

Allianz Global Corporate & Specialty®

# Unmanned Aircraft Systems Insurance Policy



**Allianz** 

## Allianz Global Corporate & Specialty

The following are your options for reporting a claim to Allianz Global Corporate & Specialty.

We also recommend that you contact your agent or broker.

- Email: [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)
- Call: 1-800-558-1606  
(outside of the U.S., +1-314-513-1353)
- Fax: 1-888-323-6450  
(outside of the U.S., +1-314-513-1345)

- Mailing Address:

Allianz Global Corporate & Specialty  
Attn: FNOL Claims Unit  
One Progress Point Parkway  
O'Fallon, MO 63368

This policy is issued by: Allianz Global Risks US Insurance Company  
225 W. Washington Street, Suite 1800  
Chicago, IL 60606-3484

Producer:

# UNMANNED AIRCRAFT SYSTEMS INSURANCE POLICY

## DECLARATIONS

Policy Number

Previous Policy Number

This policy and any endorsements attached constitute the Unmanned Aircraft Systems Insurance Policy, issued by Allianz Global Risks US Insurance Company (hereinafter called the Company).

**ITEM 1. Named Insured:**

Mailing Address:

**ITEM 2.** Policy Period: From: Until:  
At 12:01 AM standard time at the **Named Insured's** address shown above.

**ITEM 3.** Pilots: Any pilot properly certificated by the **FAA** and approved by the **Named Insured**.

<b>ITEM 4.</b> Policy Premium:	\$
Taxes/Surcharges:	\$
Total:	\$

**ITEM 5.** The Policy may be subject to a minimum premium in event the **Named Insured** cancels this Policy prior to the expiration date shown in ITEM 2. above. This Policy is subject to a minimum premium of \$Not Applicable

**ITEM 6.** Forms and Endorsements attached to this policy as of the effective date:  
Endorsements 1 -

## **PART 1**

### **LIABILITY COVERAGES AND LIMITS**

The limit of the Company's liability provided for each coverage in **PART 1** shall not exceed:

**Coverage 1: Scheduled Aircraft**

<u>ID/Reg. Number</u>	<u>Limit of Liability - Each Occurrence Bodily Injury and Property Damage</u>
	\$1,000,000.00

**Coverage 2: Use of Non-Owned Aircraft Liability**

\$1,000,000 Each **Occurrence**

The Reporting Grace Period is 30 consecutive days.

**Coverage 3: Automatic Liability Insurance for Newly Acquired Aircraft**

\$1,000,000 Each **Occurrence**

**Coverage 4: Premises Liability**

\$1,000,000 Each **Occurrence**

**Coverage 5: Fire Legal Liability**

\$5,000 Each **Occurrence** for fire damage to Real Property

**Coverage 6: Sale of Aircraft and Aircraft Products and Services**

\$1,000,000 Each **Occurrence** and in the annual aggregate.

**Coverage 7: Contractual Agreements – subject to 30 days reporting requirement**

\$1,000,000 Each **Occurrence**.

**Coverage 8: Personal Injury:**

\$1,000,000 Each Offense and in the annual aggregate.

## **PART 2**

### **DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS OF LIABILITY CLAIMS**

See **page 4** of form, AGCS-UAS 1400 (09-15).

## **PART 3**

### **PHYSICAL DAMAGE COVERAGE AND LIMITS**

#### **Coverage 9: Physical Damage to Scheduled Aircraft**

ID/Reg No.	Make & Model	Year Built	Insured Value*	Deductible
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\*N/C means Not Covered

## **PART 4**

### **ADDITIONAL COVERAGES AND LIMITS**

#### **Coverage 10: Unexpected Landing Event**

25 percent (25%) of the **Insured Value** or \$1,000, whichever is least, each unexpected landing event, subject to a policy aggregate of \$2,500.

**Coverage 10** shall apply only as respects **Scheduled Aircraft** covered under **Coverage 9, Physical Damage to Scheduled Aircraft**

## **PART 5**

### **MEDICAL EXPENSES AND LIMITS**

#### **Coverage 12: Medical Payments**

\$5,000	Each Person in any one accident and subject to a total of
\$50,000	for all Medical Payments in any one accident.

**THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.**

**In Witness Whereof**, we have caused this policy to be executed and attested.



Secretary



President

If required by law, this policy is countersigned by:

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The Company agrees with the **Named Insured**, with respect to those coverages shown in the Declarations, subject to the terms of this policy, in return for the payment of premium, and in reliance upon statements in the application, as follows:

## **PART 1 - LIABILITY COVERAGES**

### **Coverage 1 - Scheduled Aircraft**

The Company will pay on behalf of the **Insured** all sums that the **Insured** becomes legally obligated to pay as damages because of **Bodily Injury** and **Property Damage**, caused by an **Occurrence** during the policy period, arising out of the ownership, maintenance, or use of a **Scheduled Aircraft**.

### **Coverage 2 - Use of Non-Owned Aircraft**

The Company will pay on behalf of the "insured," as defined below for purposes of this **Coverage 2**, all sums that the "insured" becomes legally obligated to pay as damages, because of **Bodily Injury** and **Property Damage** caused by an **Occurrence** during the policy period, arising out of the use of **Non-Owned Aircraft** by or on behalf of the "insured."

#### **Applicable To Coverage 2**

For this coverage part, "insured" means with respect to any **Non-Owned Aircraft**, the **Named Insured** and any director, executive officer, employee, partner, or agent of the **Named Insured**, if such person is acting in that capacity at the time of the loss. However, no entity or person is an "insured" while using an aircraft that such entity or person owns in whole or in part, or as to which such entity or person holds a lease purchase option, or that is registered to that entity or person or to any member of such person's household.

#### **Conditions Applicable To Coverage 2**

1. The insurance provided by **Coverage 2** does not apply to claims or losses arising out of an "insured's" product liability hazard or out of any products designed, manufactured, sold, distributed, serviced, or handled by or on behalf of an "insured."
2. When the Insurance Department, or its equivalent, of the **Named Insured** is advised of the exclusive lease or use of any **Non-Owned Aircraft** for a period exceeding the "reporting grace period" shown in the Declarations, it shall report such lease or use to the Company. The Company may charge an additional premium for this lease or use.
3. The insurance provided by **Coverages 2** is secondary and **Excess Insurance** to any other insurance available to the **Insured** covering the loss.

### **Coverage 3 - Automatic Liability Insurance for Newly Acquired Aircraft**

If, during the policy period, the **Named Insured** becomes the owner of an aircraft in addition to the **Scheduled Aircraft**, or becomes the exclusive lessee of such additional aircraft and is required by lease to provide this insurance, and if the **Named Insured** reports such acquisition or lease to the Company within thirty (30) days, then the liability insurance afforded by this policy will apply to the additional aircraft at the time of transfer of ownership or upon the effective date of the lease. Unless otherwise agreed in writing by the **Named Insured** and the Company, the limits of liability applicable to the additional aircraft will be as shown in the Policy Declarations. The **Named Insured** agrees to pay any required additional premium because of the addition of the newly acquired aircraft.

This Coverage 3 shall apply to Newly Acquired Aircraft having a gross weight equal to or less than the highest gross weight **Scheduled Aircraft**, or 25 pounds, whichever is greater.



#### Coverage 4 – Premises Liability

The Company will pay on behalf of the **Insured** all sums that the **Insured** becomes legally obligated to pay as damages because of **Bodily Injury** and **Property Damage**, caused by an **Occurrence** during the policy period arising out of the ownership, maintenance, or use of **Premises**.

The limit for **Coverage 4** is part of and not in addition to the limits of liability shown in **Coverage 1** or **2** above, whichever applies to the loss.

The insurance provided by **Coverage 4** is secondary and **Excess Insurance** over any other insurance available to the **Insured** covering the loss.

