

Allianz Global Corporate & Specialty

Aircraft Insurance Policy

Prepared for:

Named Insured & Address

Arranged by:

Broker Name & Address

Underwriting Office and Claims Reporting:

Allianz Global Corporate & Specialty - Aviation
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Allianz 

ITEM 4. COVERAGES F, G or H: DESCRIPTION OF AIRCRAFT AND PHYSICAL DAMAGE COVERAGE:

Reg. Number	Make & Model As Endorsed	Year Built	Seats Crew / Pass.	Insured Value	Cov. letter	Deductibles	
						Not In-Motion	In-Motion/ Ingestion/ Moored
			/	\$		\$	\$
			/	\$		\$	\$
			/	\$		\$	\$
			/	\$		\$	\$
			/	\$		\$	\$
			/	\$		\$	\$

Physical Damage Coverage letters mean as defined in Paragraph 3. Physical Damage Coverage of the Insuring Agreements. Coverage letters "N/C" mean not covered.

ITEM 5. Pilots: When **In Flight** the **aircraft** will be operated only by pilots meeting the requirements of this policy.

ITEM 6. The Aircraft will be used only for the purpose(s) indicated by "X" below (see Definitions)

- Charter/Air Taxi** **Commercial** **Instruction and Rental**
 Industrial Aid **Pleasure and Business** Any use required by the **Named Insured**
 As Endorsed (See Purpose of Use Endorsement)

ITEM 7. The **Named Insured** is and shall remain the sole owner of the **aircraft** and the **aircraft** is not subject to any encumbrance other than as shown in this policy.

ITEM 8. Premium Policy Premium

Total

FORMS AND ENDORSEMENTS ATTACHED TO THIS POLICY AS OF THE EFFECTIVE DATE

Endorsements 1 -

THESE DECLARATIONS, TOGETHER WITH THE AIRCRAFT INSURANCE POLICY 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 and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

Secretary

President

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 and passengers may be delayed or detained if proper evidence of insurance coverage cannot be provided.

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AIRCRAFT INSURANCE POLICY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Words and phrases that appear in **bold** type have special meaning. Refer to the section titled – DEFINITIONS.

In consideration of the payment of the premium, in reliance upon the statements of the Declarations made a part hereof, subject to all of the terms of this policy including the applicable limits of liability, the Company agrees with the **Named Insured** as follows:

DEFINITIONS

When appearing in this policy in bold face print:

“**Aircraft**” means the aircraft described in **Item 4.** of the Declarations and, when appropriate, any aircraft qualifying under the provisions of Special Insuring Agreements **2.a), b) or c),** including the propulsion system and equipment usually installed in the aircraft (1) while installed in the aircraft, (2) while temporarily removed from the aircraft and (3) while removed from the aircraft for replacement until such time as replacement by a similar item has commenced; also tools and equipment which are specially designed for the aircraft and which are ordinarily carried therein.

“**Betterment**” means any improvement that would add value to the **Insured Aircraft.**

“**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.

“**Charter / Air Taxi**” use means used in the business of the **Insured** for **passenger** or freight carrying for hire or reward and **Pleasure and Business** uses, but excluding instruction of or rental to others.

“**Commercial**” use means used in the business of the **Insured,** including student instruction and **passengers** or freight carrying for hire or reward. Rental to others is included but only for the purpose of **Pleasure and Business** and those uses defined under **Pleasure and Business.**

“**Cost Reimbursement**” means flights for which a charge is made provided that such charge is limited to:

- 1) fuel, oil, lubricants, and other additives,
- 2) travel expenses of the **crew,** including food, lodging, and ground transportation,
- 3) hangar and tie-down costs away from the **aircraft's** base of operation,
- 4) insurance obtained for the specific flight,
- 5) landing fees, airport taxes, and similar assessments,

- 6) customs, foreign permit, and similar fees directly related to the flight,
- 7) **in flight** food and beverage,
- 8) ground transportation for **passengers,**
- 9) flight planning and weather contact services and
- 10) an additional charge equal to 100% of the expenses listed in subparagraph 1) of this paragraph.

“**Crew**” means the pilot-in-command, co-pilot, flight engineer, flight attendant or anyone else who is in, on, or boarding the **aircraft** for the purpose of assisting in the operation of the **aircraft.**

“**Disappearance**” means missing **in flight** and not reported for sixty (60) days after commencing a flight.

