

**Business Rules Specification (BRS)**

**For**

**Supply, Installation, Configuration and Customization/Development of Core Insurance, Call Center & Customer Relationship Management, Business Intelligence and Web Portal & Content Management System applications for Jiban Bima Corporation and Sadharan Bima Corporation**

**BISDP-G10 BRS Volume 2 - SBC**

**Submitted to**

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**Insurance Development and Regulatory Authority (IDRA),**

**represented by the Project Director, Bangladesh Insurance**

**Sector Development Project**

**Submitted by**

Sinosoft Co.,Ltd

Document ID: Sinosoft/BISDP-G10 BRS Vol.2 - SBC

Date of Release: 18th April 2023

Version: V – 1.0

**Submitted by**

Sinosoft Co.,Ltd

Document ID: Sinosoft/BISDP-G10 BRS Vol.2 - SBC

Date of Release: 28th November 2022

Version: V - 1.1

|  |  |
| --- | --- |
| **Document Name:** | **Business Rules Specification (BRS) [ Volume 2 - Sadharan Bima Corporation (SBC)] of Supply, Installation, Configuration and Customization/Development of Core Insurance, Call center & Customer Relationship Management, Business Intelligence and Web Portal & Content Management System applications for Jiban Bima Corporation and Sadharan Bima Corporation** |
| **Document ID:** | **Sinosoft/BISDP-G10 BRS Vol.2 - SBC** |
| **Version:** | **1.0** |
| **Submission Date:** | **18th April, 2023** |
| **Submitted by:** |  |
| **Approved by:** |  |

Submission & Approval

Document Release History

The following table lists the release history of this document.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Sl. No. | Version Number | Release Date | Prepared By | Reviewed By | Approved By | Reasons for Release |
| 1. | 1.0 | 18-Apr-2023 | Sinosoft Co., Ltd. |  |  |  |

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Business Requirements Specification

**Direct Business For Aviation Insurance Product**

**Version 1.0**

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# Document Revision History

|  |  |  |  |
| --- | --- | --- | --- |
| Version No. | Date  (dd mm yyyy) | Author(s) | Revision Description |
| V- 1.0 | 18-04-23 | Sami | Initial Draft Version |
| V- 1.0 | 30-04-23 | Sami | Initial Draft Version |

***Table1: Document Revision History***

# Document Acceptance Sign Off

This document was reviewed & signed off by:

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Department / Authorization | E-Signature  (Email Sign Off) | Date Sign Off Received  (dd mmm yyyy) |
| A. S. M. Sayem | Aviation Department |  |  |
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***Table2: Document Acceptance Sign Off***

# Introduction

## Purpose of Document

The Business Requirements Document (BRS) describes the product design, specifications, and general operational guidelines of an individual business product, Non-Life Insurance, to be launched as part of the suite of products for Sadharon Bima Corporation in Bangladesh. This document collates all the business requirements of different stakeholders for the system to be developed in conjunction with this product launch.

***Table3: Target Audience***

## Glossary of Terms

Words, abbreviations, or terminologies that may be widely used by the insurance industry and IT department but is not common to layman terms and thereby need to be specified to allow all readers of this document to understand the same.

| **#** | **Item** | **Definition** |
| --- | --- | --- |
| 1 | D2C | Direct To Client |
| 2 | Condo | Condominiums |
| 4 | BIE | Basic Information Endorsement |
| 5 | POI | Period Of Insurance |
| 6 | NOL | Notice Of Loss |
| 7 | CP | Customer Portal |
| 8 | CRM | Customer Relationship Management |
| 9 | SI | Sum Insured |
| 10 | Bldg | Building |
| 11 | Reno | Renovation |
| 12 | SCB | Standard Charter Bank of Singapore |
| 13 | DBS | Development Bank of Singapore |
| 14 | DMS | Document Management System |
| 15 | AWPL | Automated Workflow Pte Ltd Vendor of the DMS system that FWD uses |
| 16 | RTM | Requirements Traceability Matrix |
| 17 | BAU | Business As Usual |
| 18 | GST | Government Service Tax |
| 19 | IPP | Instalment Payment Plan |
| 20 | XOL | Excess of Loss |
| 21 | FAQ | Facts and Questions |
| 22 | CSO | Customer Service Officer |
| 23 | POI | Period of Insurance |
| 24 | URL | Uniform Resource Locator / Web Address or Web Link |

***Table4: Glossary of Terms***

# Business Goals / Objective

## Business Problem / Opportunity

In Bangladesh, a large amount of property and business has ownership with a total percentage of approximately 95%. Types of Properties are mainly House, Commercial buildings, Hotel, Powerplants, Aviation Company, Shipping Corporation and Export & Imported goods etc. SBC offers insurance policy for this type of property. The policy offers financial security by covering losses or damages. Currently, there exists several misconceptions on what are being covered by insurances products in the market in terms of property structure and contents. Apart from this, false assumptions are also being made to insurance products and their coverage. With this, the business sees the opportunity to come up with insurance to address the needs of Bangladesh Domestic & Commercial market and provide more clarity to the clients on what are being covered and the detailed benefits they have.

## Business Objectives / Benefits

|  |  |
| --- | --- |
| **Objectives** | **Expected Benefits** |
| Address Market Needs | Address the market needs in the property segment of Bangladesh |
| Increase Business Revenue | Increase overall business revenue by ensuring the company covers the market needs of clients. |

***Table5: Business Objectives / Benefits***

# Scope

This is at business level and process/area scope – not system functionality scope.

## In Scope

| **Business / System Group** | **In-Scope** |
| --- | --- |
| Product Definition | * Product Basic Information * Product List * Item Attribute * Product Features * Clause Attribute * Clause Wording File * Product Memo |
| Pricing/Premium Calculation | * New Policy Premium Calculation Formula * Premium Rate Set * Additional Policy * Government Service VAT * Premium Calculation Formula in Endorsement |
| New Business for Underwriting | * Underwriting Rules * Underwriting Workflow * Endorsement |
| Endorsements | * Backend modifications/cancellations for existing issued policies * Financially Impacted   + BIE, Addition/Deletion of Optional Benefits   + BIE, Change to Sum Insured   + BIE, Addition/Deletion of Riders   + Flat Cancellation   + Mid-Term Cancellation   + Cancellation without Refund   + POI Extension/Shorten * Non-Financially Impacted   + BIE, Change of Policy Holder’s Particulars   + BIE, Change of Policy Holder’s Address |
| Claims | * Claim Rules * Claim Intimation * Claim Workflow Process * Claim Registration * Claim Calculation * Claim Settlement / Approval |
| BCP (Billing Collection & Payment) |  |
| Policy Documents | * Policy Summary(Schedule) * Insurance Contract(Policy Wording) * Debit Note |

***Table6: In Scope***

## Out of Scope

|  |  |
| --- | --- |
| **Business / System Group** | **Out-of-Scope** |
| Reinsurance | * Reinsurance will be done out of this BRS document and is currently not in the scope of this file. It will be handled separately in a new BRS . |

***Table7: Out of Scope***

# Business Process

This is a new GI system launch that will follow the existing Business Line GI products business processes of the company. There are currently no exceptional cases that needs separate business process flow to handle as compared to existing processes. As such, there will be no As-Is Process and To-Be process highlighted in this section.

