



contributed by Bill Beard

Insurance for engines run 'on condition'

ONE OF THE main provisions of an aircraft insurance policy is that operation and maintenance of the aircraft must be conducted in full compliance with the CAA Rules. Accordingly, aviation insurers accept the use of engines beyond the manufacturer recommended TBO (time between overhauls) subject to certain manufacturer recommendations and/or CAA approved programmes.

Under the policy terms and conditions, insurance companies will pay for, repair, or make good accidental damage to the insured aircraft. BUT in the case of repairs to an on-condition engine, though different insurance companies may have different views, generally the following ground rules will be applied.

In the case of a total loss – no problem. The company will pay the agreed value including the engine, less the deductible. However, in the event of engine repairs even say following a prop strike, the normal procedure is that the Claims Adjuster will approve a bulk strip (paid for by the insurers). If any damage is found (ie. crankshaft damage or the like) the insurers may provide for replacement of damaged part(s) caused directly as a result of the accident, subject to age and AD (airworthiness directive) status. If the crankshaft is on its second or third life or has been superseded then settlement may be subject to negotiation. However, as the engine is beyond its TBO it will not be approved for "return to service" without a complete overhaul. The cost of this will be to direct account of the insured/owner as the policy does not cover wear and tear or deterioration.

The long and short of it therefore is that if your time expired engine is damaged, the insurance company will compensate the insured for accident related damage but the cost of the overhaul to enable it to return to service will not form part of the claim.

Likewise, with airframe damage, insurers will only pay for the accident damage. Additional rectification such as corrosion etc. identified during the repair process will be to the account of the insured.

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.

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

Type: Cessna 172B RWC
Location: Mahia **POB:** 1
Operation: Private Other **Injuries:** Nil
Date: 12 April 2013
Report: During a slow taxi, the aircraft's front wheel hit a solid piece of wood sticking approximately 15cm out of the ground causing the nose leg top bolts to be shorn off. The leg folded under the belly of the aircraft.

Type: Robinson R22 HAM
Location: West Coast **POB:** 2
Operation: Private Other **Injuries:** Nil
Date: 2 May 2013
Report: Helicopter took off on its own and came down on its side.

Type: CAW SportCruiser JBZ
Location: Whitianga **POB:** 1
Operation: Private Other **Injuries:** Nil
Date: 25 April 2013
Report: Runway grass was found to be fairly long on landing, with the pilot seeing a freshly mown strip to their left. Believing this was the centreline they adjusted their landing roll but found the mown strip was the runway edge. Due to the camber and crosswind the aircraft left the runway and struck a drain, with subsequent damage.

Type: Composite Heli KC518 ICM
Location: Waitemata Hbr **POB:** 2
Operation: Test **Injuries:** Nil
Date: 6 May 2013
Report: Helicopter suffered uncontrolled yaw, engine RPM started to overspeed, so the pilot reduced power and commenced an auto-rotation. Helicopter ditched in the Waitemata Harbour. No injuries reported.

Type: Hughes 369E HNA
Location: Eglinton Valley **POB:** n/s
Operation: Not stated **Injuries:** Nil
Date: 26 May 2013
Report: Engine failure followed by autorotation, with moderate damage.

Type: Robinson R22 Beta HYR
Location: Rangiora **POB:** 1
Operation: Training Solo **Injuries:** Nil
Date: 29 May 2013
Report: Instructor exited the aircraft to allow the student to conduct a solo hover flight. Entering the hover the helicopter's nose dropped slightly, with the helicopter then moved abruptly rearwards in response. The port skid dug into the ground resulting in a dynamic roll-over.

Type: Tecnam P92 Super Echo THA
Location: Hastings **POB:** 1
Operation: Training Solo **Injuries:** Nil
Date: 7 June 2013
Report: The right landing gear leg collapsed as the aircraft was taxiing to the runway. The aircraft fell onto its right wing and stopped.

Type: Bell 206B HTA
Location: Nelson **POB:** 1
Operation: Ferry **Injuries:** Nil
Date: 7 June 2013
Report: Helicopter experienced an engine mechanical issue during a ferry flight. An autorotation was conducted, with a heavy landing causing substantial damage. The pilot was uninjured.

Type: CHR Safari IJE
Location: North Shore **POB:** 1
Operation: Private Other **Injuries:** Nil
Date: 11 June 2013
Report: Helicopter lost tail rotor authority while hovering, resulting in the aircraft rolling over. The pilot was able to vacate the wreckage without injury.

Type: Gippsland GA200C EMD
Location: Ekatahuna **POB:** 1
Operation: Agricultural **Injuries:** Nil
Date: 19 May 2013
Report: Left main landing gear collapsed shortly after beginning the takeoff roll causing the propeller and the left wing to contact the ground.

These accident reports are sourced from www.caa.govt.nz and contain information as reported to the CAA recently. As such, the accuracy of the information supplied cannot be guaranteed. See www.caa.govt.nz for other details which may be added as more information is received.

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