines or in a securely locked and padded **RPA** spare parts storage case.
- 13 loss or damage caused by:

- (a) **war, terrorism or confiscation;**
- (b) **strikes, malicious acts or hi-jack**

which would include whilst the **RPA spares** are outside of **your** control by reason of any of the above perils. However, exclusion (b) above shall not apply where Extension 1, Strikes, Malicious Acts and Hi-jack Coverage is shown in the **schedule** as being operative.

### Conditions applicable to this Section

- 1 Spares records  
**You** shall keep a proper record of all items of **RPA spares** from time to time insured under this **section** and of the value of each item.
- 2 Rights of Ownership  
Unless the **insurer** elects to take the **RPA spares** as salvage the **RPA spares** shall at all times remain as **your** property and **you** shall have no right of abandonment to the **insurer**.
- 3 Salvage  
All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this **section** shall be applied as if recovered or received prior to that settlement and all necessary adjustments shall be made by the parties thereto.

## Section 3

# Legal liability to third parties

### Coverage

The **insurer** will pay to or on behalf of **you** all sums for which **you** shall become legally liable to pay, and shall pay, as compensatory damages for:

#### 1 **bodily injury and/or property damage to third parties;**

- (a) caused by an **occurrence** arising out of the use of the **RPA** during and as part of the **activities covered** subject to the applicable limits or **sub-limits** as shown in the **schedule**, less any applicable **deductible**.
- (b) caused by an **occurrence** arising in or about any premises used by **you** in connection with **your RPA** operations and as part of the **activities covered** subject to the applicable limits or **sub-limits** as shown in the **schedule**, less any applicable **deductible**.

#### 2 **invasion of privacy;**

arising out of the use of the **RPA** during and as part of the **activities covered** during the **period of insurance** subject to the applicable limits or **sub-limits** as shown in the **schedule**, less any applicable **deductible**.

#### 3 **noise liability;**

arising out of the use of the **RPA** during and as part of the **activities covered** during the **period of insurance** subject to the applicable limits or **sub-limits** as shown in the **schedule**, less any applicable **deductible**.

#### 4 **war and related perils;**

Coverage 1 (a) of this **section** includes claims arising from war, **strikes, malicious acts, terrorism, confiscation** and **hi-jack** which would also include whilst the **RPA** is outside of **your** control by reason of any of these perils.

##### (a) **Automatic Termination**

Coverage 4 shall terminate automatically in the following circumstances:

- (i) upon the outbreak of war (whether there be a declaration of war or not) between any two (2) or more of the following States, namely, France, the People's Republic of China, the Russian Federation, the United Kingdom, the United States of America;

- (ii) in respect of **war**, upon the hostile detonation of any weapon of war employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the **RPA** may be involved; or
- (iii) the **RPA** is requisitioned for either title or use upon such requisition.

Provided that if the **RPA** is in the air when (a) (i), (ii) or (iii) occurs, then Coverage 4 (unless otherwise cancelled, terminated or suspended) shall continue in respect of such **RPA** until completion of its first landing thereafter.

##### (b) **Review and Cancellation**

- (i) The **insurer** may give notice to review premium and / or geographical limits – such notice to become effective on the expiry of seven (7) days from 23:59 hours local Sydney time on the day on which notice is given.
- (ii) Following a hostile detonation as shown in (a) (ii) above, the **insurer** may give notice of cancellation in respect of one or more parts of the coverage provided for **strikes, malicious acts, terrorism, confiscation** and **hi-jack**, such notice to become effective on the expiry of forty-eight (48) hours from 23:59 hours local Sydney time on the day on which notice is given.
- (iii) Coverage 4 may be cancelled by either the **insurer** or **you** giving notice to become effective on the expiry of seven (7) days from 23:59 hours local Sydney time on the day on which such notice is given.

##### (c) **Notices**

All notices in respect of Coverage 4 shall be in writing via **your insurance broker**.

