



BUSINESSSURE[®]
AVIATION

IN ASSOCIATION WITH



Pilot Loss of License Insurance Scheme



Presented to



Airline Pilots' Association of South Africa





WHAT IS PILOT LOSS OF LICENCE?



Aircrew Loss of License insurance is a highly specialized product underwritten by relatively few companies around the globe. In some countries, the temporary benefits may be known as salary continuance. While this type of product is theoretically available for other professions, there is a lower moral hazard with aircrew that arises because: Aircrew are a highly professional group of people requiring years of training and experience

There is a global regulatory framework that sets international standards for medical regulation

At national level, all countries impose medical regulation independently of pilots employers ensuring a separation of decision making

I must stress that although moral hazard is lower, it is not absent.

What makes this product very unusual is that the underlying rules are constantly changing: as our understanding of medicine changes, aviation medicine evolves too. What was impossible years ago is now possible. Consequently, pilots can continue with their careers with a wide range of health conditions provided that there is no significant public safety risk.

National regulations are also different. ICAO may specify international standards but states may vary their rules quite significantly. For example, some states may permit aircrew recovering from depression to fly with continuing medication in specific circumstances others may not. This can create moral hazards for Insurers if a pilot meets the requirements in State A but not B.

Aircrew needs

Experienced aircrew are highly paid for their specialized skills, hard earned experience and a high level of responsibility. Aircrew also require high standards of physical and mental fitness. Their skills cannot be directly translated to any other profession. A relatively minor deterioration in health can cause the temporary or permanent loss of medical certification. If this occurs, the high income earned is lost.

Traditional insurance products such Long Term Disability Insurance contain limitations seriously restricting the benefit available to aircrew. License insurance was developed to address these deficiencies and to meet this specialist need.

A more recent development has been the practice of partially or totally remunerating crew per sector flown.

This creates more uncertainty about the amount of income a pilot may earn which can be a particular problem for salary continuance products if the benefit definitions do not allow for irregular payments per sector. Its not insurmountable but must be agreed with the Insurer beforehand. A further effect is that contractual sick pay paid by employers is usually linked to regular salary and not per sector payments so crew may lose income more quickly than the longer waiting periods usually found in all of these contracts.

Airline needs

Airlines most commonly provide loss of license cover as an employee benefit assisting the retention of personnel and enhancing the benefits available can be a useful but low cost tool in salary negotiations.

The product can also be used to fund corporate costs of retraining or hiring alternative personnel.

The high cost of recruiting and training aircrew is an important consideration and while some loss through employee movement is inevitable, unforeseen losses can prove expensive. License insurance is also available to meet this need and can be provided on a traditional insured basis or in excess of an agreed sum providing protection only if severe problems are encountered.

Airlines often have collective agreements with their crew and this may specify the types of insurance programmes or benefits that are provided. If the loss of license programme is part of the agreement, its important that the scope of the policy matches the commitments in the collective agreement or, if this is not possible, that the airline is aware of the gaps. If this doesn't happen, pilots will be entitled to benefits that are not insured and will look to the airline to make good any deficiency. This can arise if cover is transferred from Insurer to another without ensuring that the new Insurer is writing the cover on a "no worse terms" basis which is often a difficult consideration for disability insurances.

WHO CAN BE INSURED?

Any commercial pilot holding a current commercial license and who is actively engaged on flying duties.

Who underwrites BUSINESSURE's Loss of License Scheme?**Talbot Underwriting**

With an expert team of highly skilled and experienced underwriters and a balanced, geographically diverse portfolio of short-tail business, Talbot Underwriting has earned a reputation as an industry leading insurance and reinsurance specialist.

Operating in the Lloyd's Insurance Market through Syndicate 1183, Talbot writes a broad range of insurance and reinsurance classes of business. In order to achieve a balanced portfolio no single class of business dominates the overall premium income of the syndicate.

Talbot Underwriting is a wholly owned subsidiary of Talbot Holdings Ltd. which was acquired by Validus Holdings, Ltd. in July 2007.

COVER PROVIDED**Permanent Loss of License**

By Accident - 100%

General Illness and Substance Illness - 20% of the sum insured.

Temporary Loss of License

Limited to 75% of the Nett Monthly Earnings of the Pilot

By Accident - 2% of the Sum Insured

CONDITIONS

Age Limit - 60 Years

Waiting period 90 days but 180 days in respect of Undiagnosed Illness.

EXCLUSIONS

Suicide – intentional self injury
Deliberate exposure to exceptional danger
Fraud
AIDS or Venereal disease
Pre-Existing physical and mental conditions
Drugs or Alcohol
WAR
Radioactive Contamination
Pregnancy
Biological, Nuclear or Chemical Materials

WHAT IS THE MAXIMUM COVER I CAN INSURE FOR?

3 X Annual Salary – normal profession

HOW MUCH WILL IT COST?