“**Domestic objects**” means, with respect to turbine engines or turbine auxiliary power units, if part of the **aircraft,** objects or substances identified on the manufacturer's parts list or diagram as being parts of the engine or accessories to the engine or auxiliary power unit.

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

“**In Flight**” means, with respect to fixed wing **aircraft,** the time commencing with the actual take-off run of the **aircraft** and continuing thereafter until it has completed its landing run. With respect to a rotorcraft, it means from the time the rotors start to revolve under power for the purpose of flight until they subsequently cease to revolve after landing. With respect to a balloon, it means while it is inflated or being inflated or deflated.

“**In Motion**” means while the **aircraft** is moving under its own power or the momentum generated therefrom or while it is **in flight** and, if the **aircraft** is a rotorcraft, any time that the rotors are rotating or while it is **in flight** and, if the aircraft is a glider or balloon, any time it is being transported, towed or while it is **in flight.**

“**Industrial Aid**” means operation of the **aircraft** by the **Insured,** but excluding any operation for hire or reward. Flights for which there is **cost reimbursement** shall be included within the definition of **Industrial Aid.**

“**Ingestion**” means damage to **aircraft** turbine engines or turbine auxiliary power units, if a part of the **aircraft,** caused by objects or substances not a part of the engine or its accessories, nor intended to be used in the engine, which occurs during the policy period and is the result of a single incident and of sufficient severity to require (or would require if its severity were known) immediate repair before further use.

“**Instruction and Rental**” means used in the business of the **Insured** for flight instruction to others and rental to others only for the purpose of **Pleasure and Business.** Sightseeing flights and introductory flights are included

but only if the flight departs and arrives at the same airport and does not exceed a radius of 25 nautical miles from the departure airport. In addition, those uses defined under **Pleasure and Business** are included.

“Insured” The unqualified word **“Insured”** wherever used in this policy includes not only the **Named Insured** but also any person while using or riding in the **aircraft** and any person or organization legally responsible for its use, provided the actual use is with the express permission of the **Named Insured**. Except with respect to the **Named Insured** the provisions of the paragraph do not apply:

- 1) to any employee with respect to **Bodily Injury**, sickness, disease or death of another employee of the same employer injured in the course of such employment;
- 2) to any person or organization or to any agent or employee thereof (other than any employee of the **Named Insured** while acting in the course of his employment by the **Named Insured**):
 - a) who manufactures, builds, sells or distributes aircraft, aircraft engines, aircraft components, aircraft accessories or fuel used in aircraft, or
 - b) who is engaged in the operation of an aircraft repair shop, aircraft sales agency, aircraft rental service, aircraft flying school, aircraft management service, aircraft aerial application service, aircraft inspection, appraisal, certification or examination service, commercial flying service, anyone providing piloting services, airline, airport, hangar, or pilot training center, or
 - c) who is engaged in the activity of instruction, evaluation, examination or certification of any pilot or **crew** member or prospective pilot or **crew** member, or
 - d) who charges a fee and/or receives any remuneration or benefit for providing any type of service whatsoever in connection with the ownership, maintenance, or use of the insured **aircraft**.
- 3) to any person or organization operating the **aircraft** under the terms of any rental agreement or training program which provides any remuneration to the **Named Insured** for the use of said **aircraft**;
- 4) to the owner or lessor, or any agent or employee thereof, of any **aircraft** which is the subject of the extended insurance provisions of **Special Insuring Agreements**.

“Loss” means direct and accidental **physical damage**.

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

“Mooring” shall mean, while on water, a water alighting **aircraft** is anchored or moored, or during launching onto or hauling up therefrom (except under its own power or momentum).

“Named Insured” means the person or organization named in **Item 1**. of the Declarations.

“Occurrence” means an accident, including continuous or repeated accidental exposure to conditions, during the policy period, which results in **Bodily Injury** or **Property Damage** neither expected nor intended from the standpoint of the **Insured**. In the event of continuing or progressive **Bodily Injury** or **Property Damage** otherwise covered by the policy happening over an extended period of time, such **Bodily Injury** or **Property Damage** shall be deemed to be one **occurrence**, and shall be deemed to occur only when such **Bodily Injury** or **Property Damage** first commences.