The limit of the **insurer's** liability for Coverages 2, 3 and 4 shall be the applicable **sub-limit** as shown in the **schedule**, each **occurrence** and in the **annual aggregate**. This **sub-limit** is part of, and not in addition to, the applicable **section** limit for Coverage 1 above.

## Exclusions applicable to this Section

This **section** does not apply to:

- 1 **property damage** to property owned, rented, leased or occupied by, or whilst in the care, custody or control of, or whilst being handled, serviced or maintained by **you** or any of **your** employees.
- 2 the **RPA** whilst being used for any illegal activity or for any activity other than **activities covered**.
- 3 **bodily injury** or **property damage** occurring whilst the **RPA** 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 **RPA**, unless such non-compliance is due to **force majeure**.
- 4 liability assumed by **you** by agreement under any contract unless such liability would have attached to **you** in the absence of such agreement.
- 5 any claims caused by:
  - (a) pollution and contamination;
  - (b) electrical and electromagnetic interference;
  - (c) transmission of a **computer virus**.
- 6 **bodily injury** or **property damage** caused by any mechanically propelled vehicle which **you** may cause or permit any other person to use on the road in such a manner as to render them responsible for insurance under any domestic or international law appertaining to road traffic, or where no such law exists, whilst such vehicle is on any public highway.
- 7 liability arising out of any air meet, air race, or air show, nor any stand used for the accommodation of spectators in connection therewith, unless agreed otherwise by the **insurer**.
- 8 **bodily injury** or **property damage** arising out of construction of, demolition of or alterations to buildings, runways, or installations by **you** or **your** contractors or sub-contractors (other than normal maintenance operations) unless agreed otherwise by the **insurer**.
- 9 **bodily injury** or **property damage** arising out of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied, or distributed by **you** or **your** employees after such goods or products have ceased to be in the possession or under **your** control.
- 10 **bodily injury** to or **property damage** sustained by any person, who at the time of sustaining such injury or damage is engaged in **your** service or acting on **your** behalf, or liability for which **you** or **your** insurer may be held liable under any workers compensation, unemployment compensation or disability benefits law or any similar law.
- 11 the cost of making good any faulty workmanship for which **you, your** employees, contractors or subcontractors may be liable (but this limitation shall not exclude resulting damage arising out of such faulty workmanship).
- 12 liability arising out of the operation of an airfield control tower unless agreed otherwise by the **insurer**.
- 13 claims arising from **your** failure to take all reasonable care / measures to protect the **RPA** at all times and to maintain / operate it in good and proper condition in accordance with the manufacturer's guidelines.
- 14 any claims caused by **war, strikes, malicious acts, terrorism, confiscation** and **hi-jack** in respect of Coverages 2 and 3.

## Conditions applicable to this Section

### 1 Limitation of Liability

If the **insured** comprises of more than one party under this **section**, whether by **endorsement** or otherwise, the total liability of the **insurer** in respect of any or all insureds shall not exceed the applicable limit as shown in the **schedule**.

### 2 Records

**You** shall maintain all log books and other records which shall include the number of hours of **continuation flying** in connection with the **RPA** and produce them to the **insurer** or their agents on request.

## General Exclusions

The following exclusions apply to this **policy** in addition to specific exclusions as contained in each individual **section**.

This **policy** does not apply to:

- 1 (a) any sort of nuclear material, nuclear reaction, nuclear radiation or radioactive contamination;  
  
(b) any products or services which include, involve or relate in any way to anything in (a) above, or the storage, handling or disposal of anything in (a) above;  
  
(c) all operations carried out on any site or premises on which anything in (a) or (b) above is located.  
  