# Product Definition

## Product Basic Information

Aviation Insurance covers a suite of property and liability policies that provide coverage for aerospace, airlines, aircraft and other components of the aviation network. Aviation insurance covers losses resulting from poor maintenance, property damage, loss of cargo, or injury to travelers.

|  |  |
| --- | --- |
| **Product Name** | Aviation Insurance |
| **Product Code** | AVI |
| **Line of Business** | Aviation |
| **Product Versioning Date** | Quotation Date |
| **Product Effective/Start Date** | N/A |
| **Product Expiry/End Date** | N/A |
| **Insured Type** | Single or Multiple Insured Property that may come From Civil Aviation Company |
| **Product Insured Object** | Property |
| **Policy default POI** | 365 Days |
| **Renewal Flag** | Yes |
| **Days allowed for Renewal Prior Expiry Date** | 30 Calendar Days |
| **Grace Period of Renewal** | N/A |
| **Renewal POI** | Follow Last Policy  - Update Renewal to 1 year |
| **Co-insurance** | N/A |
| **Reinsurance Inward** | Yes |
| **Multiple Currency** | Yes |
| **Default Currency** | BDT & USD |
| **Premium payment frequency** |  |
| **Payment Method Accepted** | * Cheque * Bank to Bank Transfer |

***Table8: Product Basic Information***

## Product List

|  |  |  |
| --- | --- | --- |
| **SL** | **Product List** | **Product Code** |
| 1 | Aviation Hull All Risk | AHA |
| 2 | Aviation Liability Insurance | ALI |
| 3 | Aviation Excess Liability | AEL |
| 4 | Aviation Hull War | AHW |
| 5 | Aviation Deductible Risk | ADR |
| 6 | Spares All Risk Insurance | SAR |
| 7 | Personal Accident Policy | PAP |
| 8 | Aviation In Orbit Policy | AIO |
| 9 | Drone Hull & Liability Insurance | DHL |
| 10 | Crew Personal Accident | CPA |

***Table9: Product List***

## Item Attributes

System will support to select item according to insured needed. Each Item will have different Sum Insured & Deductible.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SL No.** | **Item/Section** | **Item Code** | **Sum Insured Limit** | **Premium Rate** | **Deductible Limit** |
| 1 | Aviation Hull All Risk | AI01 | Manual | Manual | Manual |
| 2 | Aviation Liability Insurance | AI02 | Manual | Manual | Manual |
| 3 | Aviation Excess Liability | AI03 | Manual | Manual | Manual |
| 4 | Aviation Hull War | AI04 | Manual | Manual | Manual |
| 5 | Aviation Deductible | AI05 | Manual | Manual | Manual |
| 6 | Spares Risk Insurance | AI06 | Manual | Manual | Manual |
| 7 | Personal Accident Policy | AI07 | Manual | Manual | Manual |
| 8 | In Orbit Policy | AI08 | Manual | Manual | Manual |
| 9 | Drone Hull & Liability Insurance | AI09 | Manual | Manual | Manual |
| 10 | Crew Personal Accident | AI10 | Manual | Manual | Manual |

***Table10: Item Attribute***

## Product Features

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **SL No.** | **Section/Item List** | **Product** | | | | | | | | | |
| **AHAL** | **ALI** | **AEL** | **AHW** | **AD** | **SRI** | **PAP** | **IOP** | **DHLI** | **CPA** |
| 1 | Aviation Hull All Risk | 🗸 | 🗸 | 🗸 | 🗸 | × | × | × | 🗸 | × | × |
| 2 | Aviation Liability Insurance | 🗸 | O | 🗸 | × | × | O | O | 🗸 | × | 🗸 |
| 3 | Aviation Excess Liability | O | × | O | × | × | × | 🗸 | O | × | × |
| 4 | Aviation Hull War | O | O | O | O | O | O | O | O | O | 🗸 |
| 5 | Aviation Deductible | O | × | O | × | × | × | × | O | 🗸 | × |
| 6 | Spares Risk Insurance | × | × | × | × | × | 🗸 | × | × | × | 🗸 |
| 7 | Personal Accident Policy | × | × | × | × | × | × | × | × | × | 🗸 |
| 8 | In Orbit Policy | × | × | × | × | 🗸 | × | × | × |  | × |
| 9 | Drone Hull & Liability Insurance | O | × | O | × | × | × | × | O | 🗸 | × |
| 10 | Crew Personal Accident | O | × | O | × | × | × | 🗸 | O | × | × |

***Table11: Product Features***

## Clause

**Aviation Insurance Clause**: In the context of insurance or legal agreements, a clause is a specific provision or section within a document that outlines the terms, conditions, or requirements related to a particular aspect of the agreement. A clause can be a single sentence or a series of sentences, and it is designed to provide clarity and specificity to the agreement. Clauses are an important part of any legal or insurance agreement, as they help to ensure that all parties understand their obligations and responsibilities. By clearly defining the terms and conditions of the agreement, clauses help to prevent misunderstandings and disputes that can arise from ambiguous or unclear language.

Aviation insurance typically includes various clauses, depending on the specific coverage and policy. Some common aviation insurance clauses include:

1. Hull All Risks: This clause provides coverage for physical damage to the aircraft caused by accidents, theft, or other perils.
2. Liability: This clause provides coverage for bodily injury or property damage that the aircraft may cause to third parties.
3. War Risk: This clause provides coverage for damage caused by acts of war, terrorism, or other political risks.
4. Personal Accident: This clause provides coverage for the pilot, crew, and passengers in the event of injury or death resulting from an accident.
5. Passenger Liability: This clause provides coverage for bodily injury or property damage suffered by passengers while on board the aircraft.

Aviation Insurance Clauses are given below here:

**(i) From Biman Policy Hull**

­­­1. This Insurance is automatically extended to include a pro rata additional premium further Aircraft added during the currency of this Insurance provided such Aircraft are owned or operated by the Insured and are of the same type as Aircraft already covered hereunder and subject to not exceeding the maximum agreed value of USD 225,000,000 any one Aircraft and of no greater seating capacity.