#### Coverage 5 – Fire Damage to Real Property

The Company will pay on behalf of the **Insured** all sums that the **Insured** becomes legally obligated to pay as damages arising out of **Property Damage** to structures, or portions thereof, rented to or leased to the **Named Insured**, including permanently attached fixtures, if such **Property Damage** arises out of fire. This coverage shall not apply to any liability assumed under any contract or agreement.

The limit for **Coverage 5** is part of and not in addition to the limits of liability shown in **Coverage 1** or **2** above, whichever applies to the loss.

The insurance provided by **Coverage 5** is secondary and **Excess Insurance** over any other insurance available to the **Insured** covering the loss.

#### Coverage 6 - Sale of Aircraft and Aircraft Products and Services

The Company will pay on behalf of the **Insured** all sums that the **Insured** becomes legally obligated to pay as damages because of **Bodily Injury** and **Property Damage**, caused by an **Occurrence** during the policy period, arising out of:

1. the **Named Insured's** sale (or relinquishment from an exclusive written lease) of a **Scheduled Aircraft** or any aircraft sold or relinquished prior to the policy period, or
2. the **Insured's** provision to others, without intentionally profiting therefrom, of any materials, parts, equipment, fuel, or maintenance services used for or in connection with **Aircraft** or **Premises**, or
3. the **Insured's** provision to others, without intentionally profiting therefrom, of food or beverages in connection with the operation of **Aircraft** or **Premises**.

This insurance provided by **Coverage 6** is secondary and **Excess Insurance** of any other insurance available to the **Insured** covering the loss. In addition, such coverage applies only if the **Bodily Injury** or **Property Damage** occurs away from the **Insured's** premises, the **Insured** no longer has physical possession of the **Aircraft**, materials, parts, equipment, fuel, food, or beverages, and any services provided by the **Insured** have been completed.

#### Coverage 7 - Contractual Agreements

The Company will pay on behalf of the **Insured** all sums that the **Insured** becomes legally obligated to pay as damages because of **Bodily Injury** and **Property Damage**, caused by an **Occurrence** during the policy period, arising out of liability assumed by the **Named Insured** or its legal representative in a contract or agreement relating to the **Insured's** ownership, maintenance, or use of **Scheduled Aircraft** or to the **Insured's** use of **Non-Owned Aircraft**.

**The Company's Rights of Recovery** (as shown in **Part 10** of this policy) with respect to **Physical Damage** of property covered by this policy will not apply to the extent that such rights are addressed in a contract or agreement entered into by the **Named Insured** or its legal representative.

This **Coverage 7** applies only to contracts and agreements that first have been submitted to, and accepted by, the Company. A copy of any such contract or agreement must be submitted to the Company as soon as possible after it comes to the attention of the **Named Insured's** Insurance Department, or its equivalent. The Company may charge an additional premium for any such contract or agreement as may be agreed with the **Named Insured**.

Submission and acceptance is not required with respect to military or governmental agreements for the use of an airport, lease of premises agreements, or agreements already submitted to and accepted by the Company prior to the effective date of this policy.

This **Coverage 7** does not apply to any liability assumed:

1. under an oral contract or agreement, other than a contract or agreement that a military or governmental body requires in order for the **Insured** to be allowed the use of an airport;
2. under a written contract or agreement:
  - a) that is with or for the benefit of any manufacturer of aircraft or of aircraft parts or equipment, or with or for the benefit of such manufacturer's employees or agents, to the extent that the written contract or agreement relates to their products liability hazard;
  - b) that relates to the sale of an aircraft;
  - c) that relates to a loss and is entered into after that loss has already occurred.

The limit for **Coverage 7** is part of and not in addition to the limits of liability shown in **Coverage 1** or **2** above, whichever applies to the loss.

### **Coverage 8 - Personal Injury**

The Company will promptly pay on behalf of the **Insured** all sums that the **Insured** becomes legally obligated to pay as damages because of **Personal Injury**, caused by an offense during the policy period, arising out of the ownership, maintenance, or use of covered **Aircraft** or **premises**.

This **Coverage 8** does not apply to offenses arising out of or relating to:

1. willful violation of a criminal statute or ordinance, committed by or with the consent of the **Insured** or
2. any type of hiring, termination or other employment practices.

The limit for **Coverage 8** is part of and not in addition to the limits of liability shown in **Coverage 1** or **2** above, whichever applies to the loss.

## **PART 2 - DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS OF LIABILITY CLAIMS**

The Company shall have the right and duty to defend any suit against the **Insured** seeking damages because of **Bodily Injury**, **Personal Injury**, or **Property Damage** covered by this policy, even if the allegations of such suit are false, fraudulent, or groundless. The Company may make any investigation and settlement of any claim or suit that it believes to be expedient. The Company shall not be obligated to pay any expense, claim, or judgment or to defend any suit after the applicable limit of liability has been exhausted by the payment of judgments or settlements.

The Company will pay, in addition to the applicable limit of liability:

1. all the Company's expenses, all costs taxed against the **Insured** in any suit the Company is required to defend, and:
  - a) pre-judgment interest awarded against the **Insured** on that part of a judgment the Company is required to pay under the terms of this policy,
  - b) interest on the amount of any judgment that the Company is required to pay under the terms of this policy that accrues after the entry of the judgment and before the Company has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance, and
  - c) costs of any required or permissible arbitration with respect to any claim that alleges damages covered by this policy;

2. premiums on required appeal bonds or on bonds to release or prevent attachments in any suit defended by the Company, provided, however, that the Company has no obligation to pay premiums on the portion of any such bond that exceeds the applicable limit of liability, and provided further that the Company has no obligation to furnish or apply for any such bonds,
3. the cost of bail bonds, up to \$10,000. for each incident, required of the **Insured** because of an **Occurrence** or a law or regulation relating to civil aviation arising out of the use of aircraft or premises, provided, however, that the Company has no obligation to furnish or apply for any such bonds,
4. expenses incurred by the **Insured** for emergency first aid or other medical and surgical relief that is rendered at the time of an **Occurrence** because of **Bodily Injury** covered by this policy,
5. all reasonable expenses incurred by the **Insured** at the Company's request or that have been approved in advance by the Company provided, however, that the Company will not pay more than \$500.00 per day for each of the **Insured's** employees for the loss of earnings.

### PART 3 - PHYSICAL DAMAGE COVERAGES

#### Coverage 9 - Physical Damage to Scheduled Aircraft

The Company will at its option pay for, replace or repair, **Physical Damage** to a **Scheduled Aircraft** (minus any applicable deductible) including disappearance or theft thereof that happens during the policy period and results in no recovery of the **Scheduled Aircraft** for ten (10) days.

If the Company exercises its option to replace the **Aircraft** the replacement aircraft shall be of the same make and type and in reasonably like condition unless otherwise agreed with the **Insured**.

### PART 4 - ADDITIONAL COVERAGES

#### Coverage 10 – Unexpected Landing Event

If an unexpected event causes a **Scheduled Aircraft** to make a landing at a location from where it cannot be safely recovered, and regardless of whether the **Scheduled Aircraft** sustains **Physical Damage**, the Company will pay up to the Company's limit of liability as shown for Coverage 10 on the Policy Declarations to have the **Scheduled Aircraft** recovered and returned to the **Named Insured** at the location from where it was recovered or launched. **Coverage 10** shall apply only as respects **Scheduled Aircraft** covered under **Coverage 9, Physical Damage to Schedule Aircraft**.

### PART 5 - MEDICAL EXPENSES

#### Coverage 11 - Medical Payments for Scheduled and Non-Owned Aircraft and Premises

The Company will pay all reasonable medical expenses incurred, within one year following the date of injury, by each person who sustains **Bodily Injury** caused by an **Occurrence** during the policy period and arising out of the **Named Insured's** ownership, maintenance or use of **Scheduled** and **Non-Owned Aircraft** and **premises**. This provision applies without regard to legal liability for such injury.

#### Conditions Applicable to Coverage 11

1. As soon as practicable after request, the injured person or a person acting on the injured person's behalf will provide written proof of claim to the Company. Such proof of claim shall be provided under oath. The injured person or his or

her representative will authorize the Company to obtain medical reports and copies of records. The injured person will submit to physical examination by physicians selected by the Company as the Company may reasonably require.