(d) any claims where the number of **RPA** in the air at any one time exceeds the maximum number shown in the **schedule**.
- 2 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.
- 3 any failure by any equipment (including any hardware or software) to correctly recognise any given date or to process any data or to operate properly due to any failure to correctly recognise any given date.
- 4 loss of use of the **RPA/RPA spares** or interruption of **your** business (including any loss of income or of contract) arising from the physical loss of or damage to **RPA/RPA spares** or liability or any other type of loss covered by this **policy**.
- 5 any claims caused by:
  - (a) the actual, alleged or threatened presence of asbestos in any form, or any material or product containing, or alleged to contain, asbestos; or
  - (b) any obligation, request, demand, order, or statutory or regulatory requirement that **you** or others test for, monitor, clean up, remove, contain, treat, neutralise, protect against or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.

Notwithstanding any other provisions of this **policy**, the **insurer** will have no duty to investigate, defend or pay defence costs in respect of any claim excluded in whole or in part under paragraphs (a) or (b) of this exclusion.

- 6 loss of or damage to the **RPA** or **RPA spares** or **bodily injury** or **property damage** to third parties or any **flight** which occurs over or within the following territories, unless as a result of **force majeure** or where the **insurer** has agreed otherwise prior to the commencement of any such **flight**:

- Algeria
- Burundi
- Cameroon
- Central African Republic
- Democratic Republic of Congo
- Ethiopia
- Kenya
- Mali
- Mauritania
- Nigeria
- Somalia
- The Republic of Sudan
- South Sudan
- Colombia
- Peru
- Afghanistan
- North Korea
- Pakistan
- Georgia
- Ukraine
- Russia
- Iran
- Iraq
- Lebanon
- Libya
- Egypt
- Syria
- Yemen
- USA and it's protectorates

# General Conditions

The following conditions apply to this **policy** in addition to specific conditions as contained in each individual **section**.

## 1 Two (2) or more RPA

When two (2) or more **RPA** are insured, the terms of this **policy**, including the limits as shown in the **schedule**, shall apply separately to each **RPA**, unless otherwise shown.

## 2 Maximum Flight Time

No single **RPA** will exceed five hundred (500) hours' flying time during any one twelve (12) month period unless declared at the inception of the **policy**.

If the **period of insurance** is greater than twelve (12) months, the maximum of five hundred (500) hours will be increased proportionately in the ratio that the period in excess of the **period of insurance** bears to the **period of insurance**.

## 3 Assignment

**Your** rights under this **policy** may not be assigned without the **insurer's** prior written agreement, such agreement not to be unreasonably withheld.

## 4 Other Insurance

- (a) The coverage provided by Sections 1 and 2 of this **policy** shall be proportional with any other valid and collectible insurance available to **you**.
- (b) The coverage afforded by Section 3 of this **policy** shall be excess insurance over any other valid and collectible insurance available to **you**.

## 5 Subrogation

The **insurer** will be entitled whether before or after paying **your** claim to conduct in **your** name the defence or settlement of any claim or to take action to seek recovery or secure indemnity from any third party in respect of any claim covered by this **policy** and will have full discretion in the conduct of any such proceedings.

**You** shall at all times provide all information and assistance as the **insurer** or any person authorised by the **insurer** may reasonably require.

## 6 Premium

The premium for this **policy** is as shown in the **schedule**.

If any part of the premium as shown in the **schedule** is shown as being adjustable **you** shall within one (1) month of the expiry of the **period of insurance** or such further periods as the **insurer** may allow, furnish such details as the **insurer** may require and the premium for such period will be adjusted accordingly subject to any minimum premium(s) that may be required by the **insurer**.

If any part of the premium is calculated on estimates, **you** shall keep accurate records containing all particulars relating thereto and shall permit the **insurer** or their representatives to inspect such records at any time.

It is expressly warranted that **you** will pay the premium (or any instalment) in full on or before the date as agreed, and the **insurer** will not be liable under this **policy** for any loss, damage or liability occurring during any period in which **you** are in breach of this term.

## 7 Claims Notification

**You** must give notice as soon as reasonably practicable of any claim or potential claim or **occurrence**, incident or circumstance likely to give rise to a claim under this **policy** to the **insurer** via **your insurance broker**.

