



# Youth Glide New Zealand

## YGNZ Insurance Excess Scheme

### Overview

YGNZ administers an Insurance Excess Scheme (the Scheme) to help reduce the amount of financial liability a member of the Scheme has in the event of a claim being made at a YGNZ-sanctioned flying event. The Scheme is available to those YGNZ pilots who have paid into the Scheme for the time period that covers the flying event.

The following attempts to explain glider insurance generally and must be discussed with parents or caregivers prior to aircraft being flown Pilot-in-Command (PiC).

### Explanation

All gliders operated by YGNZ at a YGNZ-sanctioned flying event (e.g. YSDC and Mini Camps) will be subject to an insurance excess to be paid by the PiC in the event of something being damaged. The excess will vary depending on who owns the glider. Typically it will be in the order of \$2,000 but may be as much as \$5,000.

In addition to this, a claim will invoke additional financial burden on the PiC in the form of peripheral claim related expenses and an increased cost of reinsurance by way of a loss of a portion of the Profit Commission on Renewal (PCOR).

The following shows the threshold value for when a claim will be made in the event of damage to a glider during a camp. Following any damage, the cost of repairs including any "peripheral" costs like transporting the glider to / from the place of repair will be estimated.

If the costs are estimated to be below the added values of the Excess and PCOR, the PiC will be responsible for the cost of repairs including any costs associated with arranging the repairs and having the glider returned fully serviceable to the home field of the club / owner.

## **PCOR**

PCOR is a type of "No Claims Bonus" whereby the Insurer takes last year's Hull Premiums x 75% and deducts any claims, then pays the owner 20% of the difference.

e.g. If the total premium was \$10,000.00 then 75% of this is \$7,500.00 less any claims (say Nil)

So, 20% of the \$7,500.00 = \$1,500.00 and this is your PCOR Rebate of premium

If there was say, a \$5,000 claim then it becomes \$7,500.00 - \$5,000.00  
= \$2,500.00

So 20% of the \$2,500.00 = \$500.00 and this is your PCOR Rebate of premium when you next renew.

We hope this illustrates the fact the claim has meant the rebate is \$1,000 less and the renewal will therefore cost \$1,000 more than it otherwise would.

The PiC therefore becomes liable for this amount if a claim is required.

To summarise, if the costs are greater than the added values of the Excess and lost PCOR, a claim is made and the PiC is responsible for the payment of the sum of the Excess and lost PCOR.



# Youth Glide New Zealand

## Procedures for the Scheme

### Membership of The Scheme

Membership of The Scheme is open to all members of YGNZ. It is compulsory for all pilots who fly PiC at YGNZ sanctioned events and is strongly encouraged for those who are instructing or assisting as a volunteer at a YGNZ sanctioned event.

### Scheme Membership Cost

The YGNZ Executive will set an annual charge for membership of The Scheme. The term of membership will be concurrent with the YGNZ Financial Year. i.e. 1 April to 31 March.

Membership Scheme Cost for the Financial Year 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 is \$**50**.

Payment should be made to the YGNZ Bank Account:

38-9014-0547980-00

'Insurance Excess' in the reference.

\*Please also notify our Treasurer via email ([ray.burns@xtra.co.nz](mailto:ray.burns@xtra.co.nz))

### Fund Management

The YGNZ Treasurer is to establish a separate accounting procedure (dedicated balance sheet account) and record payments made in to the fund. The Executive will manage and invest funds in secure bank term deposits to ensure a reasonable return is made while balancing the need to be able to draw on funds in the event of a claim.

### Making a Claim on The Scheme

- Advise the YGNZ Executive of the incident at the earliest convenient time.
- Complete and submit the *YGNZ Insurance Excess Scheme Application Form* (below) and provide the Executive with a copy of the GNZ OPS 10 Incident Report and / or the CA005 Form.

## **Action in the Event of a Claim on The Scheme**

The provision of funds from the Scheme is completely within the discretion of the YGNZ Executive. The Executive shall determine the amount of the claim that can initially be paid from the scheme and shall have the discretion to make an initial partial payment and follow this with a final payment should there be sufficient funds available to do so.

The following is a minimum list of considerations when deciding the level of funding that can be provided:

- The number of YGNZ Full Flying Members (FFM) involved in the incident;
- The amount of excess liable to be paid;
- The number of claims made to the Scheme that year;
- The availability of other funding avenues; and,
- Any other subsidising that is already taking place



# Youth Glide New Zealand

## YGNZ Insurance Excess Application Form

*Complete and forward this form to the YGNZ Executive  
([committee@youthglide.org.nz](mailto:committee@youthglide.org.nz))*

Full name of applicant: \_\_\_\_\_

Residential address: \_\_\_\_\_

Email: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

GNZ Club: \_\_\_\_\_

Aircraft Registration: \_\_\_\_\_

Date of event: \_\_\_\_\_

Amount of Insurance Excess: \_\_\_\_\_

Amount of PCOR: \_\_\_\_\_

Sundry Expenses Claimed: \_\_\_\_\_

Total amount claimed: \_\_\_\_\_

Name of aircraft owner: \_\_\_\_\_

Name of contact person: \_\_\_\_\_

Email: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

GNZ Club: \_\_\_\_\_