2. The Company may pay the injured person or any person or organization rendering the medical services. Payments made under these sections do not constitute an admission of liability of the Company or of any person or organization.
3. The total liability of the Company for all **Medical Expenses** incurred by or on behalf of each person who sustains **Bodily Injury** is limited to the limit of liability stated in the Declarations for that person.

## PART 6 - POLICY DEFINITIONS

When appearing in bold face print in this policy the following definitions apply:

**"Aircraft"** means any **Scheduled Aircraft** and its associated equipment required for its operation including its remote control. The definition includes the aircraft's propulsion system as well as all parts and equipment that are permanently installed. Special equipment, if any, such as cameras, sensors, monitoring equipment and the like do not form part of the **Aircraft** and will be considered **Payload** and must be declared and insured separately on a "Special Equipment Endorsement" attached to this policy. **Aircraft** does not include any **payload**.

**"Bodily Injury"** means physical injury sustained by any person, caused by an **Occurrence** during the policy period, including sickness, disease, mental anguish, and death at any time resulting therefrom. Mental anguish does not include **Personal Injury**.

**"Dispensable Load"** means items carried in, on or suspended from an **aircraft** intended to be released while **in flight**. Dispensable Load is not **payload**.

**"Excess Insurance"** means insurance that only applies when all other valid and collectible insurance, including any formal self-insurance program or self-insured retention plan, available to the **Insured** has been exhausted (other than insurance that is specifically purchased by the **Named Insured** to apply as excess over this policy). If the other insurance is written through the Company as primary insurance, the total limit of the Company's liability will not exceed the limit of whichever policy has the highest limit.

**"Federal Aviation Administration (FAA)"** means the duly constituted authority of the United States of America having jurisdiction over civil aviation in the United States of America or its duly constituted equivalent in any other country.

**"In-Flight"** means, with respect to fixed-wing aircraft, the time commencing from take-off/launch of the aircraft and continuing until it has completed its landing/recovery. With respect to rotorcraft, it means any time the rotors are moving under power for lift-off or flight, until the rotors cease moving after landing. With respect to any other aircraft, it is any time the aircraft is off a supporting surface as a result of propulsion, buoyancy, or aerodynamic reaction.

**"Insured"** means:

1. for all coverages the **Named Insured** and
2. as respects PART 1 – LIABILITY COVERAGES the following are **Insureds** if the **Named Insured** is:
  - a) an individual, you and your spouse, but only with respect to the conduct of a business of which you are the sole owner. Your employees, if any, but only as respects their duties as such;
  - b) a partnership or joint venture: your members, your partners, and their spouses, but only with respect to the conduct of your business. Your employees, if any, but only as respects their duties as such;
  - c) a limited liability company: Your members, but only with respect to the conduct of your business. Your managers, but only with respect to their duties as such.
  - d) A trust: your trustees and employees, but only as respects their duties as such;
  - e) A public entity: your boards, commissions or agencies and their elective or appointive officers or members thereof, employees, and volunteer workers but only with respect to the conduct of your business.

- f) an organization other than a partnership, joint venture limited liability company, trust or public entity: Your subsidiary companies, corporations, firms, affiliates, organizations, including joint ventures of the **Named Insured** which are at least 51% owned, financially controlled or under your management control but only with respect to the conduct of your business. Your executive officers and directors, but only with respect to their duties as your officers or directors. Your stockholders, but only with respect to their liability as stockholders. Your employees but only as respects their duties as such
3. Any person or organization for which the **Named Insured** is providing services covered under this policy shall be an additional **Insured** solely as respects the insurance provided under **PART ONE – LIABILITY COVERAGES** and as respects the operations of the **Named Insured**. In addition, the Company waives its right of recovery under **Physical Damage**, but only to the extent the **Named Insured** has waived its rights of recovery against the person or organization for whom the services are provided.

The insurance extended under this paragraph 3. shall not apply to, and the person or organization is not insured for **Bodily Injury** or **Property Damage** which arises from the design, manufacture, modification, repair, sale, or servicing of aircraft, aircraft parts, or any other product by that person or organization.

**"Insured Value"** means the amount shown under **Coverage 9** of **PART 3 - PHYSICAL DAMAGE COVERAGE AND LIMITS**

**"Loss"** means **Physical Damage**.

**"Medical Expense"** means expenses for necessary medical, surgical, x-ray, and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing, and funeral services.

**"Named Insured"** means the person(s) or organizations(s) shown in **ITEM 1.** of the Declarations.

**"Non-Owned Aircraft"** means any Unmanned Aircraft having a gross weight equal to or less than the highest gross weight **Scheduled Aircraft**, or 25 pounds, whichever is greater, except:

1. an aircraft owned in whole or in part by or registered to the **Named Insured**,
2. a **Scheduled Aircraft**.

**"Occurrence"** means an accident, including continuous or repeated exposure to conditions, that results in **Bodily Injury** or **Property Damage** neither expected nor intended by the **Insured**. However, the definition will include **Bodily Injury** or **Property Damage** resulting from efforts to prevent dangerous interference with any covered aircraft operations.

**"Partial Loss"** means any **Physical Damage loss** that is not a **Total Loss**.

**"Payload"** means removable cameras, sensors or other equipment designed to enhance the utility of the **aircraft**. Payload shall not be considered a part of any **scheduled aircraft's insured value**. Payload does not include **dispensable loads**.

**"Personal Injury"** means any of the following offenses committed during the policy period:

1. false arrest, detention, or imprisonment,
2. malicious prosecution,
3. wrongful entry or eviction,
4. invasion of the right of private occupancy,
5. libel or slander, except if the libel or slander is committed with the insured's consent and known by the **Insured** to be false, or,
6. any negligent act, error or omission committed, or alleged to have been committed, in an advertisement, publicity article, broadcast or telecast and arising out of the **Named Insured's** aviation advertising activities, that results or allegedly results in:
  - a) infringement of copyright, title or slogan,
  - b) piracy or plagiarism,
  - c) unfair competition,
  - d) misrepresentation under an implied contract, or
  - e) an invasion of a right of privacy.

**"Physical Damage"** means accidental, direct physical loss of or damage to **Scheduled Aircraft** during the policy period, but it does not include the loss of use or any residual depreciation in value either before or after any repairs have been made.

**"Premises"** means the portions of airports, buildings, or other areas used by the **Named Insured** directly in connection with the ownership, operation, maintenance, or use of any **Aircraft**.

**"Property Damage"** means accidental damage to or destruction of the tangible property of others during the policy period caused by an **Occurrence** during the policy period and the resultant loss of use of the property. **Property Damage** also includes the loss of use of the tangible property of others that is not physically damaged but that is caused by an **Occurrence** during the policy period.

**"Salvage Value"** means the value of the damaged property prior to any repairs.

**"Scheduled Aircraft"** means any aircraft listed under **Coverage 1** of **Part 1** of the **Declarations** – for **Scheduled Aircraft** in the **Declarations** or any aircraft covered under **Coverage 3 – Automatic Insurance for Newly Acquired Aircraft**.

**"Total Loss"** means any **Physical Damage loss** for which the cost to repair, when added to the salvage value, equals or exceeds:

- a) the **Insured Value** of a **Scheduled Aircraft**, or
- b) the actual cash value of any other insured property.

Theft of the property or disappearance of the entire aircraft for more than ten (10) days shall be considered a total loss.