“Partial Loss” means any **loss** which is not a **total loss**.

“Passenger” means any person in, on, or boarding the **aircraft** for the purpose of riding or flying therein or alighting therefrom after a flight or attempted flight therein, including **crew** member(s).

“Physical Damage” means direct or accidental physical **loss** of or damage to the **aircraft** not expected nor intended by the **Insured**, hereinafter called **loss**, but does not include loss of use or any residual depreciation or diminution in value (including loss of guaranty or warranty), if any, after repairs have been made.

“Pleasure and Business” means used in the business of the **Insured** including personal and pleasure uses but excluding any operation for hire or reward. Flights for which there is **cost reimbursement** shall be included within the definition of **Pleasure and Business**.

“Premises” means such portions of airports as are designated and used for the parking or storage of **aircraft** exclusive of **premises** owned by, or leased for more than thirty (30) days to the **Insured**.

“Property Damage” means (a) physical injury to or destruction of tangible property which occurs during the policy period, including loss of use thereof at any time resulting therefrom, or (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the policy period.

“Related Claims” means all claims for care and loss of service, loss of society and consortium, emotional distress, loss of support, medical and funeral expenses, and any and all other damage claims by a person or persons arising out of **Bodily Injury** to another person. Notwithstanding anything to the contrary in the definition of **Bodily Injury**, the Company's liability and coverage for damages for both **Bodily Injury** and **related claims** are included and combined within the “each person” and “each **occurrence**” Limits of Liability specified in the

Declarations, as applicable, and there are no separate or additional Limits of Liability for **related claims**.

“**Total Loss**” means any **Physical Damage loss** for which the “cost to repair” when added to the “salvage value” (the value of the **aircraft** after **Physical Damage** and prior to repairs) equals or exceeds the Insured Value of the **aircraft** as set forth in **Item 4**. of the Declarations. **Disappearance** of an **aircraft** or theft of the entire **aircraft** shall be considered a **total loss**.

INSURING AGREEMENTS

The Company agrees:

1) LIABILITY COVERAGES

Coverage A - Bodily Injury Liability Excluding Passengers (including any and all **related claims**) - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Bodily Injury** sustained by any person excluding any **passenger**;

Coverage B - Property Damage Liability - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Property Damage**;

Coverage C - Passenger Bodily Injury Liability (including any and all **related claims**) - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Bodily Injury** sustained by any **passenger** and **related claims** associated with such **passenger**;

Coverage D - Single Limit Bodily Injury and Property Damage Liability (including any and all **related claims**) - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Bodily Injury** sustained by any person (excluding any **passenger** unless the words “including **passengers**” appear in **Item 3**. of the Declarations) and **Property Damage**;

caused by an **occurrence** and arising out of the ownership, maintenance or use of the **aircraft**; or only with respect to **Coverages A, B, and D**, caused by an **occurrence** and arising out of the maintenance or use of the **premises** in or upon which the **aircraft** is stored.

2) MEDICAL EXPENSE COVERAGE

Coverage E - Medical Expense - To pay all reasonable **medical expense** incurred within one year from the date of the injury, to or for each **passenger** (excluding any **crew** unless the words “including **crew**” appear in **Item 3**. of the Declarations) who sustains **Bodily Injury** caused by an **occurrence**, provided the **aircraft** is being used by or with permission of the **Named Insured**.

3) PHYSICAL DAMAGE COVERAGE

Coverage F – In Flight, In Motion, and Not In Motion - To pay for any **loss** to the **aircraft**, including **disappearance** of the **aircraft** while **in flight, in motion** and not **in motion**.

Coverage G - Not In Flight - To pay for any **loss** to the **aircraft** sustained while the **aircraft** is not **in flight** and which is not the result of fire or explosion following crash or collision while the **aircraft** was **in flight**.

Coverage H - Not In Motion - To pay for any **loss** to the **aircraft** sustained while the **aircraft** is not **in motion** and which is not the result for fire or explosion following crash or collision while the **aircraft** was **in motion** or **in flight**.

4) DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS

Under Coverages A, B, C and D

The Company shall have the right and duty to defend any suit against the **Insured** seeking damages on account of **Bodily Injury** or **Property Damage**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company’s liability has been exhausted by payment of judgments or settlements.