In all cases **you** shall:

- (i) provide full particulars in writing of such claim or potential claim or **occurrence**, incident or circumstance likely to give rise to a claim and immediately forward any letters or documents relating thereto comprising of all log books and other records in connection with the **RPA** and / or **RPA spares** and also, where required by the **insurer**, proof of a Permission for Commercial Operators (PFCO) (or similar national equivalent) and / or certification or confirmation of completion of a training course with a Civil Aviation Authority (CAA) approved National Qualified Entity (NQE) (or similar national equivalent) or ten (10) hours or more of **RPA** flying experience;
- (ii) give notice of any impending prosecution;
- (iii) render such further information and assistance as the **insurer** may reasonably require;
- (iv) not act in any way to the detriment or prejudice of the interests of the **insurer**; and
- (v) not make any admission of liability or payment or offer or promise of payment without the written consent of the **insurer**.

In the event of theft of the **RPA** which is likely to give rise to a claim under this **policy**, **you** must also report details to the police as soon as is reasonably practicable and provide a copy of the official police report / crime number to the **insurer** at the time of claim. If the **RPA** is found undamaged before the **insurer** has paid any claim in relation to that theft, then the **insurer** will pay the cost of returning it to **you** by the most economic means.

## 8 Payment of Costs

The **insurer** will pay any legal costs and expenses incurred with their written consent in defending any action which may be brought against **you** in respect of any claim for compensatory damages. In no event shall the **insurer** be liable for or pay damages and / or legal costs and expenses (separately or combined) in excess of the total limit of liability shown in the **schedule**.

However, should any amount agreed or awarded in respect of such claim exceed the total limit shown in the **schedule**, the liability of the **insurer** in respect of legal costs and expenses shall be limited (within the total limit) to such proportion of the said legal costs and expenses as the total limit bears to the amount paid as damages.

The **insurer** shall not be obliged to pay any legal costs and expenses incurred after the total limit of liability shown in the **schedule** has been exhausted and shall be entitled to return the control of any legal proceedings (without any further liability of any sort) to **you**, which **you** will accept without delay.

## 9 Fraudulent Claims

If any claim be in any respect fraudulent or if any fraudulent means or devices are used by **you** or anyone acting on **your** behalf to obtain any benefit under this **policy**, or if any loss hereunder be occasioned by a wilful act by **you** or with **your** connivance, the **insurer**, without prejudice to any other right(s) they might have under this **policy**, shall be entitled to refuse to pay such claim.

## 10 Warranties

1 where the **activities covered** are **commercial** including **continuation flying**:

- **you** must be in possession of a valid Permission for Commercial Operation (PFCO) (or similar national equivalent); and
- all **RPA operators**, as a minimum requirement, must have successfully completed a training course with a Civil Aviation Authority (CAA) approved National Qualified Entity (NQE) (or similar national equivalent).

However in Australia if you are operating under the 'excluded category' or New Zealand under Part 101 rules you must comply with (2) below.

2 where the **activities covered** are **business** including **continuation flying**:

all **RPA operators**, as a minimum requirement, must have successfully completed a training course with a Civil Aviation Authority (CAA) approved National Qualified Entity (NQE) (or similar national equivalent) or have a minimum of ten (10) hours **RPA** flying experience.

3 the **RPA operator** when taking part in a flight assessment examination with a Civil Aviation Authority (CAA) approved National Qualified Entity (NQE) (or similar national equivalent) must be under the supervision of the examiner(s) concerned at all times.

4 **You** must conduct **flights** in accordance with **RPA** national and / or local regulations.

If there are no national and / or local regulations in place at the time of **flight** then such **flight** must be conducted in accordance with the following:

- at a height not exceeding four hundred (400) feet above ground level;
- at a distance not beyond the direct line of sight of the **RPA operator** or a maximum range of five hundred (500) metres from the position of the **RPA operator** at the time of operating the **RPA**;
- not within fifty (50) metres of any third party person, vessel, vehicle or structure, except during the take-off or landing, where the **RPA** must not fly within thirty (30) metres of any third party person, vessel, vehicle or structure;
- daytime flying only.