2. The inclusion of additional Aircraft of other types or greater agreed values or seating capacity shall be subject to special agreement and rating by Insurers prior to attachment. Premium in respect of the attachment of any additional aircraft is to be billed at the date of attachment of the aircraft to the contract.

3. Under the Aircraft loss or physical damage Section of this Insurance Aircraft which have been sold or disposed of shall be deleted from this Insurance and the Insured shall be entitled to pro rata return of premium provided no claim has arisen and become payable in respect of such Aircraft under the Aircraft loss or physical damage Section of this Insurance and that this Insurance is not cancelled by virtue of such deletion.

4. Under the liability Section(s) of this Insurance Aircraft which have been sold or disposed of shall be deleted from this Insurance and the Insured shall be entitled to pro rata return of premium.

5. During seasonal Hajj flights maximum passenger seats may be increased by up to 20% each aircraft but subject to a maximum 550 seats any Aircraft subject to conforming to manufacturers guidelines and Certificate of Airworthiness.

6. Notwithstanding any cancellation provision contained within the Insurance, in the event that an instalment of premium is not paid by its due date the Insurers shall have the right to terminate the cover afforded by the Insurance to the Insured and any other party(ies) protected thereby, whether by endorsement or otherwise, by the giving of not less than Thirty (30) days’ notice in writing to the Insured. Notice shall be deemed to commence from the date such notice is given by the Insurers.

7. Notwithstanding the foregoing provisions for additions and deletions the premium in respect of each separate period of Flight risk insurance on any Aircraft covered during the currency of this Insurance shall in no case be less than fifteen days' pro rata premium.

8. In the event of a claim arising in respect of any Aircraft added hereto being settled on a total loss basis full twelve months' Aircraft loss or physical damage premium shall be paid hereunder in respect of such Aircraft

9. Liability shall not attach unless and until the underlying insurers shall have admitted liability for the underlying limit(s) or unless and until the Insured has by final judgement been adjudged to pay an amount which exceeds such underlying limits and then only after the underlying insurers have paid or have been held liable to pay the full amount of the underlying limit(s).

10. It is a condition of this Insurance that the underlying insurances shall be maintained in full effect during the currency of this Insurance, failing which coverage under this Insurance shall thereupon cease, except for any reduction of any aggregate limits contained therein solely by payment of claims in respect of Occurrences happening during the Period of this Insurance.

11. Upon the happening of an event likely to give rise to a claim hereunder notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof shall be given by or for the Insured to the Insurers at the address as set forth in the Wording Schedule as soon as reasonably possible. In the event of theft, robbery or pilferage the Insured shall also promptly give notice to the police.

12. If a claim is made or a suit is brought against the Insured, the Insured shall immediately forward to the Insurers every demand, notice, summons or other process received by them or their representatives.

13. The Insured shall co-operate with the Insurers and upon request will assist in making settlements, and in the conduct of suits; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

14. The Insured shall render such further information and assistance as the Insurers may reasonably require and shall not act in any way to the detriment or prejudice of the interest of the Insurers. No admission, offer, promise or payment shall be made by the Insured without the written consent of the Insurers.

15. In the event of any payment under this Insurance, the Insurers may exercise their rights of recovery against any responsible party, other than where such rights have been waived in accordance with General Condition, and will advise the Insured of their intention so to do. However, should the Insured request the Insurers not to pursue a recovery then such request will not be unreasonably denied.

16. New aircraft finance and/or lease agreements subject to Airline Finance/Lease Contract Endorsement AVN67B provisions. Such agreements in existence at the inception of this Insurance shall also be automatically included hereunder. All such agreements shall be subject to an additional premium of USD 100 per agreement, receipt of which is hereby acknowledged by Insurers, and all such additional premiums are deemed included within the premium charged for this Insurance.

17. Where required by the Insured, any new or existing finance/lease agreement can be automatically noted hereunder subject to Airline Finance/Lease Contract Endorsement AVN67C and Aircraft Finance/Lease Contract – Continuing Liability Endorsement AVN99 can automatically apply hereunder.

18. Each of the Insureds included for cover under this Insurance will be considered as a separate person or organisation, it being the intention for this Insurance to protect each such person or organisation in the same manner as though a separate insurance had been issued to each.

19. This Insurance shall be governed by and construed in accordance with the law of the

Insured’s country of domicile, as per the address shown herein, and each party agrees to

submit to the exclusive jurisdiction of the courts of the Insured’s country of domicile in any

dispute arising hereunder.

20. This Insurance may be cancelled at the request of the Insured at any time by written notice to the Insurers stating when thereafter such cancellation shall be effective. This Insurance may be cancelled by the Insurers by giving 30 (thirty) days’ notice in writing to the Insured at the address as shown in this Insurance. Such notice shall apply with effect from the time and date of its receipt by either the Insured or the Insurers.

21. In the event that this Insurance is cancelled by the Insured the Insurers shall receive or retain whichever is the greater of (i) that proportion of the minimum premium for this Insurance, calculated in accordance with the attached short rate scale or (ii) the earned premium for the period that the Insurance has been in force.

22. In the event that this Insurance is cancelled by the Insurers the Insured shall receive or retain the earned premium for the period that the Insurance has been in force.

23. If the Insurers are called upon to provide coverage to the Insured in compliance with this clause including the defence and legal costs associated therewith and if by reason of any other terms, conditions, limitations and exclusions of this Policy such coverage would not have been provided except for this clause then the Insured will reimburse the Insurers for such payments made in providing coverage hereunder.

24. If Insurers are called upon to provide coverage to the Insured in compliance with the said Air Navigation Act or Air Navigation Decree including the defence and legal costs associated therewith and if by reason of the terms, conditions, limitations and exclusions of the Insurance such coverage would not have been provided except for the provisions of this endorsement then the Insured will reimburse the Insurers for such payments made in providing such coverage.

25. Upon payment of any loss or claim to or on behalf of any Contract Party(ies), Insurers shall to the extent and in respect of such payment be thereupon subrogated to all legal and equitable rights of the Contract Party(ies) indemnified hereby (but not against any Contract Party). Insurers shall not exercise such rights without the consent of those indemnified, such consent not to be unreasonably withheld. At the expense of Insurers such Contract Party(ies) shall do all things reasonably necessary to assist the Insurers to exercise said rights.

26. Except in respect of any provision for Cancellation or Automatic Termination specified in the Insurance or any endorsement thereof, cover provided by this Endorsement may only be cancelled or materially altered in a manner adverse to the Contract Party(ies) by the Insurers giving not less than thirty (30) days’ notice in writing to the Contract Party(ies) (via the Appointed Broker, if any). Notice shall be deemed to commence from the date such notice is given by the Insurers. Such notice will NOT, however, be given at normal expiry date of the Insurance or any endorsement.

