

# SELF-INSURANCE REGULATION

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### 1. BACKGROUND

At the WGC Committee meeting of 14<sup>th</sup> March 2008 the decision was taken not to renew hull and trailer insurance on the fleet of Club-owned gliders when the current hull insurance expired. This decision was endorsed by members at the following AGM. Third-party liability and other Club insurances were not affected by the decision. Funds saved through this decision would instead be used to establish a Club-administered fund to be used for glider accident repairs, a “Self-insurance Fund” (SIF).

### 2. AIRCRAFT AND COVER

The Club-owned glider fleet covered by the SIF at its inception includes:

- a) AS K21, VH-WKI
- b) LS4a, VH-XOK
- c) LS7 wI, VH-XJB
- d) Discus b, VH-GHP

Any accidental damage to any of these gliders, being accidental damage to hull, canopy, instruments or trailer, is covered by the SIF. This in no way removes the financial liability of the member causing damage (see section 4).

Repairs or replacement due to “fair wear and tear” or associated with planned or un-planned maintenance or inspections, is not covered by the SIF. Similarly painting or re-finishing not associated with accidental damage, or additions or enhancements to radios, instruments, or “personal” equipment carried in the glider is not covered by the SIF.

### 3. SELF-INSURANCE ACCOUNT

The Club Treasurer will establish an account for the fund whereby the SIF balance and movements in and out of the account are recorded and available whenever requested. The actual funds will be invested as part of the Club’s high interest investment account.

Prior to the AGM each year an amount approximating the cost of taking out annual hull insurance will be credited to the fund for a year’s self-insurance.

#### 3.1 Initial Deposit

The initial deposit is to be reflected in the Club’s end of financial year accounts to be presented at the 2008/09 AGM. The following values were established to begin the fund and the Committee will update these estimates whenever necessary to reflect current market values:

- Estimated annual (hull only) insurance rate: 5.0% of market value
- Estimated airframe and trailer market values:

Aircraft	Airframe value	Trailer value
AS K21	\$81,500	\$6,000
LS4a	\$47,000	\$3,000
LS7 wl	\$50,000	\$4,000
Discus b	\$60,000	\$1,000

#### 3.2 On-going Deposits and Withdrawals

In addition to the annual deposits other amounts to be deposited to the fund will include

- Member contributions to accident damage they were responsible for (see Section 4)
- Periodic fees paid by members to waive their accident liability obligation (see Section 4.2)

Withdrawals from the fund will be made to pay for accident damage repairs as described in Section 2. As the account balance reaches prescribed limits the funds may be used as defined in Section 3.3.

#### 3.3 Use Other than Accident Damage

Account balances up to \$50 000 are only to be used for accident damage repairs as already described. This is the primary purpose of the fund.

Where the account balance exceeds \$50,000 and is not currently required to fund accident damage, then the amount in excess of \$50,000 may be used to support the purchase of gliders.

Should the account balance exceed \$170,000 the amount in excess of \$170,000 not currently required for the purchase of gliders may be used for any other appropriate purpose.

Any withdrawal from the fund for any purpose other than accident damage repairs requires the approval of the Committee.

#### **4. MEMBER LIABILITY**

In the event of damage to a Club owned or cross-hired glider which is under the control of WGC, a pilot being a life, junior or ordinary member is liable for up to \$2,000.00 per incident in repair costs for damage caused. Associate members (including temporary members) are responsible for the full cost of damage caused. Damage includes that caused in flight, on the ground, or when transporting the glider (including damage to trailer).

This Committee has prescribed some situations where financial liability does not apply, in particular in some instructing and student situations. These are defined in the "Membership Regulation".

In the event of negligence or wilful damage the Committee may seek to recover costs from a member in addition to any limits, exemptions or waivers elsewhere stated.

##### **4.1 Liability Waiver**

Life, junior and ordinary members may apply for a waiver of their \$2000 financial liability (see appendix). The waiver is only applicable to flights originating from Waikerie airfield. Waiver is not available to associate members (including temporary members) who are always responsible for the full cost of damage repairs up to market value.

#### **5. APPENDIX – MEMBER DAMAGE LIABILITY WAIVER**

## SELF-INSURANCE REGULATION - Appendix, Member Damage Liability Waiver

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### 1. GENERAL

All members of the WGC are responsible for the damage they cause to Club property. Members are reminded of their absolute responsibility to report damage, regardless of how and when caused, to an instructor or Committee member as soon as possible.

Damage to WGC aircraft and trailers is of particular significance as the Club does not insure glider hulls or trailers. The Club instead manages a self-insurance scheme which is described in detail in the "Self-insurance Regulation".

All WGC gliders, trailers and tug carry 3<sup>rd</sup> party liability insurance.

### 2. LIABILITY LIMIT

- a) Life, junior and ordinary members, which includes all permanent members with flying rights, have a liability limit set by the Committee from time to time and may be found in the "Self-insurance Regulation" (\$2000 as at 1/03/11). **Members in these membership categories may purchase a daily or annual waiver of the liability.**
- b) Associate members, including temporary members, have a liability limit of the market value of the property.
- c) The Committee has determined some exemptions to damage liability for some instructional and student pilot situations. These are listed in the "Membership Regulation".

### 3. LIABILITY WAIVER

Life, junior and ordinary members may wave their financial responsibility by completing the following application form and lodging it in advance, together with the appropriate fee if required, with an instructor or Committee member.

#### APPLICATION FOR DAMAGE LIABILITY WAIVER

I .....hereby apply to waive my financial responsibility to pay for damage to a Club aircraft (and trailer) which I fly as pilot-in-command, for the period indicated. I acknowledge that the waiver only applies to flights originating from Waikerie airfield and does not apply in the case of negligence or wilful damage.

Waiver cost:

- Junior and student flying members - \$100 per year or \$20 or per day.
- Life and ordinary members (except student flying) - \$200 per year or \$20 per day.

Period applied for                    from ..... /..... / .....to..... /...../ .....

Total period.....days/years

Total cost.....

Deduct from my Club account

Payment attached

Signed: ..... Date: ...../...../.....

Lodged with (sign)..... Date: ...../...../.....