5 each **RPA** will not exceed thirty (30) kg unless declared by **you** and agreed by the **insurer**.

6 any **RPA** with inbuilt 'Return to Home' function will have it set to 'on' at all times except where the **RPA** is over water when it is set to return to a suitable fixed location on land or vessel.

7 the **RPA** is airworthy at the commencement of each **flight**.

## Extensions applicable to this Policy

Subject to all **policy** terms, conditions, limitations and exclusions, the following areas of coverage form part of this **policy** up to the applicable limit shown in the **schedule** less any applicable **deductible** shown in the **schedule**:

### Extension 1 Strikes, Malicious Acts and Hi-jack Coverage

This Extension 1 attaches to Sections 1 and 2 of this **policy** (Physical Loss of or Damage to **RPA** and Physical Loss of or Damage to **RPA** Spares).

This **policy** is extended to cover claims caused by the following:

- 1 **strikes**;
- 2 **malicious acts**; and
- 3 **hi-jack**.

Provided always that the insurance provided by this Extension 1 may be cancelled by the **insurer** giving notice effective on the expiry of seven (7) days from midnight local Sydney time on the day on which notice is issued.

### Extension 2 RPA Operators Indemnity

This Extension 2 attaches to Section 3 of this **policy** (Legal Liability to Third Parties).

This Extension 2 shall cover, as if they were **you**, any **RPA operator** authorised by **you** under the terms of Section 3 in respect of liability arising out of the operation of the **RPA**, but not so as to increase the liability of the **insurer** beyond the amount which would otherwise have been payable under this Extension 2 had the liability been incurred by **you**.

Provided always that:

- 1 at the time of any **occurrence** giving rise to a claim under this Extension 2 the said **RPA operator**:
  - (a) shall as though they were **you**, observe, fulfil and be subject to the terms, conditions and exclusions contained in this **policy**, and
  - (b) is not entitled to indemnity under any other insurance.
- 2 There shall be no indemnity under this Extension 2 in respect of claims made against the **RPA operator** by **you** and / or with respect to the **RPA**.

### Extension 3 Liability to RPA Operators

This Extension 3 attaches to Section 3 of this **policy** (Legal Liability to Third Parties).

Coverage shall extend to include **your** liability in respect of the **RPA operator**, except liability required to be insured under the terms of any employers' liability or workers compensation legislation or any similar legislation.

### Extension 4 Cyber Extension – Loss of Digital Assets

This Extension 4 attaches to Section 1 of this **policy** (Physical Loss of or Damage to **RPA**).

The **insurer** will reimburse **you** for **digital asset loss** as a direct result of damage, alteration, corruption, distortion, theft, misuse, or destruction of **your** digital assets directly caused by a **computer virus**, whether through **malicious acts** or non-**malicious acts**.

This Extension 4 does not apply to:

- 1 restoring, updating, or replacing **digital assets** to a level beyond that which existed prior to when any damage, alteration, corruption, distortion, theft, misuse, or destruction occurred;
- 2 contractual penalties or pre-agreed or consequential damages or loss of goodwill, loss of business, loss of anticipated profits or savings and all other pure economic loss, or any consequential loss;
- 3 any liability to third parties for whatever reason, including legal costs and expenses of any type;
- 4 fines or penalties imposed by law; or
- 5 economic or market value of **digital assets**.

The following additional definitions apply to this Extension 4:

#### **digital assets**

Those images or data captured by use of the **RPA**. Digital assets do not include any other images or data either owned by or in your care, custody or control.

#### **digital asset loss**

The reasonable and necessary expenses and costs incurred by you to replace, recreate or restore digital assets to the same state and with the same content as immediately before damage, alteration, corruption, distortion, theft, misuse, or destruction occur

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