



# 'Mail Order' Insurance Offers

Contributed by Bill Beard

*Bill Beard of Avsure (also an aircraft owner) offers some advice regarding an insurance campaign currently being promoted in New Zealand by a UK based organisation.*

**SEVERAL** of our clients have asked me for comment relating to unsolicited letters from a UK based insurance broker to Aircraft Owners offering reduced premiums and alleged improved conditions to what is currently available in NZ.

Firstly, I would suggest you have a look at their website. Rightly or wrongly, I tend to judge a service provider on the quality of their product presentation. I personally don't get much comfort from a DIY website inviting owners to insure their highly valued assets with an unproven overseas company with no representation in New Zealand. *(I had a look myself and it's hardly confidence inspiring, Ed.)*

In reality, the promotional premiums being offered are a totally unknown quantity. Over recent years there have been several schemes by insurers from Russia to the Philippines allegedly using Lloyds as a re-insurer. All have proven unreliable.

Some major NZ companies such as Norwich, State, NZI and more recently Lumleys have also dipped their toes into the aviation hull and liability business and all withdrew in less than a year or so. Even the mighty Vero Aviation in Australia had some very bad experiences and as a result they have now withdrawn entirely from the aviation market both in NZ and Australia. Fortunately Vero have honoured all their commitments to policy holders.

Being a non-resident company, the UK based "mail order" broker mentioned above is not a registered Insurance Intermediary in NZ and would certainly not comply with the NZ Insurance Companies Deposit Act of 1953. There is also a withholding IRD tax obligation which we as local brokers need to manage and account to the NZ/IRD in regard to all overseas transfer of premiums. Failure to comply with this requirement may reflect on the legality of the transaction.

Avsure, as a division of Boston Marks, have the necessary deposits lodged with the Public Trust enabling us to fully comply with Government Legislation with regard to the negotiation and placement of

## Accident and Incident Reports *are provided courtesy of*



**Type:** Bombardier DHC-8-311 NEB  
**Location:** Woodbourne **POB:** n/s  
**Operation:** Transport Pax **Injuries:** Nil  
**Date:** 30 September 2010  
**Report:** Aircraft diverted to NZWB due to an unsafe gear indication. On landing the nose gear collapsed.

**Type:** MD500N HYY  
**Location:** Mt Ajax **POB:** 1  
**Operation:** Private Other **Injuries:** 1s  
**Date:** 27 September 2010  
**Report:** Aircraft suffered a loss of power, landed in a ditch, rolled, and caught fire.

**Type:** AS350BA HBD  
**Location:** Nokomai **POB:** 0  
**Operation:** Private Other **Injuries:** Nil  
**Date:** 23 September 2010  
**Report:** Helicopter was left unattended with engine running and a gust of wind caught it and blew it backwards.

**Type:** ATR72-212A MCA  
**Location:** Invercargill **POB:** 63  
**Operation:** Transport Pax **Injuries:** Nil  
**Date:** 18 September 2010  
**Report:** While being positioned to allow unloading, an air bridge contacted the left wing, causing substantial damage.

**Type:** Cessna 152 NSD  
**Location:** Kaikoura **POB:** 2  
**Operation:** Training Dual **Injuries:** Nil  
**Date:** 8 September 2010  
**Report:** Aircraft collided with a fence while conducting a forced landing due to a rough running engine.

**Type:** Hughes 369D HOQ  
**Location:** Milford Sounds **POB:** 1  
**Operation:** Private Other **Injuries:** Nil  
**Date:** 8 September 2010  
**Report:** Engine lost power and aircraft ditched into Milford Sounds. Pilot swam and was rescued by a fishing boat.

**Type:** Schempp-Hirth Cirrus GCU  
**Location:** Paraparaumu **POB:** 1  
**Operation:** Private Other **Injuries:** Nil  
**Date:** 18 September 2010  
**Report:** The glider experienced heavy sink after launching and the pilot decided to return to the airfield. Before reaching the airfield, worse conditions were encountered and the pilot realised it was not possible to clear a ridge, then selecting to crash land on a quiet suburban street.

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](http://www.caa.govt.nz) for full briefs.



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policies with offshore insurers. Likewise, non-resident insurance brokers would not provide protection afforded to policy holders under the NZ insurance Intermediary Act.

In the odd case, we may not match the premiums offered by this or other "mail order" insurance schemes, however Avsure have been involved in the NZ industry for some 18 years now and offer 24/7 service. We also enjoy putting something back into the industry by way of sponsorship, promotions and support of local industry publications.

We only arrange aircraft insurance with top listed Standard & Poors insurers with a minimum A+ rating which indicates a company's excellent claims paying ability.

Do remember that the quality of insurance you buy needs to be judged not only by the level of premium but by the overall service and prompt and reliable settlements in the event of a claim.

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