## PART 7 - EXCLUSIONS

This policy does not apply:

1. under any Coverage Part:
  - a) to **Bodily Injury, Property Damage** or **Personal Injury** expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **Bodily Injury** or **Property Damage** resulting from the use of reasonable force to protect persons or property;
  - b) to liability assumed by the **Insured** in any type of agreement except as provided by **Coverage 7 – Contractual Agreements**;
  - c) to any obligation for which the **Insured** or its insurance carrier may be held liable under any workers' compensation, unemployment compensation, or disability benefits law or under any similar law;
  - d) to **Bodily Injury** or **Personal Injury** to any employee of the **Insured** arising out of and in the course of his or her employment by the **Insured**, or to any claims for **Bodily Injury** as a consequence thereof. This exclusion does not apply to liability assumed by the **Insured** in any agreement required by a military or governmental authority as a prerequisite to the **Insured's** use of an airport or airport facility;
  - e) to any **Insured** while the aircraft is **In-Flight** and being piloted by someone other than the pilot or pilots designated in the **Declarations**;
  - f) to **Bodily Injury** or **Property Damage** resulting from the release of a **dispensable load** from the **aircraft**. Provided the **dispensable load** contains no munitions in whole or part, this exclusion shall not apply to any claim for **Bodily Injury** or **Property Damage** resulting from a crash, fire, explosion or collision of aircraft, or from a recorded **in-flight** emergency causing abnormal aircraft operation;
  - g) to the release or discharge of Munitions whether intentional or unintentional;
  - h) to any person or passenger riding or attempting to ride in or on any **Aircraft**;
  - i) while the **Aircraft** is being used for any illegal purpose;
  - j) to **Bodily Injury, Property Damage**, loss, or destruction of or damage to any property whatsoever or any loss or expense whatsoever, any consequential loss, or any legal liability of whatsoever nature directly or indirectly caused by, contributed to, or resulting or arising from:

- 1) The radioactive, toxic, explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- 2) 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;
- 3) Ionizing radiations or contamination by radioactivity from, or the toxic, explosive, or other hazardous properties of any other radioactive source whatsoever.

It is understood and agreed that such radioactive material or other radioactive source in exclusion 1. j) 2) or 3). above shall not include:

- 4) Depleted Uranium and natural Uranium in any form;
- 5) Radioisotopes that have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial, educational, or industrial purpose.

Loss, destruction, damage, expenses, or legal liability in respect of the nuclear risks not excluded by reason of exclusion 1. j), 2) or 3) shall (subject to all other terms, conditions, limitations, warranties, and exclusions of this policy) be covered, provided as follows

- 6) In the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereof, 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.
- 7) This policy shall only apply to an incident happening during the policy period and where any claim by the **Insured** against the Company or by any claimant against the **Insured** arising out of such incident shall have been made within three (3) years after the date thereof.
- 8) In the case of any claim for the loss of or destruction to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale.

<p>Emitter (IAEA Health and Safety Regulations)</p>	<p><u>Maximum permissible level of non-fixed radioactive surface contamination</u>  (Averaged over 300 cm<sup>2</sup>)</p>
<p>Beta, gamma and low toxicity alpha emitters</p>	<p>Not exceeding 4 Becquerels/cm<sup>2</sup> (10<sup>-4</sup> microcuries/cm<sup>2</sup>)</p>
<p>All other alpha emitters</p>	<p>Not exceeding 0.4 Becquerels/cm<sup>2</sup> (10<sup>-5</sup> microcuries/cm<sup>2</sup>)</p>

- 9) The coverage afforded by this exclusion j) may be cancelled at any time by the Company giving seven (7) days notice of cancellation.
- 10) 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:
  - (a) the **Insured** under this policy is also an **Insured** or an additional **Insured** under any other insurance policy, including any nuclear energy liability policy;
  - (b) any person or organization is required to maintain financial protection pursuant to legislation in any country;
  - (c) the **Insured** under this policy is, or had this policy not been issued would be, entitled to indemnification from any government or agency thereof.

k) to claims caused by any of the following:

- 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:
  - (a) detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction and any radioactive contamination and electromagnetic pulse resulting directly from such detonation, or
  - (b) use of radioactive contamination or matter, or
- 3) strikes, riots, civil commotions, or labor disturbances;
- 4) any malicious act or act of sabotage;
- 5) confiscation, nationalization, seizure, restraint, detention, appropriation, or requisition for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority;
- 6) hijacking or any unlawful seizure or wrongful exercise of control of the **Aircraft** or ground crew in flight (including any attempt at such seizure or control) made by any person or persons acting without the consent of the **Insured**.
- 7) claims arising while 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**.

Provided however, this exclusion as enumerated above shall not apply to a “**non-certified act of terrorism**” as defined below unless:

- a. for Physical Damage Coverages, the acts of terrorism result in industry-wide insured losses that exceed \$25,000,000 for related incidents that occur within a 72 hour period;
- b. for Liability Coverages, the acts of terrorism result in industry-wide insured losses that exceed \$25,000,000 for related incidents that occur within a 72 hour period; or fifty or more persons sustain death or serious injury for related incidents that occur within a 72 hour period. For purposes of this endorsement, serious injury means:
  - i. Physical injury that involves substantial risk of death;
  - ii. Protracted and obvious physical disfigurement; or
  - iii. Protracted loss of or impairment of the function of a bodily member or organ.

“**Non-certified act of terrorism**” means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act and as amended.

Provided further, this exclusion as enumerated in k) 1) – 7) above shall not apply to a “**Certified Act of Terrorism**” as defined below.

“**Certified Act of Terrorism**” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of **Terrorism** pursuant to the federal Terrorism Risk Insurance Act of 2002 and as amended with the Terrorism Risk Insurance Program Reauthorization Extension Act of 2007 (including subsequent acts of Congress pursuant to the Act).

The Terrorism Risk Insurance Act sets forth the following criteria for a **Certified Act of Terrorism**:

- a. The act resulted in aggregate insured losses in excess of \$5 million; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.



- c. Any certification of, or determination not to certify, an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- d. The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

l) to claims for the following:

- 1) any liability, including liability arising out of or assumed under contract, or any injury, loss, or damage, including, but not limited to, fear of any injury, loss, or damage, **Bodily Injury**, fear of **Bodily Injury**, **Personal Injury**, advertising injury, sickness, disease, occupational disease, disability, shock, death, mental anguish, mental injury, **Property Damage**, or any loss, cost or expense, loss of use including grounding, or any other claim, cost, or expense, including any costs associated with medical monitoring in connection with injury, loss, or damage, or fear of injury, loss, or damage whatsoever directly or indirectly arising out of, resulting from, caused or occasioned by, happening through, in consequence of, or in any way involving or related to asbestos or the use of or exposure to asbestos, including the failure of any product or material containing asbestos, or the existence or presence of asbestos in any place or thing or in the atmosphere, land, or any watercourse or body of water;
- 2) any damages or any loss, cost, or expense arising out of any claim or suit by or on behalf of any governmental authority or any other allegedly responsible party or any request, demand, order, or statutory or regulatory requirement that any **Insured** or any other person or entity should be or is responsible for:
  - (a) assessing the presence, absence, amount, or effects of asbestos,
  - (b) identifying, sampling, testing for, detecting, monitoring, cleaning up, containing, treating, detoxifying, neutralizing, abating, disposing of, mitigating, or removing asbestos or any product or material containing asbestos,
  - (c) responding to asbestos or the potential effects of asbestos in any way other than as described in subparagraph 2) (a) or (b) above or
  - (d) any supervision, instructions, recommendations, warnings, or advice given or that should have been given in connection with paragraphs 2) (a), (b), or (c) of this Exclusion.

This exclusion l) shall not apply to any claim for **bodily injury** or **property damage** resulting from a crash, fire, explosion or collision of **Aircraft**, or from a recorded **in-flight** emergency causing abnormal aircraft operation.