**(ii) From AVIATION HULL “WAR AND ALLIED PERILES” POLICY**

1. Including Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the authority of the Government of Country of registration of the aircraft, or any public or local authority under its jurisdiction. Subject to a sub-limit of USD 250,000,000 in the annual aggregate which is included within the annual aggregate limit applicable to this Policy.

2. This Policy will also indemnify the Insured subject to the terms, conditions, exclusions and limitations set out below, and up to the limit stated in the Schedule for:

(a) threats against any Aircraft stated in the Schedule or its passengers or crew or Spares and Equipment or arising from kidnap and ransom of its passengers or crew made during the currency of this Policy.

(b) extra expenses necessarily incurred following confiscation, etcetera (as Section One clause (e)) of any Aircraft stated in the Schedule or Spares and Equipment covered by this Policy or hi-jacking, etcetera (as Section One clause (f)) of any Aircraft stated in the Schedule or Spares and Equipment on board any such aircraft.

3. This Policy is subject to the same warranties, terms and conditions (except as regards the premium, the obligations to investigate and defend, the renewal agreement (if any), the amount of deductible or self-insurance provision where applicable AND EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or may be added to the Insured’s Hull and Spares and Equipment ‘‘All Risks’’ Policy.

4. Should there be any Material Change in the nature or area of the Insured’s operations, the Insured shall give immediate notice of such Change to the Insurers; no claim arising subsequent to a Material Change over which the Insured had control shall be recoverable hereunder unless such change has been accepted by the Insurers.

‘‘Material Change’’ shall be understood to mean any change in the operation of the Insured which might reasonably be regarded by the Insurers as increasing their risk in degree or frequency, or reducing possibilities of recovery or subrogation.

5. The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy shall be conditions precedent to any liability of the Insurers to make any payment under this Policy: in particular the Insured should use all reasonable efforts to ensure that he complies and continues to comply with the laws (local or otherwise) of any country within whose jurisdiction the Aircraft, Spares and Equipment may be, and to obtain all permits necessary for the lawful operation of the Aircraft.

6. Subject always to the provisions of Section Five, and the Schedule, this Policy follows the Insured’s Hull and Spares and Equipment “All Risks” Policy in respect of:

(i) contractual provisions, including hold harmless agreements; indemnity agreements; waivers of subrogation; additional Insureds; breach of warranty; lienholders; loss payees and assignments, and

(ii) additions to the Schedule of Aircraft, substitutions of Aircraft and amendments to Aircraft agreed values, subject to the maximum agreed value hereunder and deletions from the Schedule of Aircraft (premium adjustable at pro-rata contract terms at the end of the of the Policy Period)

7. This Policy shall be governed by and construed in accordance with the law of Bangladesh and each party agrees to submit to the exclusive jurisdiction of Bangladesh in any dispute arising hereunder.

8. If during the insured transit the oversea vessel or aircraft arrives at an intermediate place to discharge the Spares and Equipment for on-carriage by oversea vessel or by aircraft, or the goods are discharged from the oversea vessel at a place of refuge, then this coverage continues until the expiry of 15 days counting from midnight of the day of arrival of the oversea vessel or aircraft at such place, but thereafter reattaches as the Spares and Equipment and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days this coverage remains in force after discharge only whilst the Spares and Equipment and as to any part as that part is at such intermediate place.

9. In the case of the Spares and Equipment having been discharged, as the Spares and Equipment and as to any part as that part is loaded on the on-carrying oversea vessel or an on-carrying aircraft for transit.

10. This coverage shall remain in force during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to shipowners, charterers or the air carriers under a contract of affreightment or carriage.

11. In respect of sea transits this coverage includes general average and salvage charges, adjusted or determined according to the contract of affreightment and/or governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause that would have been covered by this Clause.

12. It is understood and agreed that this Policy is extended to cover as more fully set forth under those paragraph(s) identified below. It is expressly understood that no cover is provided under those paragraphs of this Clause which have not been identified below.

The Insurers agree to indemnify the Insured for

(a) any reasonable expenses incurred for the purpose of search and rescue operations for an Aircraft insured hereunder determined to be missing and unreported after the computed maximum endurance of the flight has been exceeded;

(b) any reasonable expenses incurred for the purpose of runway foaming to prevent or mitigate possible loss or damage because of malfunction or suspected malfunction of an Aircraft insured hereunder;

(c) any reasonable expenses incurred for the purpose of attempted or actual raising, removal, disposal or destruction of the wreck of an Aircraft insured hereunder and the contents thereof;

(d) any reasonable expenses which the Insured may be called upon to pay in respect of any public inquiry or inquiry by the Civil Aviation Authority or any other relevant authority into an Accident involving an Aircraft insured hereunder.

(e) any reasonable expenses incurred in fire and crash control operations related to Aircraft insured hereunder;

(f) any reasonable expenses incurred by or on behalf of the Insured arising out of a loss covered hereunder for (1) the use of an emergency procedures center and/or (2) the use of a crisis management center.

13. In the event of a claim on the Insured Property adjustable on the basis of a total loss, settlement (net of any applicable deductible) under the Lessee’s insurance shall be made to, or to the order of the Insured

14. The coverage afforded to them under the Lessee’s insurance shall not be invalidated by any act or omission of any other person or organization which results in a breach of any term, condition or warranty of such insurance provided that the Insured has not caused, contributed to or knowingly condoned the said act or omission.

15. If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Policy or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defense to the Insured or make any payment of defense costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such law or regulation.

16. In circumstances where it is lawful for an Insurer to provide coverage under the Policy, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the Insurer will take all reasonable measures to obtain the necessary authorization to make such payment.

17. In the event of any law or regulation becoming applicable during the Policy period

which will restrict the ability of an Insurer to provide coverage as specified in paragraph 1, then both the Insured and the Insurer shall have the right to cancel its participation on this Policy in accordance with the laws and regulations applicable to the Policy provided that in respect of cancellation by the Insurer a minimum of 30 days’ notice in writing be given. In the event of cancellation by either the Insured or the Insurer, the Insurer shall retain the pro rata proportion of the premium for the period that the Policy has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the Insurer, and in the absence of a more specific provision in the Policy relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the Insurer shall be effective even though the Insurer makes no payment or tender of return premium.

