

Aircraft Liability Implications

Forest and Rural Fires Act 1977

Contributed by Bill Beard

THERE IS a proposal by the Department of Conservation (DOC) that aircraft and helicopters landing and/or operating on Public Conservation Lands are to have adequate Public Liability Insurance coverage in place, including recovery of fire fighting costs under the Forest & Rural Fires Act 1977.

If you live in a city or town, very rarely would you be required to pay the costs of putting out a fire as they are largely funded from a Fire Service Levy (FSL) you pay with your Fire and Material Damage Insurance Premiums.

In country areas however, the fire authorities are required to try to recover the fire fighting costs from the person responsible for the fire. If that does not succeed, a regime of levies applies under the Forest & Rural Fires Act. Despite that, Section 43 of the Act is unusual in that it provides for recovery of fire fighting costs and affords the same rights to any person who suffers property loss as a result of a fire. Furthermore, the law is absolute in that negligence or fault need not necessarily be proven.

The upshot of all this is that DOC is proposing to require aircraft owners to have the following minimum levels of liability insurance on all aircraft landing on DOC land.

- Aviation Legal Liability for an amount of no less than NZ\$2m including Forest & Rural Fires Act Extension with this extension having a sub-limit of no less than NZ\$1m.
- General Public Liability for an amount no less than NZ\$1m including Forest & Rural Fires Act Extension with this extension having a sub-limit of no less than NZ\$1m.

The Aviation Liability is easily arranged by simply asking your broker to increase the aircraft legal liability – Combined Single Limit to NZ\$2m including Forest & Rural Fires Act cover. If you currently only have \$500,000 liability indemnity, the additional premium will be around NZ\$350 per annum and if you are currently insured for NZ\$1m the additional premium will be in the order of NZ\$200 per annum pro rata. This will provide cover under the Forest & Rural Fires Act caused directly by

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Type: Piper PA-38-112 EYG
Location: Hokitika **POB:** 1
Operation: Training Solo **Injuries:** Nil
Date: 5 June 2010
Report: The aircraft struck an aerodrome wall with the left wing tip while taxiing to the runway.

Type: BK-117 HYO
Location: Raglan **POB:** 2
Operation: Other **Injuries:** Nil
Date: 21 June 2010
Report: The tail rotor struck an object during some aerial work in Raglan.

Type: Piper PA-38-112 EHY
Location: Ruahine Range **POB:** 2
Operation: Training Dual **Injuries:** 2
Date: 12 July 2010
Report: Aircraft impacted a hillside during a cross country flight.

Type: Robinson R44 HKD
Location: Wellsford **POB:** 1
Operation: Agricultural **Injuries:** Nil
Date: 10 July 2010
Report: Helicopter struck power lines during a turn while conducting spray ops.

Type: Rans S-6ES Coyote II WAL
Location: Rangitata **POB:** 1
Operation: Private Other **Injuries:** Nil
Date: 3 July 2010
Report: Aircraft stalled on takeoff from a farm strip, returning to the runway and sustaining damage.

Type: Cessna 172K NCA
Location: Whangarei **POB:** 1
Operation: Parachuting **Injuries:** Nil
Date: 1 July 2010
Report: Aircraft partially lost power around 4000ft, with the engine stopping completely at 200ft. Significant sink was experienced and the aircraft impacted a bank short of the runway.

Type: Schempp-Hirth Discus GZP
Location: Lake Station **POB:** 1
Operation: Private Other **Injuries:** Nil
Date: 18 July 2010
Report: A downdraft was encountered while ridge soaring, causing the aircraft to sink and strike the tree tops.

Please note: Accidents and Incidents are selected from the CAA website and are provided for information only. Accuracy is not guaranteed. Refer to www.caa.govt.nz for full briefs.



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the aircraft, i.e. an accident resulting in a subsequent fire.

For Avsure clients we can (on request) issue a Certificate of Insurance verifying compliance with DOC requirements that you can keep in your aircraft for inspection if accosted by DOC personnel.

Individuals or private owners that have home contents insurance should be automatically insured for their personal liability including fire and Forest & Rural Fires Act. Some local companies provide Forest & Rural Fires Act 1977 cover up to NZ\$1m, and some companies only offer a NZ\$100,000 sub-limit. You will need to check your Home Contents

Insurance Policy to verify your particular insurance indemnity to ensure your particular insurance policy will meet DOC requirements. If you don't have a Home Contents Insurance Policy then its unlikely you will be covered. Similarly, rural business people should check their Public Liability Policy to ensure they have cover for them and their employees under the Forest & Rural Fires Act. If you do not have cover, contact your insurer or broker.

To discuss this topic or any other questions relating to aviation related insurance or to seek quotations, contact Bill Beard at Avsure on 0800 322 206 or email: insure@avsure.co.nz