- m) to any liability including liability arising out of or assumed under contract, or any injury, loss, or damage, including **Bodily Injury**, fear of **Bodily Injury** damage, or fear of damage, personal injury, advertising injury, sickness, disease, occupational disease, disability, shock, death, mental anguish, mental injury, **Property Damage**, or any loss, cost or expense, loss of use including grounding, or any other claim, cost or expense whatsoever, directly or indirectly arising out of, resulting from, caused or occasioned by, happening through, in consequence of, or in any way involving any of the following:
  - 1) noise (whether audible to the human ear or not), vibration, sonic boom, and any phenomena associated with the foregoing,
  - 2) pollution or contamination of any kind whatsoever, or the exposure to pollution or contamination, or the fear of exposure to or the effects of pollution or contamination or the existence of pollution or contamination in any place or thing or in the atmosphere, land, or any watercourse or body of water, as well as any claim or suit by or on behalf of or any direction, demand or request or any statutory or regulatory requirement, or any voluntary decision, by or on behalf of any governmental authority or other alleged responsible party, that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of pollutants or contaminants,
  - 3) electrical or electromagnetic emission or interference of any kind whatsoever,
  - 4) interference with the use of property, or
  - 5) mold.

For purposes of this Exclusion the following definitions apply:

"Pollution or contamination" means any actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration, disposal, or the mere presence of pollutants or contaminants in any form.

"Pollutants or contaminants" means any pollutant, contaminant, or irritant, including, without limitation, any solid, liquid, gaseous, or thermal pollutant, contaminant, or irritant, or any air emission, smoke, vapor, soot, fume, acid, alkali, chemical, or nuclear material alleged to be a possible or probable carcinogenic, odor, oil or other petroleum product, fungus (including mold or mildew or any mycotoxin, spore, scent, or byproduct produced or released by fungi, other than any fungi intended by the **Insured** for human consumption), or "waste" of any kind whatsoever, including solid waste, waste water, waste oil, infectious medical waste, and human, animal or vegetable waste.

"Waste" means any waste including material to be recycled, reconditioned, or reclaimed, whether or not the material has been disposed of by the **Insured** or any person handling the waste.

With respect to any provision in the policy concerning any duty of the Company to investigate or defend claims, such provision shall not apply and the Company shall not be required to defend claims excluded by this exclusion m).

A claim or claims covered by the policy, when combined with any claims excluded by this Exclusion m) are referred to below as "Combined Claims."

In respect of any "Combined Claims", the Company shall (subject to proof of loss and the limits of the policy) reimburse the **Insured** for that portion of damages awarded against the **Insured**, plus defense fees and expenses incurred by the **Insured**, which may be allocated to the claim or claims covered by the policy.

This exclusion m) shall not apply to any claim for **bodily injury** or **property damage** resulting from a crash, fire, explosion or collision of aircraft, or from a recorded **in-flight** emergency causing abnormal **Aircraft** operation.

- n) to any claim for **Property Damage, Bodily Injury**, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud, or otherwise) of any nature whatsoever arising from, occasioned by, or in consequence of (whether directly or indirectly and whether wholly or partly):

- 1) any actual or alleged failure, malfunction or inadequacy of:

- (a) any of the following, whether belonging to any **Insured** or to others, whether or not part of any computer system or whether in the possession of the **Insured** or of any third party:

- (1) computer hardware, including microprocessors,
- (2) computer application software,
- (3) computer operating systems and related software,
- (4) computer networks,
- (5) microprocessors, computer chips, or integrated circuits or other information technology equipment or systems.

- (b) any other products or systems and any services, data, or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph 1) (a). of this exclusion;

due to the inability to correctly recognize, process, distinguish, interpret or accept any change of year, date or time;

However, this Exclusion 1., n), 1) shall not apply to any sums which the **Insured** shall become legally liable to pay as damages because of **Bodily Injury** or physical injury to or destruction of tangible property resulting from a covered **Occurrence**.

- 2) any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by the **Named Insured** or for the **Named Insured** to determine, rectify, or test for any potential or actual problems described in paragraph 1) of this exclusion n).

- o. to liability which in the absence of this insurance is assumed by the United States Government under any contract or agreement with the **Named Insured**, or which is otherwise assumed by the United States Government.

2. under **PART 1 - Liability Coverages** and **PART 2 - Defense, Settlement, and Supplementary Payments** of Liability Claims for **Property Damage** to property owned, occupied, used, rented, or transported by, or in the care, custody, or control of, an **Insured**.

3. under **PART 1 – Liability Coverages, PART 2 – Defense, Settlement and Supplementary Payments of Liability Claims, and PART 5 – Medical Expenses**, to any **Insured** who is also **Insured** under any contract of nuclear energy liability insurance, in effect at the time of the **Occurrence**, issued by the Nuclear Energy Liability Insurance Association or the Mutual Atomic Energy Liability Underwriters that covers the claim, loss, damage, or expense, or that would cover the claim, loss, damage, or expense if such policy's limits of liability were not exhausted;
4. under **PART 3 – Physical Damage Coverages**, to any loss, damage, claim, or expense:
  - a) that is due to, and confined to, wear and tear, rust, corrosion, deterioration, or mechanical or electrical breakdown of the insured property or its equipment, components, accessories, or tires, unless the damage is caused by fire, malicious mischief, vandalism, or theft or unless the loss or damage is the direct result of other **Physical Damage**, including **ingestion**, covered by this policy. Damage resulting from the breakdown, failure, or malfunction of an engine component, accessory, or part is considered "mechanical breakdown" of the entire engine;
  - b) to any of the **Aircraft's** motors or engines (including any turbine-powered auxiliary power units) caused by heat resulting from starting, attempted starting, operation, or shutdown thereof;
  - c) caused by the embezzlement, secretion, or conversion of the insured property;
  - d) due to depreciation in the value of, or arising from the loss of use of, the insured property;
  - e) to loss or damage to **Aircraft** which in the absence of this insurance is assumed by the United States Government under any contract or agreement with the **Named Insured**, or which is otherwise assumed by the United States Government.
  - f) to any **dispensable load**.

## PART 8 - LIMIT OF THE COMPANY'S LIABILITY

### Other Insurance

Except with respect to insurance provided by this policy as **Excess Insurance**, if there is other insurance against any loss, liability, or expense covered by this policy, including any formal self insurance program or self insured retention plan, the Company will not be liable under this policy for a greater proportion of such loss, liability, or expense than the applicable limit of the Company's liability under this policy bears to the total applicable limits of all other valid and collectible insurance. This provision applies to other insurance in the **Insured's** name or otherwise.

### Total Liability for PART 1 - Liability Coverages

The limits apply separately to each **Insured Aircraft** and each **Insured**, provided, however, that regardless of the number of **Insureds** under this policy, persons, or organizations who sustain **Bodily Injury, Personal Injury, or Property Damage**, and regardless of the number of claims made or suits brought because of **Bodily Injury, Personal Injury, or Property Damage**, the Company's total liability for all damages as the result of any one **Occurrence** will not exceed the limit of liability stated in the Declarations as applicable to "each **Occurrence**," subject in addition to the annual aggregate if specified. For the purpose of determining the limit of the Company's liability, all **Bodily Injury, Personal Injury, and Property Damage** arising out of continuous or repeated exposure to the same general conditions will be deemed to arise out of one **Occurrence**.

### Total Liability for PART 3 - Physical Damage Coverages

1. In the event of a **Total Loss**, the Company will, at its election:
  - a) promptly pay the **Named Insured** the **Insured Value** of the **Scheduled Aircraft** or,
  - b) replace the **Scheduled Aircraft** with another aircraft of the same make and type and in reasonably like condition unless otherwise agreed with the **Insured**.

If the Company replaces or makes payment of a **Total Loss** with respect to any **Scheduled Aircraft**, the Company's liability with respect to such property will end.

2. In the event of a **Partial Loss**, the Company's liability will not exceed the sum total of the following items, less any applicable deductible:

- 1) the net costs for necessary material and parts of like kind and quality;
- 2) necessary and reasonable transportation costs.

The Company's liability for a **Partial Loss** is subject to the applicable limit of liability shown in the Declarations, but will not, in any event, exceed the **Insured Value** of the **Scheduled Aircraft**.

If the Company pays a claim for a **Partial Loss** and such payment is in an amount equal to the sum payable for a **Total Loss**, the Company will, at its option, be entitled to all the salvage. However, the **Named Insured** shall have the right of first refusal to purchase the salvage at its full value. Salvage may not be abandoned to the Company without its prior consent.