18. When leased engines/components are installed on aircraft insured hereunder, the agreed value of such aircraft shall be automatically increased, at nil additional premium, by the amount required to be insured under the lease agreement in respect of such engines/components for the period that such engines/components are installed. Where such amount is not specified in the lease agreement, this shall be the fair market value of such engines/components as agreed between the Insurers and the owners of the engines/components at the time of the loss. Subject always to the maximum hull agreed value not being exceeded and the benefit of salvage of the removed engine/component to Insurers hereon.

19. Where the Insured is rendered unable by any peril covered by this Policy to protect the Aircraft and/or Spares and Equipment, (hereinafter referred to as ‘Insured Property’), from damage or wear, tear or gradual deterioration or are prevented thereby from performing any service to any part of the Insured Property made necessary by the passage of time, Insurers shall cover all costs and expenses necessarily incurred to reinstate the Insured Property to its condition immediately prior to exposure to such peril subject to the maximum agreed value of the Insured Property.

**(iii) From Aviation Hull & Spare Engines Deductible Insurance**

1. In consideration of the Insured paying the Premium set out in the Schedule (the “Premium”) and subject to the terms and conditions of this policy, Underwriters will indemnify the Insured in respect of direct losses in the event of physical loss or damage occurring during the period set out in the Schedule (the “Policy Period”) to the Aircraft and Spare Engines (but only while the Spare Engines are undergoing test running) which would have been covered under the hull and spares sections of the Overlaying Policy but for the Deductible.

2. “Engine” and “Spare Engine” have the corresponding meanings as those contained in the Overlaying Policy. In the event that there is no such definition, then Engine and Spare Engine shall mean a propulsion unit for the Aircraft as designed together with all ancillaries required to operate efficiently as a propulsion unit or to drive a propeller system in the case of a turbo-prop. For the avoidance of doubt, Engine and Spare Engine shall exclude spare parts, components and any equipment not physically attached or affixed to or forming part of the propulsion unit or turbo-prop.

3. Underwriters’ Liability will be the difference between the Deductible and the Excess under this Policy (the “Excess”) as set out in the Schedule (the “Limit of Liability”).

4. In the event of any difference between the Deductible specified in the Schedule and the amount of the actual Deductible in the Overlaying Policy, the liability of Underwriters hereof is limited to whichever is the lower. Underwriters are not liable unless and until the amount of any claim hereunder exceeds the amount of the Excess.

5. In the event of an incident involving the application of more than one Deductible under the Overlaying Policy, where that policy provides that the highest Deductible shall be applied as an aggregate Deductible for all losses arising out of that incident, then the sum payable under this policy shall be limited to the difference between the Deductible applied under the Overlaying Policy and the corresponding Excess as shown in the Schedule.

6. Similarly in the event of an incident arising hereon involving the application of the same Deductible under the Overlaying Policy and more than one Excess, then the highest Excess shall be applied as an aggregate excess for all losses arising out of that occurrence.

7. This insurance is a policy of indemnity and in no event shall the amount recoverable exceed the actual cost of repair or replacement (whichever is lower) as agreed by **Underwriters**, less the **Excess**.

8. The total liability of **Underwriters** in respect of all losses occurring during the **Policy Period** shall not exceed the **Policy Aggregate** set out in the **Schedule** (the “**Policy Aggregate**”).

9. It is a condition precedent to **Underwriters**’ liability that the **Insured** observe and fulfil all of the terms, conditions and endorsements of this policy and the **Overlaying Policy**.

10. This policy is subject to the same warranties, definitions, terms, conditions and exclusions including but not limited to any provisions relating to law and jurisdiction and/or arbitration, cancellation, the identity of the **Insured**, claims notification and investigation (except in relation to the **Premium**, the renewal agreement (if any) the **Limit of liability** and except as otherwise provided herein) and as otherwise are contained in or as may be added to the **Overlaying Policy** prior to the happening of a loss for which a claim is made under this policy.

11. The **Insured** warrants that:

(a) The **Overlaying Policy** is in full force and effect for the **Policy Period** with respect to any **Aircraft** insured or the subject of a claim under this policy.

(b) Loss and damage which is the subject of any claim under this policy would have been covered by and paid under the provisions of the **Overlaying Policy** but for the application of the **Deductible**.

(c) The **Aircraft** insured under this policy have been declared to **Underwriters** and all **Premium** due under this policy have been paid, or will be paid subject to the terms and conditions hereof.

12. In the event of any conflict between the provisions of the **Overlaying Policy** and the provisions of this policy, the provisions of this policy shall prevail to the extent of the **Limit of Liability**.

13. In the event of a claim hereunder which exceeds the instalments of premium paid on this Policy, the instalments of premium then outstanding shall become payable forthwith.

14. Notwithstanding any cancellation provision contained within the Policy, in the event that an instalment of premium is not paid by its due date Insurers shall have the right to terminate the cover afforded by the Policy to the Insured and any other party(ies) protected thereby, whether by endorsement or otherwise, by the giving of not less than Thirty (30) days’ notice in writing to the Insured. Notice shall be deemed to commence from the date such notice is given by the Insurers.

15. This Policy does not cover claims caused by

(a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

(b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(c) Strikes, riots, civil commotions or labor disturbances.

(d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

(e) Any malicious act or act of sabotage.

(f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.

(g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured.

Furthermore, this Policy does not cover claims arising whilst the Aircraft is outside the control of the Insured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

16. This Policy does not cover:

(i) loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

(ii) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from:

(a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

(b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;

(c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

17. It is understood and agreed that such radioactive material or other radioactive source in paragraph 1(b) and (c) above shall not include:

(i) depleted uranium and natural uranium in any form;

(ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.

18. This Policy, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:

(i) the Insured under this Policy is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or

(ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or

(iii) the Insured under this Policy is, or had this Policy not been issued would be, entitled to indemnification from any government or agency thereof.

19. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph 2 shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Policy) be covered, provided that:

(i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;

(ii) this Policy shall only apply to an incident happening during the period of this Policy and where any claim by the Insured against the Insurers or by any claimant against the Insured arising out of such incident shall have been made within three years after the date.

20. This Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

(a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process, exchange or transfer year, date or time data or information in connection with any change of year, date or time; whether on or before or after such change of year, date or time;

(b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;

(c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time;

and any provision in this Policy concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

21. WHEREAS the Policy of which this Endorsement form’s part includes the Date Recognition Exclusion Clause (Clause AVN 2000A), it is hereby understood and agreed that, subject to all terms and provisions of this Endorsement, Clause AVN 2000A shall not apply:

1. to any accidental loss of or damage to an aircraft defined in the Policy Schedule (“Insured Aircraft”);

2. to any sums which the Insured shall become legally liable to pay, and (if so required by the Policy) shall pay (including costs awarded against the Insured) in respect of:

(a) accidental bodily injury, fatal or otherwise, to passengers caused by an accident to an Insured Aircraft; and/or

(b) loss of or damage to baggage and personal articles of passengers, mail and cargo caused by an accident to an Insured Aircraft; and/or

(c) accidental bodily injury, fatal or otherwise, and accidental damage to property caused by an Insured Aircraft or by any person or object falling therefrom.