We have compared our pricing to the BALPA quotes available as follows:

Insured amount: R500k

Person aged 32

BALPA

Yearly premium = R44,500

Monthly premium = R3,708.33

Person Aged 40

BALPA

Yearly premium = R89,050

Monthly premium = R7,420.00

TALBOT

Yearly Premium = R19,800

Monthly Premium = R1,650.00

TALBOT

Yearly Premium = R55,350

Monthly Premium = R4,612.50

BUSINESSSURE[®]
AVIATION

IN ASSOCIATION WITH



BUSINESSSURE[®]
AVIATION

IN ASSOCIATION WITH



P S G
KONSULT

AVIATION

COMPANY PROFILE

INDEX

	Page
Who is Businessure Aviation?	3
Businessure Aviation's Major Achievements	3
The Aviation Service Team	4
Profile – CEO – Businessure Aviation – MR. P Fouche	4-5
Profile – Busienssure – Senior Aviation Consultant – MR. JP van der Riet	5-6
Specialist Aviation Underwriters	6
Specialist Aviation Assessors	7
Aviation Specialist Attorneys	7
Businessure Aviation Product Range	7
Businessure Aviation Contact Details	8
PI Cover	8

BUSINESSURE AVIATION

Businessure Aviation got its wings in 1994. This company currently looks after more than 700 aircraft owners' aviation insurance portfolios and is growing month on month. Collectively Mr. Phil Fouche and Mr. JP van der Riet have in excess of 30 years Aviation Insurance Experience.

Our current CEO Mr. Phil Fouche has in excess of 20 years aviation insurance experience and is an avid aviator with a passion for flying.

Our team is 7 employees strong and with the growth anticipated in our division we will be looking to employing additional staff members in the near future.

BUSINESSURE AVIATION'S MAJOR ACHIEVEMENTS WERE:

- ✦ The finalization of the Liability Insurance for Agusta Italy in Africa.
- ✦ The finalization of BUSINESSURE Aviation's facility at Lloyd's of London. (This facility is currently still operating as Businessure Aviation).
- ✦ The FAIS Act requirement complied within the year of implementation by the South African Government.
- ✦ The launch with Regent Aviation Insurance of the "TURBINE ROTORSURE" scheme in June 2004.
- ✦ First Aviation Broker to have online quotation facility available to our clients.
- ✦ The launch of our NTCA and AMO facility to our valued clients.

- ✦ May 2009 **Businessure Aviation** and the **PSG Konsult Group** entered into an agreement that led to the formation of **PSG Konsult Aviation**, the exclusive supplier of Aviation insurance within the **PSG Group**.
- ✦ The understanding of our client's needs is our prime prerequisite to be able to quote and provide the perfect "in house" policy.
- ✦

We provide our clients with **COMPREHENSIVE COVER** at **AFFORDABLE RATES** with **REPUTABLE UNDERWRITER SECURITY** and **SERVICE EXCELLANCE**.

*At **BUSINESSURE Aviation** we believe in building close relationships with our clients.*

THE AVIATION SERVICE TEAM



Front from the Left – Rynette du Randt-Smith, Christelle Keesenberg, Judith Swanepoel

Back from the Left – Phil Fouche, JP van der Riet and Anne Gurney and Ilze Strijdom

PSG Konsult Aviation (Businessure) has a very strong highly specialised and qualified Aviation Insurance Team.

PROFILE – CEO – BUSINESSURE AVIATION – MR. PHIL FOUCHE



Qualification: B-Admin Degree University of Pretoria. FAIS/FSB Compliant. Qualified Pilot.

Mr. Fouche has 31 years working experience of which 25 Years are in Aviation Insurance as follows:

Price Forbes – Aviation – 12 Years in the capacity of Director

Flightsure Aviation Insurance Brokers – 10 Years in the capacity of Director

Businessure Aviation Insurance Brokers (Now PSG Konsult Aviation) 3 Years in the capacity of CEO

Whilst working for Price Forbes he handled the original aviation insurance placement of SAExpress with the assistance of the Managing Director then, Mr. George Muller. He managed a number of corporate aviation accounts including IDC, Foskor, Clover, Premier Group, Anglo Vaal Ltd, Gencor, Metro Cash n Carry etc. During this time he also assisted on the SAA accounts, Air Namibia, Flight Star, ATNS (ACSA) held by Price Forbes.

Mr. Fouche then moved to Flightsure and managed +/- 250 general aviation accounts including various corporate accounts such as Placo, APCO, Nelair, Hydro Air and Nationwide Airlines. During this time he assisted Flightsure with their Lloyds Tribunalisation.

Currently at PSG Konsult Aviation he has +/- 500 general aviation accounts and various corporate account including Starlite Aviation, Stars Away, Placo, APCO, General Airways etc. placed locally as well as in Lloyds of London with Hayward Aviation.

Mr. Fouche has extensive experience within the local insurance markets as well as Lloyds of London insurance markets and products pertaining to aviation insurance. Mr. Fouche has settled many insurance claims successfully for his clients during the past 25 years.

Mr. Fouche has a 25 year working relationship with the Managing Director of Hayward Aviation; a Lloyds of London licensed broker and highly rated by the British FSA.

PROFILE – PSG KONSULT - SENIOR AVIATION CONSULTANT –

MR. JP VAN DER RIET



Qualification: Matric, various Investment courses completed locally and in London, FAIS/FSB Compliant.