If the **Named Insured** and the Company fail to agree on the amount of a loss, either may, within sixty (60) days after a proof of loss is filed, demand an appraisal of the loss. The **Named Insured** and the Company will each select a competent aircraft appraiser, and those appraisers then will select a competent and disinterested umpire. The appraisers will judge the amount of the loss, and if they do not agree, they will submit their difference to the umpire. Agreement in writing by any combination of two of the three will determine the amount of the loss. The **Named Insured** and the Company each will pay the expense of its chosen appraiser and they will bear equally the expenses of the appraisal and the umpire. The Company will not be held to have waived any of its rights by any act relating to appraisal.

In the event of a **Partial Loss**, whether or not such loss is covered by this policy, the **Insured Value** of the **Scheduled Aircraft** will automatically be reduced at the time of the loss by the amount of the loss. When repairs begin, the **Insured Value** will automatically increase by the value of the completed repairs until the **Insured Value** of the **Scheduled Aircraft** is fully restored.

The Company has the right to return stolen property to the **Insured** any time before the loss is paid, such return to be accompanied by payment for any resultant **Physical Damage**.

The amount specified as a deductible (if any) for **Scheduled Aircraft** shall apply to all losses.

#### **Total Liability for PART 4 - Additional Coverages**

The Company's total liability for all costs or expenses incurred by or on behalf of the **Named Insured** will not exceed the limit of liability for each applicable coverage part as stated in the Declarations.

#### **Severability of Interests**

The limits and coverages afforded by this policy apply separately to each **Insured**, but the inclusion within this policy of more than one **Insured** will not increase the applicable limits of the Company's total liability.

#### **Two or More Aircraft Insured by this Policy**

In the event that two or more aircraft are insured by this policy, the applicable limits of liability and deductibles (if any) will apply separately to each aircraft except that the coverage provided by **Coverage 6, 8 and 11** is subject to an aggregate limit for the policy period, regardless of how many **Aircraft** are insured under this policy.

## **PART 9 - NOTICE OF CLAIMS AND OTHER DUTIES OF AN INSURED**

In the event of any accident, **Occurrence**, claim, suit, or loss, the **Insured(s)** and/or their legal representative(s) agree that they will:

1. not assume any obligation or liability, offer to pay any reward except at the **Insured's** expense, or incur any expense other than those items listed in PART 2 of this policy;
2. promptly contact the Company and, as soon as reasonably possible thereafter, provide written notice including, if known, a) the time, place and description of the pertinent events; b) the names and locations of witnesses, and injured or deceased persons; and c) the location and description of any damaged property or aircraft;
3. immediately forward to the Company every demand, notice, summons, legal paper, or process of any sort that they receive;
4. cooperate and assist the Company in connection with any claim or suit;

5. do nothing after an accident or loss to impair or interfere with the Company's right of recovery against any person or organization that may be liable to the **Insured**;
6. authorize the Company to obtain any records relating to a loss;
7. not abandon the **Aircraft** or any other salvage without the Company's prior consent;
8. take all reasonable precautions to protect the **Aircraft** or other insured property after any accident or loss. Reasonable expenses incurred in taking such precautions will be deemed "incurred at the Company's request." Any further loss or damage that is caused by the **Insured's** failure to take such precautions to protect the **Insured** property will not be covered by this policy;
9. promptly report any suspected theft or vandalism to the local police;
10. allow the Company, at its option, to inspect any aircraft or insured property before any repairs begin or before its disposal;
11. file with the Company, within ninety (90) days after the loss, a sworn proof of loss in the form and with the content that the Company reasonably requires and, upon the Company's request, submit to examination under oath;
12. at such reasonable times and places as the Company may specify, exhibit any damaged property to the Company and produce for the Company's examination and copying all pertinent sales receipts, repair and service invoices, log books, and other records and documents that may be required in the settlement of any claim;
13. if requested to do so, provide the Company, at the time the Company makes a **Total Loss** payment, with clear title to any related property salvage.

## PART 10 - OTHER CONDITIONS OF INSURANCE

### Changing the Policy

No term, condition, or other provision in this policy can be changed or waived except by the Company's written endorsement.

### Inspection

The Company or its authorized representative will be permitted to inspect the insured property and any of the **Insured's** records during the policy period and for one year afterward.

### The Company's Rights of Recovery

In the event of any payment by the Company under this policy, the Company will succeed to and assume all of the **Insured's** rights of recovery against any person or organization. The **Insured** will do whatever is necessary to the Company's enforcement of such rights, including but not limited to executing and delivering such instruments and papers as the Company may require.

### This Policy Conforms to State Law

If the terms of this policy conflict with the **Named Insured's** state or province law, the policy terms are deemed amended to the extent necessary to compliance with that law.

### Transfer of the Policy to Others

No interest in this policy may be transferred without the prior written agreement of the Company. If the **Named Insured** dies, or is adjudged legally bankrupt or insolvent, and the **Named Insured** or its legal representative notifies the Company within 60 days of such death or judgment, then the **Named Insured** will become, effective upon the date of death or judgment:

1. any person or organization having custody of the **Scheduled Aircraft** until a legal agent is appointed, or
2. the **Named Insured's** legal representative.

### Cancellation and Non-Renewal of this Policy

This policy may be canceled by the **Named Insured** by mailing prior written notice to the Company stating when the cancellation will be effective. This policy may be canceled by the Company by mailing prior written notice to the first **Named Insured** at the first address shown in **Item 2.** of the Declarations stating when, not less than thirty (30) days thereafter, the cancellation will be effective. If the cancellation is for non-payment of any premium due, however, only ten (10) days prior written notice will be provided. The effective date and hour of cancellation stated in the notice will become the end of the policy period.

If the **Named Insured** cancels the policy, earned premium will be computed in accordance with the customary short rate table and procedure or the amount specified as the Minimum Premium show on the Declarations Page, whichever is greater. If the Company cancels, earned premium will be computed on a pro-rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium by the Company is not required in order for the cancellation to be effective.

The Company will mail written notice of non-renewal to the first **Named Insured** at least sixty (60) days prior to the expiration date of this policy in the event that either decided not to renew this policy.

The proof of mailing or delivering notice of non-renewal or cancellation to the first **Named Insured** by the Company will be sufficient proof of notice to all **Insureds**.

### Financial Responsibility Laws

(applicable to **PART 1** – Liability Coverages)

When this policy is certified as proof of financial responsibility for the future under the provisions of any aircraft financial responsibility law, the insurance afforded by this policy for **Bodily Injury** and **Property Damage** will comply as necessary with the provisions of the law, but in no event shall such insurance be in excess of the limits of liability stated in this policy. The **Named Insured** agrees to reimburse the Company for any payment made by the Company that the Company would not have been obligated to make under the terms of this policy except for the agreement in this paragraph.

### Action Against the Company

No action will be taken against the Company unless, prior to such action, the **Insured** has fully complied with all of the terms and conditions of this policy and the amount of loss has been determined as set forth below:

**LIABILITY COVERAGES** - With respect to **PART 1** - Liability Coverages, no action will lie against the Company until the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant, and the Company. Any person, organization, or legal representative thereof who has secured such judgment or written agreement will be entitled to recover under this policy to the extent of the coverages provided by this policy. No person or organization will have any right under this policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor will the Company be impleaded by the **Insured** or its legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve the Company of any of its obligations under this policy.

**PHYSICAL DAMAGE COVERAGES** - With respect to **PART 3 - Physical Damage** Coverages, no action will lie against the Company, nor will payment for loss be required, until thirty (30) days after the required proof of loss is filed with the Company and the amount of loss is determined as described in **PART 8** of this policy. Any action against the Company must be taken within one year after the date of the loss.

**ADDITIONAL COVERAGES** – With respect to all other Coverages, no action will lie against the Company, nor will payment for loss be required, until thirty (30) days after any required proofs of claims have been filed with the Company. Any action against the Company must be taken within one year after the date of the loss.