PROVIDED THAT:

1. Coverage provided pursuant to this Endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy (except as specifically provided herein), and nothing in this Endorsement extends coverage beyond that which is provided by the Policy.

2. Nothing in this Endorsement shall provide any coverage:

(a) in respect of grounding of any aircraft; and/or

(b) in respect of loss of use of any property unless it arises out of physical damage to or destruction of property in the accident giving rise to a claim under the Policy.

3. The Insured agrees that it has an obligation to disclose in writing to the Insurers during the Policy period any material facts relating to the Date Recognition Conformity of the Insured’s operations, equipment and products.

22. After expiry of this Policy and following the receipt by the Insurers of the final adjustment of all premiums due and settlement of all Aircraft loss or physical damage claims in respect of this period of insurance and subject to renewal with the Insurers hereon, Insurers agree to return to the Insured a Profit Commission of 20% of the net ascertained profit in respect of this period of insurance.

The net ascertained profit shall be calculated by deducting the 'outgo' from the 'income' as follows:

**Income**

80% of premium paid for Aircraft loss or physical damage coverage less all returns of premium.

**Outgo**

Total of settled Aircraft loss or physical damage claims and related expenses less any salvages and recoveries.

**(iv) Drone Policy**

1. War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

2. Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

3. Strikes, riots, civil commotions or labor disturbances.

4. Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

5. Any malicious act or act of sabotage.

6. Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.

7. Hi-jacking or any unlawful seizure or wrongful exercise of control of the UAS in Flight (including any attempt at such seizure or control) of the UAS acting without the consent of the Insured.

8. The Insured shall and will at all times exercise reasonable care in seeing that the ways, implements, plant, machinery and appliances used in the Insured’s business is substantial and sound and in proper order, and fit for the purpose for which they are used, and that all reasonable safeguards and precautions against accidents are provided and used.

9. The Insured shall at all times use due diligence and do and concur in doing everything reasonably practicable to avoid accidents and to avoid or diminish any loss hereon.

10. The Insured shall comply with all air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation

of the UAS and shall ensure that.

11. The Insurers shall be entitled (if they so elect) at any time and for so long as they desire to take absolute control of all negotiations and proceedings and in the name of the Insured to settle, defend or pursue any claim.

12. Upon an indemnity being given or a payment being made by the Insurers under this Policy, they shall be subrogated to the rights and remedies of the Insured who shall co-operate with and do all things necessary to assist the Insurers to exercise such rights and remedies.

13. Should there be any change in the circumstances or nature of the risks which are the basis of this contract the Insured shall give immediate notice thereof to the Insurers and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted by the Insurers.

14. This Policy may be cancelled by either the Insurers or the Insured giving 14 days notice in writing of such cancellation. If cancelled by the Insurers they will return a pro rata portion of the premium in respect of the unexpired period of the Policy. If cancelled by the Insured a return of premium shall be at the discretion of the Insurers. There will be no return of premium in respect of any UAS on which a loss is paid or is payable under this Policy.

15. This Policy shall not be assigned in whole or in part except with the consent of the Insurers verified by endorsement hereon.

16. This Policy shall be construed in accordance with English Law and any dispute or difference between the Insured and the Insurers shall be submitted to arbitration in London in accordance with the Statutory provision for arbitration for the time being in force.

17. If the Insured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise this Policy shall become void and all claims hereunder shall be forfeited.

**(v) From AVIATION WAR, HI-JACKING AND OTHER PERILS EXCESS LIABILITY INSURANCE**

1. This Insurance does not cover:

(i) loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

(ii) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from:

(a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

(b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;

(c) ionising radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

2. It is understood and agreed that such radioactive material or other radioactive source in paragraph (1)(b) and (c) above shall not include:

(i) depleted uranium and natural uranium in any form;

(ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.

3. This Insurance, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:

(i) the Insured under this Insurance is also an insured or an additional insured under any other insurance, including any nuclear energy liability insurance; or

(ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or

(iii) the Insured under this Insurance is, or had this Insurance not been issued would be, entitled to indemnification from any government or agency thereof.

4. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph (2) shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Insurance) be covered, provided that:

(i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;

(ii) this Insurance shall only apply to an incident happening during the Period of Insurance and where any claim by the Insured against the Insurers or by any claimant against the Insured arising out of such incident shall have been made within three years after the date thereof.

5. This Insurance does not cover claims directly or indirectly occasioned by, happening through or in consequence of:

(a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,

(b) pollution and contamination of any kind whatsoever,

(c) electrical and electromagnetic interference,

(d) interference with the use of property;

unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

6. With respect to any provision in the Insurance concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend:

(a) claims excluded by Paragraph 1 or

(b) a claim or claims covered by the Insurance when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").

7. In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Insurance) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Insurance:

(i) damages awarded against the Insured and

(ii) defense fees and expenses incurred by the Insured.

8. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Insurance.

9. This Insurance does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

(a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process, exchange or transfer year, date or time data or information in connection with any change of year, date or time;

whether on or before or after such change of year, date or time;

(b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;

(c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time;

and any provision in this Insurance concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

10. The rights of a person who is not a party to this insurance or reinsurance to enforce a term of this insurance or reinsurance and/or not to have this insurance or reinsurance rescinded, varied or altered without his consent by virtue of the provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded from this insurance or reinsurance.

11. This Insurance does not cover any claims of any kind whatsoever directly or indirectly relating to, arising out of or in consequence of:

(a) the actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain, asbestos; or

(b) any obligation, request, demand, order, or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.

12. If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Insurance or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defense to the Insured or make any payment of defense costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such law or regulation.

13. In circumstances where it is lawful for an Insurer to provide coverage under the Insurance, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the Insurer will take all reasonable measures to obtain the necessary authorization to make such payment.

14. In the event of any law or regulation becoming applicable during the Period of Insurance which will restrict the ability of an Insurer to provide coverage as specified in paragraph 1, then both the Insured and the Insurer shall have the right to cancel its participation on this Insurance in accordance with the laws and regulations applicable to the Insurance provided that in respect of cancellation by the Insurer a minimum of 30 days’ notice in writing be given. In the event of cancellation by either the Insured or the Insurer, the Insurer shall retain the pro rata proportion of the premium for the period that the Insurance has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the Insurer, and in the absence of a more specific provision in the Insurance relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the Insurer shall be effective even though the Insurer makes no payment or tender of return premium.