Mr. JP van der Riet's working career started in 1992 qualifying as in-house auditor for a major retail company for 4 years. He was then offered the opportunity to become an equity trader for a stockbroker on the JSE where he managed R100m in private portfolios for various high networth clients for 5 years. During his position as Equity Trader/ Online Trading Portfolio Manager he had exposure in the following financial fields: mergers and acquisitions, listings on the JSE, structured offshore transactions, value-added empowerment introductions, small and medium company restructurings, drafting of business plans, capital raising projects, project management, corporate presentations, investor relation programs, road shows for small and medium businesses, company profiles, seeking trade and tender opportunities, seeking import and export opportunities, Country Profiles, Company Profiles, inward and outward trade missions, joint ventures, seeking distributors or agents, seed capital, bridging capital.

His aviation insurance career started seven years ago as Business Development Manager for GIB Aviation Insurance Brokers for 5 years, Dennis Jankelow and Associates for 6 months and Businessure (Now PSG Konsult Aviation) for 19 months. He has travelled extensively through South Africa and Africa promoting Aviation Insurance services and products to potential clients at airports, airfields, airshows and fly in's. He presents many aviation insurance permutations to Aircraft owners and Operators around the country every year.

The client profiles that he has managed during the past 7 years include private aircraft owners, corporate companies that owned aircraft as well as government owned airlines and aircraft such as:

Norse Air, Starlite Aviation, Hydro Air, AMS – Red Cross, Fugro Airborne Surveys, Solenta Aviation, Debon Air – Zimbabwe, ATE Engineering, Checkers, Aerosud, Interlink Airlines, Skyone Air, Air Corridor – Mozambique, Business Aviation – DRC, Tanzanian Air Services, Ryan Blake Air, Tropical Air - Tanzania, Millionair, Sunair, Pick n Pay, Rwandair Express, Zambian Airways, Anglogold Ashanti etc. He insured various aerodromes in SA, was the appointed insurance broker for all airshows and fly-in's in SA by the governing body of airshows in SA namely ASSA.

During the past seven years he has managed the aviation insurance portfolios of more than 400 aircraft owners and operators. His responsibilities included advice on insurance products and solutions specific to aviation clients needs, procurement of insurance quotations from the local market as well as Lloyds of London markets, placing insurance cover, renewal presentations every year and the day to day management of these accounts including claims.

He joined the highly professional team of Businessure Aviation (Now PSG Konsult Aviation) +/- 19 months ago and currently manages +/- 100 aircraft owners and operator's insurance portfolio's placing insurance locally as well as in Lloyds of London markets.

SPECIALIST AVIATION UNDERWRITERS

- ✦ Regent Aviation Underwriters
- ✦ Independent Aviation Underwriters Pty Ltd
- ✦ Zurich Aviation Underwriting Managers Pty Ltd
- ✦ Santam
- ✦ Lloyd's of London

SPECIALIST AVIATION ASSESSORS

- ✦ Mr. Jim Gaynor
- ✦ Mr. Henry Tours – Aviation Consultant
- ✦ Mr. Vyv Hodges

The above assessors are professional aviation claims assessor and have been involved in the industry for more than 20 years. They have travelled throughout Africa as well as London where he has been involved with dozens of aviation insurance claims.

Their judgement and fair assessment of claims has been highly acclaimed by local and Lloyds underwriters on General Aviation aswell as Airline claims. The above assessors are all avid aviators and own their own aircraft. PSG Konsult Aviation has used the above assessors on various claims and has always found them to be diligent, fair and highly professional.

AVIATION SPECIALIST ATTORNEYS

- ✦ Mr. Pierre Naude – Deneys Reitz

The above attorney is a specialised aviation attorney and have been involved in the industry for more than 20 years.

PSG KONSULT AVIATION PRODUCT RANGE

Hull
War

Third Party Passenger Legal Liability
Hangar Keepers
Pilot Loss of licence
Pilot Excess Cover
Airport Liability Cover
Airfield Liability Cover
Engine Breakdown Cover
Personal Accident Cover
Airside Liabilities
Excess Buydown Cover
AMO insurance
Products Liabilities – ATE, Aerosud
Airshow Liabilities
Ferry Flight cover
and many more.....

BUSINESSURE AVIATION CONTACT DETAILS

198 Langenhoven Street, **CONSTANTIA PARK**, Pretoria, 0010

P.O Box 34876, **GLENSTANTIA**, 0010;

Tel: (012) 998 9077 EXT 222 or ask for Christelle

Fax: (012) 998 4388

Mr. Phil Fouche Cell: 083 447 2442

Mr. Phil Fouche E-mail: phil@businessure.com

Mr. JP van der Riet Cell: 083 462 8887

Mr. JP van der Riet E-Mail: jpvdr@businessure.com

Reg. No.: 97/22153/07 / VAT No.: 4260203494

Authorised Financial Services Provider No: 17318

PI COVER

BUSINESSURE Aviation carries R75,000,000 in PI Cover.