### **Cross Liability**

This policy will cover claims by one **Insured** against another **Insured** and will provide coverage as if a separate policy had been issued to each **Insured**. In any event, however, this will neither increase nor change the limits of the Company's liability nor will it change any of the other terms, conditions, or Exclusions of this policy.

### **Representations and Entire Agreement**

By acceptance of this policy, the **Named Insured** agrees that the statements in the Declarations are accurate and complete, that those statements are based upon representations made to the Company by the **Named Insured**, and that this policy has been issued in reliance upon those representations. This policy embodies all agreements existing between the **Named Insured** and the Company or any of its agents relating to this insurance.

### **Sanctions Clause**

If coverage for a claim under this policy is in violation of any of the United States of America's economic or trade sanctions, including, but not limited to, sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), or violate any applicable economic or trade sanction, law or regulations of the UN and/or the EU/EEA and/or any other applicable national economic or trade sanction, law or regulation then coverage for that claim shall be null and void.

---END---

### **International Flight Operations Notice**

Although this policy provides coverage in Mexico, the Mexican Government (DGAC) may require proof of aircraft liability written through a Mexican insurance company. Mexican liability coverage is available through the Company, if needed.

Other countries may require special evidences of coverage and/or have advance notification requirements. The aircraft operator should familiarize itself with any such requirements and advise its insurance broker of any special needs well in advance of flight.

The aircraft along with its crew may be delayed or detained if proper evidence of insurance coverage cannot be provided.

Named Insured:  
Policy Number:  
Effective Date:

Endorsement Number  
1

## TRIA DISCLOSURE ENDORSEMENT

THIS ENDORSEMENT, DETAILING THE PROVISIONS OF THE "TERRORISM RISK INSURANCE ACT", AS AMENDED, IS MADE A PART OF THIS POLICY. NOTHING IN THIS ENDORSEMENT CHANGES ANY OF THE TERMS OR CONDITIONS OF THIS POLICY OR PROVIDES ANY ADDITIONAL COVERAGE.

### I. Terrorism Risk Insurance Act Notice

Please take note that under the Terrorism Risk Insurance Act, as amended, (collectively referred to herein as "TRIA"), the **Named Insured** has a right to purchase insurance coverage from the Company for losses arising out of an "act of terrorism" as defined in Section 102(1) of "TRIA".

### II. Definition

You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. Solely with respect to this endorsement and to ensure compliance with the Terrorism Risk Insurance Act, as amended, an "act of terrorism" shall mean:

The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act, as amended; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside of the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

### III. Federal Share of Compensation

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under formula established by Federal Law. However, your policy may contain other exclusions which might affect your coverage, such as exclusion for nuclear events. Under the formula, the United States Government generally reimburses eighty-five percent (85%) through 2015, 84% beginning on January 1, 2016, 83% beginning on January 1, 2017, 82% beginning on January 1, 2018, 81% on January 1, 2019 and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the Company providing the coverage. If you have purchased this coverage, the premium charged for this coverage (if any) does not include any charges for the portion of loss that may be covered by the Federal Government under the Act.

#### \$100 Billion Cap

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as the insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregated insured losses for all insurers exceed \$100 billion, your coverage may be reduced.



#### IV. Conditional Termination of Endorsement

A. This endorsement terminates under the following conditions, whichever occurs first:

- i. upon the expiration of the policy, or
- ii. if the "Terrorism Risk Insurance Program" (the "Program") terminates (as provided by "TRIA" at the end of December 31, 2020) with respect to the coverage provided by this policy, and the "Program" is not renewed, extended or otherwise continued by the federal government or,
- iii. if, on or after December 31, 2020, a renewal, extension or continuation of the "Program" becomes effective without a requirement to make terrorism coverage available to the **Named Insured** or with revisions that do any of the following:
  - a. increase the Company's statutory percentage deductible under the "Program" for terrorism losses,
  - b. decrease the federal government's statutory percentage share in potential terrorism losses above such deductible or,
  - c. redefines terrorism or makes insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

B. If none of the conditions set forth in paragraph IV. A. above occur, this endorsement will continue in effect unless the Company notifies the **Named Insured** of changes in response to federal law.

V. "TRIA" Terrorism Coverage may be purchased from the Company. No coverage is provided by this notice. TRIA Terrorism Coverage must be purchased separately.

If "TRIA" coverage is purchased, the premium will be stated on the TRIA Write-Back Endorsement(s) attached to this policy, or on the Declarations Page.

If "TRIA" coverage has not been purchased, coverages for liability and/or physical damage losses from "Acts of Terrorism" are offered for rates that are available upon request from the Company.

All other provisions of this policy remain the same.

**Named Insured:**  
**Policy Number:**  
**Effective Date:**

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### **TRIA EXCLUSION ENDORSEMENT**

In consideration of an additional premium of \$Included, this endorsement modifies the policy to which it is attached as follows:

This policy does not cover claims caused by any losses, damages, or injuries arising directly or indirectly as a result of a certified "Act of Terrorism" defined by the Terrorism Risk Insurance Act, as amended.

Solely with respect to this endorsement and to ensure compliance with the Terrorism Risk Insurance Act, as amended, an "Act of Terrorism" shall mean:

The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act, as amended; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside of the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

This endorsement shall apply solely to the Terrorism Risk Insurance Act, as amended, and shall in no way conflict with the War, Hijacking and Other Perils Exclusion contained within this policy or write-backs thereto.
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All other provisions of this policy remain the same.

Named Insured:  
Policy Number:  
Effective Date:

Endorsement Number  
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## WAR, HIJACKING, EXTORTION AND OTHER PERILS PHYSICAL DAMAGE WRITE-BACK ENDORSEMENT

In consideration of an additional premium of \$Included, this endorsement modifies the policy to which it is attached as follows:

Notwithstanding anything in the policy to the contrary, this endorsement provides the coverages shown below:

### SECTION ONE - LOSS OF OR DAMAGE TO AIRCRAFT

Subject to the terms, conditions and limitations set out below, this endorsement covers physical **loss** of or damage to the **aircraft** specified in the Declarations 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) Strikes, riots, civil commotions or labor disturbances;
- (c) Any malicious act or act of sabotage;
- (d) 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;
- (e) Hijacking 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 endorsement covers claims while the **aircraft** is outside the control of the **Insured** by reason of any of the above perils (a) through (e). 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 endorsement 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).

### SECTION TWO - EXTORTION COVERAGE

The Company agrees to indemnify the **Insured** subject to the provisions below for any payment properly made in respect of threats against the **aircraft**, its **passengers** or **crew**, made during the currency of this endorsement.

### SECTION THREE - HIJACKING EXPENSE COVERAGE

The Company agrees to indemnify the **Insured** subject to the provisions below, for any payment properly made in respect of extra expenses necessarily incurred following confiscation, etc. (as per Section One Clause (d)) or hijacking, etc. (as per Section One Clause (e)) of the **aircraft**.

### SECTION FOUR - GENERAL EXCLUSIONS

This endorsement excludes **loss**, damage or expense caused by any of the following:

- (a) War (whether there be a declaration of war or not) between any of the following States: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China; nevertheless, if the **aircraft** is in the air when an outbreak of such war occurs, this exclusion shall not apply in respect of such **aircraft** until the said **aircraft** has completed its first landing thereafter;
- (b) Any detonation of any weapon of war employing atomic or nuclear fission and/or fusion, or other like reaction or radioactive force or matter, whether hostile or otherwise;

- (c) Any debt, failure to provide bond or security or any other financial cause under court order or otherwise;
- (d) The repossession or attempted repossession of the **aircraft** either by any title holder or arising out of any contractual agreement to which any **insured** protected under this endorsement may be party;
- (e) Delay, loss of use or, except as specifically provided in Section Two, any other consequential **loss** whether following upon **loss** of or damage to the **aircraft** or otherwise;

## SECTION FIVE - GENERAL CONDITIONS

1. With respect to the Coverages in Section Two and Three:
  - (a) The **Insured** is at all times responsible for ensuring that no arrangements of any kind are made which are not permitted by the proper authorities;
  - (b) The Limits of the Company's liability shall not exceed an amount equal to 90% of the Agreed Value of the **aircraft** (but not more than \$1,000,000.) for both Section Two and Section Three coverages combined;
  - (c) The **Insured** warrants the remaining 10% of such payments is not insured.
2. The **Insured** shall use all reasonable efforts to ensure compliance with the laws (local and otherwise) of any country within whose jurisdiction the **aircraft** may be and to obtain all permits necessary for the lawful operation of the **aircraft**.