15. To any accidental loss of or damage to an aircraft defined in the Policy Schedule (“Insured Aircraft”).

16. To any sums which the Insured shall become legally liable to pay, and (if so required by the Policy) shall pay (including costs awarded against the Insured) in respect of:

(a) accidental bodily injury, fatal or otherwise, to passengers caused by an accident to an Insured Aircraft; and/or

(b) loss of or damage to baggage and personal articles of passengers, mail and cargo caused by an accident to an Insured Aircraft; and/or

(c) accidental bodily injury, fatal or otherwise, and accidental damage to property caused by an Insured Aircraft or by any person or object falling therefrom.

17. Accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an aircraft accident occurring during the Policy period and arising out of a risk insured under the Policy.

18. Accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an accident, other than an aircraft accident, occurring during the Policy period and arising out of a risk insured under the Policy. For the avoidance of doubt, solely for the purposes of this paragraph 2 and without prejudice to the meaning of the words in any other context, “bodily injury” shall mean only physical corporeal injury and unless arising directly therefrom shall not include mental or psychological injury.

## Product Memo



# Business Rules

## Common Business Rules

Common business rule is a regulation that defines or restricts actions within Sadharon Bima Corporation. These Common Business Rules are applicable for all product and department.

## Public Sector Business Rules

SBC follows Government rules when it comes to public sector business. According to the Government rules SBC keeps 50% proportion for SBC’s own retention and rest of 50% disburse among the 45 Local Insurance Companies. After that, 45 Local Insurance Company keep their own retention according to their limit which is fixed by PSB committee then cede out to SBC. Here SBC keeps 7.5% operational charge for sharing PSB among the 45 Local Companies.

|  |  |  |
| --- | --- | --- |
| **Public Sector Business** | | |
| **Total = 100 USD** | | |
| SBC keep Retention | 50 USD | 100 USD |
| Disburse 45 Local Insurance Company | 50 USD |
| 45 Local Insurance Company Retention | 6 USD (ASSUME) |  |
| 45 Local Insurance company Cede Out to SBC | (50-6) USD | 44 USD |
| Overall SBC’s proportion | (50+44) USD | 1. SD |
|  |  |  |

## Private Sector Business Rules

In Private Sector Business SBC provide Insurance to those commercial companies *that are owned by private entities or funds.* For Private sector business SBC doesn’t follow any specific domestic rules. As an insurer SBC take 100% proportion from private company. Then SBC keep retention according to retention limit and rest of proportion cede out to Overseas Reinsurance company.

|  |  |
| --- | --- |
| **Private Sector Business** | |
| **Total = 100 USD** | |
| SBC keep Retention (According to retention limit) | 6 USD (ASSUME) |
| Cede out Overseas RI | 94 USD |

## Aviation

|  |  |  |
| --- | --- | --- |
| **#** | **Business Rule** | **Description** |
| 1 | Age Limit | 18 years old or more |
| 2 | Certification | Aerospace, Airlines, Aircraft company must have to certificate of Airworthiness (C of A) from Bangladesh Civil Aviation Authority. |

***Table12: Business Rules***

# Pricing/Premium Calculations

## New Policy Pricing Structure / Premium Calculation

Summary on how a final quoted premium is calculated for this new product.



## Premium Rate

Premium rates are input manually.

## Additional Policy

System will support to Issue Additional Policy apart from Master policy.

## Government Service VAT

This product will have a standard rate of 15% VAT charge on the Net Premium.

## Financially Impacted Endorsements Premium Formula / Calculation

Formula will be configured backend in the system and system supports to calculate automatically according to below formula.

**Addition/Deletion of Optional Benefits Endorsement.** For this type Endorsement Premium Rate would be manual.

*Remarks: Foreign Reinsurer fixes the rate for this type of endorsement.*

* **Sum Insured Increase Formula:**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Increased SI** |  | **Premium Rate** |  | **Loading** |  | **VAT(%)** |  | **Due Gross Premium** |
| Manual | \* | Manual | + | Manual | + | 15% on NP | = | Value |

* **Period Of Insurance Extension/Shorten Formula:**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sum Insured** |  | **Premium Rate of Extended Period** |  | **Loading** |  | **VAT(%)** |  | **Due Gross Premium** |
| Manual | \* | Manual | + | Manual | + | 15% on NP | = | Value |

* **Sum Insured & POI Extend Formula:**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Increased SI** |  | **Premium Rate** |  | **Latest SI** |  | **Loading** |  | **VAT(%)** |  | **Due Gross Premium** |
| Manual | \* | Manual | + | Manual | \* | Manual | + | 15% on NP | = |  |

# New Business for Underwriting

SBC has no tariff or circular for SBC Aviation product. There is only one respective department in SBC head office. So, Aviation Products Underwriting Scenario is little Different than any other department.

## Underwriting Rules

UW rules are provided by underwriting module and maintained the backend.

|  |  |  |
| --- | --- | --- |
| **#** | **Business Rule** | **Description** |
| 1 | Sum Insured | Sum Insured cross the country limit. |
| 2 | Risks Coverage | Risk coverages don’t exist in tariff or circular. |
| 3 | SBC Higher Authority Approval | SBC RI Underwriting Department has to take approval in this Underwriting process when RI UW Department getting rate from Foreign RI. |

***Table13: Underwriting Rules***

## Aviation Underwriting Workflow



***Table14: Underwriting Workflow***

1. The client collects the proposal form and fills up the proposal. Then submit it to the Aviation Department of Head Office.

2. Aviation Department review the documents and send the risk summary to Foreign RI.

3. Foreign RI sends the rate.

4. SBC Aviation Department send it to CEO of SBC for approval and fix the retention limit.

5. After getting Approval SBC Aviation Department prepare the quotation and send to the client.

6. Once client agreed on quotation SBC send billing documents and to make payment.

7. After checking all the billing documents SBC issue the Policy.

## Endorsement

Aviation product will be allowed to do the following types of Endorsements:

| **Endorsement Types** | **Description** | **Behaviour** |
| --- | --- | --- |
| BIE(Aviation) | Change of Policy Holder’s Particulars | * Allow changes to policy holder’s particulars eg. Name, Mailing Address, Contacts * Premium is Not Impacted |
| Change of Insured Address | * Allow changes to the policy holder’s insured address * For cases where the plan type is still the same i.e. no changes to the same type of policy holder type, property type and number of rooms. Just the address change it will impact on premium. * Premium is Impacted, Re-calculation of the Premium based on applicable rating factors mentioned in the Pricing section of this document will need to be done. |
| Change of Plan Type | * Not Applicable for Changing of Plan Type * Not Applicable for Premium |
| Addition/Deletion of Optional Benefits | * Allow mid-term endorsement changes to add optional benefits e.g. For Homeowners HDB Plan, client would like to remove their Optional Renovations Benefit * Premium is Impacted, Re-calculation of the Premium based on applicable rating factors mentioned in the Pricing section of this document will need to be done |
| Change to Sum Insured | * Allow endorsement for changing Sum Insured * Premium is Impacted, Re-calculation of the Premium based on applicable rating factors mentioned in the Pricing section of this document will need to be done |
| Addition/Modify of Riders | * Allow endorsement for addition or modify of riders * Premium is Impacted, Re-calculation of the Premium based on applicable rating factors mentioned in the Pricing section of this document will need to be done |
| Short-Term Cancellation | * Allow to short time cancellation * Premium is Impacted, Re-calculation of the Premium based on applicable rating factors mentioned in the Pricing section of this document will need to be done |
| POI Extension/Shorten | Extension - Change the Policy Expiry Date to extend the POI  Shorten - Change the Policy Expiry Date to shorten the POI | * Premium is Impacted, Re-calculation of the Premium based on applicable rating factors mentioned in the Pricing section of this document will need to be done * Policy allows to extend * However, for the policy extend need to provide require document. |

***Table15: Endorsement.***

# Claim

## Claim Rules

Module in Sinosoft system that allows business users to be able to do claims register and transactions based on claims from policy holders. This module will also need to be configured accordingly to ensure that it handles claims for product based in the system.

|  |  |  |
| --- | --- | --- |
| **#** | **Claim Rule** | **Description** |
| 1. | Claim Notify Time | Insured/Clients need to notify the claim within claim notify period which is mentioned on policy. |
| 2. | Period Of Insurance | Claim need to happen during insurance period. |
| 3. | Expire Time on Policy | Claim need to happen before expire time on policy. |
| 4. | Premium Payment Clearance | Premium billing must be paid. |

***Table16: Claim Rules.***

## Claim Workflow

There are two types of claim workflow in aviation:

**(i) General Aviation Claim**

**(ii) Aviation Workflow**

**(i) General Aviation Claim:**



***Table17: General Aviation Claim***

1. The Client notifies the claim with required documents in the SBC Aviation Department.
2. Then SBC Aviation Department send notify claim documents to the Foreign RI.
3. After that Foreign RI assigned to a surveyor.
4. Surveyor do survey and make a preliminary report and send it to the Foreign RI & SBC Aviation Department.
5. SBC Aviation Department & Foreign RI review the report and if any queries then send it to the Surveyor and if no queries then surveyor provide the final report.
6. After checking queries Surveyor provide a final report send it to the Foreign RI & SBC Aviation Department.
7. Foreign RI send final report to the SBC Aviation Department.
8. Then SBC Aviation Department send it to Managing Director.
9. Managing Director review the claim settlement report and send it to the Committee (Business Development Customer Service).
10. Business Development Customer Service send it to the SBC Higher Authority/Board for approval or rejection.
11. If Board reject the claim, then it sends to the SBC Aviation Department. SBC Aviation Department (Respective Officer) review the report and send it again to the Managing Director.
12. If Board accept the claim, then it sends to the SBC Aviation Department. SBC Aviation Department received the claim settlement report and sends it to the SBC Central Account.
13. SBC Central Account verify & prepare the cheque and send it to the SBC Aviation Department.
14. SBC Aviation Department received the cheque and notify the client.

**(ii) Aviation Claim On (Personal Accident) Workflow:**



***Table18:* Claim On (Personal Accident)**

* 1. The Client notifies the claim with required documents in the SBC Aviation Department.
  2. Then SBC Aviation Department hand over the claim documents to the Manager.
  3. The Manager review the claim documents and send to the Assistant General Manager (AGM).
  4. After that, The AGM review the claim documents and send to the Deputy General Manager (DGM).
  5. The DGM review the claim documents and send to the General Manager (GM).
  6. The General Manager review the review the report. If the claim is accepted then GM will check the claim settlement limit or financial claim power whereas the limit is payable it sends to the SBC Central Account. SBC central account verify & prepare the cheque and send this to Aviation Department. Aviation Department received cheque and notify the client.
  7. If the claim settlement limit is not payable then it will send to the SBC Higher Authority (Managing Director).
  8. The Managing Director review the report. If the claim is accepted then MD will check the claim settlement limit or financial claim power whereas the limit is payable it sends to the Central Account. SBC central account verify & prepare the cheque and send this to Aviation Department. Aviation Department received cheque and notify the client.
  9. If the claim settlement limit is not payable then it will send to the Committee (Business Development Customer Service). Then Committee send it to the SBC Board of Director for claim settled.
  10. If SBC Board is accepted the claim, then it sends to the SBC Central Account. SBC central account verify & prepare the cheque and send this to Aviation Department. Aviation Department received cheque and notify the client.
  11. If SBC Board is not accepted the claim, then it will send claim reject file to the Head office Aviation Department.

SBC Aviation Department received claim reject file and notify the client

# BCP (Billing Collection & Payment)

I will update this part later after confirming with customer.

# Policy Documents

## Policy (Proposal Form)

Details Of Aviation Product Insurance Proposal Form is attached below here.



## Policy Summary (Schedule, Policy Details)

Summary of the details of policyholder, policy, and plan selected. Below elements will be configured in the system, in Risk Details.

|  |  |  |
| --- | --- | --- |
| **SL No.** | **Policy Schedule Content** | **Behaviour** |
| 1 | Name of The Insured | Insured Name |
| 2 | Address of The Insured | Insured Address |
| 3 | Title | Title of The Contract |
| 4 | Policy Number | Policy Number |
| 5 | Period | Period of Insurance |
| 6 | Geographical Limits | Geographical Area Limit |
| 7 | Premium Information | Premium information of The Policy |
| 8 | Deductibles | Deductible Against Every Item |
| 9 | Address for Notices | Insurer Address |
| 10 | Schedule of Aircraft | Schedule of Aircraft as Noted by Insurers and Held on File |
| 11 | Basis of Cover | List of Every Clauses Against the Policy |
| 12 | Payment Terms | Installment Period Details |
| 13 | Description Of Every Clause against this policy | Wording of Every Selected Clause Against the Policy |
| 14 | Others Conditions |  |
| 15 | Law & Jurisdiction | Governed By and Construed in Accordance with The Law of the  Insured’s Country of Domicile |

***Table19: Policy Summary (Schedule)***

The details of each product policy Of Aviation Insurance are given below:

 