## SECTION SIX – AMENDMENT OF TERMS, SUSPENSION AND AUTOMATIC SUSPENSION

### 1. Amendment of Terms

The Company may give notice effective on the expiry of seven days from midnight G.M.T. on the day on which notice is issued, to review the rate of premium and/or geographical limits.

### 2. Suspension by Notice

- (a) This insurance may be suspended by the Company or the **Insured** giving notice not less than seven days prior to the end of each period of three months from inception.

PROVIDED THAT if the **aircraft** is in the air when such outbreak of war occurs then this insurance, subject to its terms and conditions and provided not otherwise cancelled, terminated or suspended, will be continued in respect of such **aircraft** until the said **aircraft** has completed its first landing thereafter.

- (b) Upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force of matter wherever or whenever such detonation may occur and whether or not the insured **aircraft** may be involved.

### 3. Automatic Suspension

Whether or not such notice of suspension has been given, this insurance shall SUSPEND AUTOMATICALLY upon the outbreak of war (whether there be a declaration of war or not) between any one of the following countries, namely, the United Kingdom, United States of America, France, the Russian Federation, or the People's Republic of China.

COVERAGE AS PROVIDED UNDER THIS ENDORSEMENT SHALL EXCLUDE ALL REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002 and all subsequent renewals or amendments thereto.

All other provisions of this policy remain the same.

Named Insured:  
Policy Number:  
Effective Date:

Endorsement Number  
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### TRIA PHYSICAL DAMAGE WRITE-BACK

This endorsement modifies the policy to which it is attached as follows:

The portion of the annual premium for this policy that is attributable to coverage for "Acts of Terrorism" is \$Included, and does not include any charges for the portion of losses covered by the United States government under the Act.

Notwithstanding anything in the policy to the contrary, this endorsement provides the coverages shown below:

#### Physical Damage Coverage for Scheduled Aircraft

The Company will pay for the physical loss or **physical damage** to any insured **aircraft** unless specifically excluded below that is caused by an **occurrence** during the policy period arising out of the following peril:

An "Act of Terrorism" as defined within the United States Terrorism Risk Insurance Act, as amended, with respect to any one or more "Acts of Terrorism." The Company will not pay any amounts for which the Company is not responsible under the terms of the Terrorism Risk Insurance Act, as amended, due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

This endorsement will not cover any loss, damage, or expense for any **occurrence** involving the following insured **aircraft** (if any) which the **Named Insured** has elected not to purchase coverage as stated above.

<u>Registration Number</u>	<u>Make and Model</u>	<u>Year</u>	<u>Insured Value</u>
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Named Insured:  
Policy Number:  
Effective Date:

Endorsement Number  
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## WAR, HIJACKING AND OTHER PERILS LIMITED LIABILITY WRITE-BACK ENDORSEMENT

In consideration of an additional premium of \$Included, this endorsement modifies the policy to which it is attached as follows:

1. Whereas the policy of which this Limited Write-Back Endorsement forms a part includes the War, Hijacking and Other Perils Exclusion – Part 7, Exclusion 1., k), it is hereby understood and agreed that effective on the above date at 12:01 A.M., Standard Time, and only as respects Coverages 1, 2, 4, and 10, all sub-paragraphs other than sub-paragraph 1. k) 2) of the War, Hijacking and Other Perils Exclusion forming part of this policy are deleted, subject to all terms and conditions of this Limited Write-Back Endorsement.
2. Only with respect to the deletion of sub-paragraph 1. f) 1) from the War, Hijacking and Other Perils Exclusion by virtue of paragraph 1., above, this Limited Write-Back Endorsement shall not apply to liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.
3. LIMITATION OF LIABILITY

The Company's liability in respect of this Limited Write-Back Endorsement shall be a sub-limit as shown in the schedule below any one **occurrence** and in the annual aggregate except with respect to passengers in an aircraft in which case the **Passenger** Liability set forth in Coverage 1 of the Declarations shall apply (subject to any annual aggregate). The above sub-limit is included within the policy Limit of Liability applicable to Liability Coverages, and is not in addition thereto.

In no event shall the Company's liability under this Limited Write-Back Endorsement exceed the annual aggregate regardless of the number of (a) **Insureds**, (b) **occurrences** or events, (c) claims made or suits brought, or (d) persons or organizations making claims or bringing suits.

### Schedule

(Only the clause(s) indicated by an "X" shall apply.)

#### Aircraft Registration Number

☐ All Aircraft

#### Limit

☐

☐ Same as the Single Limit for **Bodily Injury** and **Property Damage** shown for each **aircraft**, subject to a maximum Limit of Liability of \$1,000,000, any one **aircraft**.

#### 4. AUTOMATIC TERMINATION

This Limited Write-Back Endorsement shall terminate automatically upon the happening of any of the following circumstances:

- a) Upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following: France, the People's Republic of China, the Russian Federation, the United Kingdom, or the United States of America; or
- b) Only with respect to the deletion of sub-paragraph 1. f) 1) from the War, Hijacking and Other Perils Exclusion by virtue of paragraph 1. above, upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wherever or whenever such detonation may occur and whether or not an insured aircraft may be involved;
- c) Upon the requisitioning of any insured aircraft for title or use.

However, if an insured aircraft is **in flight** when (a), (b) or (c) above occurs, then this Limited Write-Back Endorsement (unless otherwise cancelled, terminated or suspended) shall continue in respect of such aircraft until completion of its first landing and any passengers have disembarked.

#### 5. REVIEW AND CANCELLATION

- a) The Company may give notice to review premium and/or geographical limits; such notice shall be effective on the expiration of seven (7) days from 12:01 A.M., Standard Time on the day on which notice is given.
- b) Following a hostile detonation as specified in paragraph 4. (b) above, the Company may give notice of cancellation of one or more parts of this Limited Write-Back Endorsement provided in paragraph 1. above; such notice shall be effective on the expiration of forty-eight (48) hours from 12:01 A.M., Standard Time on the day on which notice is given.
- c) This Limited Write-Back Endorsement may be cancelled by either the Company or the Insured giving notice to become effective on the expiration of seven (7) days from 12:01 A.M., Standard Time on the day on which such notice is given.
- d) All notices referred to herein shall be in writing

Nothing herein contained shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements, or representations of the undermentioned policy, other than as above stated.

All other provisions of this policy remain the same.

Named Insured:  
Policy Number:  
Effective Date:

Endorsement Number  
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## TRIA LIABILITY WRITE-BACK

This endorsement modifies the policy to which it is attached as follows:

The portion of the annual premium for this policy that is attributable to coverage for "Acts of Terrorism" is \$Included, and does not include any charges for the portion of losses covered by the United States government under the Act.

Solely while the Terrorism Risk Insurance Act, as amended, is in force, this policy is amended to provide such coverage as is set forth below:

### (A) EXTENSION OF LIABILITY

Liability coverage as provided under this policy shall be extended to include any accident, incident, **occurrence**, act or event during the policy period arising out of the following peril:

An "Act of Terrorism" as defined within the United States Terrorism Risk Insurance Act, as amended, with respect to any one or more "Acts of Terrorism." The Company will not pay any amounts for which the Company is not responsible under the terms of the Terrorism Risk Insurance Act, as amended, due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

### (B) LIMIT OF LIABILITY

The limit of the Company's liability for the coverage provided by this endorsement shall be included within and not in addition to the limits of liability provided under this policy.

All other provisions of this policy remain the same.