During such time as the Company is obligated to defend a claim or claims under the provisions of the preceding paragraph, the Company will pay, with respect to such claim, in addition to the applicable limit of liability:

- a) all expenses incurred by the Company, all costs taxed against the **Insured** in any suit defended by the Company and interest on that part of the judgment that does not exceed the limit of the Company’s liability therein which accrues after entry of the judgment and before the Company has paid, tendered or deposited in court that part of the judgment,
- b) premiums on appeal bonds required in any such suit, premium on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the **Insured** because of an **occurrence** or violation of law or a regulation for civil aviation arising out of the use of the **aircraft**, not to exceed \$5,000. per bail bond, but the Company shall have no obligation to apply for or furnish any such bonds,

- c) expenses incurred by the **Insured** for first aid to others at the time of an accident for **Bodily Injury** to which this policy applies and
- d) all reasonable expenses incurred by the **Insured** at the Company's request to assist the Company in the investigation or defense of the claim or suit, including actual loss of earnings up to \$250.00 per day because of time off from work.

5) UNITED STATES ARMY, NAVY AND AIR FORCE INSURANCE REQUIREMENTS

Under Coverages A, B, C and D

If the Company issues a Civil Aircraft Certificate of Insurance Form DD 2400, or any replacement thereof, as required by regulations of the U.S. Army, Navy or Air Force, then the insurance policy provisions required by the regulations shall be deemed to be incorporated herein and substituted for any policy provisions inconsistent therewith.

6) POLICY PERIOD AND TERRITORY

Under All Coverages

This policy applies only to **Bodily Injury** or **Property Damage** which occurs, and to **physical damage** to the **aircraft** which is sustained, during the policy period and while the **aircraft** is within the United States of America, its territories and possessions, Canada, Mexico, Central America, or the West Indies or en-route between points therein.

7) TWO OR MORE AIRCRAFT

Under All Coverages

When two or more **aircraft** are insured under this policy, the terms of this policy shall apply separately to each.

SPECIAL INSURING AGREEMENTS

- 1) This section is applicable only if the purpose of use shown in **Item 6.** of the Declarations is limited to **Pleasure and Business.**
- 2) Coverages provided under paragraphs a), b) and c). below shall apply only to aircraft of the same Category and Class, as defined by the Federal Aviation Regulations, as the aircraft described in **Item 4.** of the Declarations.

a) TEMPORARY USE OF SUBSTITUTE AIRCRAFT

Under Coverages A, B, C, D and E

While the **aircraft** described in **Item 4.** of the Declarations is withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction, such insurance as is afforded under

Coverages A, B, C, D and E is extended to apply with respect to the use, by or on behalf of the **Named Insured,** of a substitute **aircraft,** not owned in whole or in part by the **Named Insured,** while temporarily used as a substitute therefor.

b) USE OF OTHER AIRCRAFT

Under Coverages A, B, C, D and E

If the **Named Insured** is one individual or one individual and spouse, such insurance as is afforded under **Coverages A, B, C, D and E** with respect to **aircraft** described in **Item 4.** of the Declarations is extended to apply with respect to the use, by or on behalf of the **Named Insured,** of the other **aircraft** not owned in whole or in part by, or furnished for regular use to such **Named Insured** and spouse. The insurance provided by this agreement shall apply only to the **Named Insured** and spouse.

c) AUTOMATIC INSURANCE FOR NEWLY ACQUIRED AIRCRAFT

Under All Coverages

If the **Named Insured** acquires ownership of an **aircraft** in addition to or replacement of the **aircraft** described in **Item 4.** of the Declarations and within thirty (30) days thereafter reports such acquisition to the Company, then the insurance afforded by this policy shall apply to such additional or replacement **aircraft** as of the time of such acquisition, provided that the Company insured all other **aircraft** owned in whole or in part by the **Named Insured** on such acquisition date. Unless the **Named Insured** and the Company agree otherwise, the coverages and limits of liability with respect to the additional or replacement **aircraft** shall be as follows:

- (1) As respects Liability Coverage and Medical Expense coverage,
 - (a) if an additional **aircraft,** the same coverages and limits of liability shall apply as the **aircraft** having the greatest total seating capacity, as described in **Item 4.** of the Declarations or
 - (b) if a replacement **aircraft,** the same coverages and limits of liability as the **aircraft** being replaced.
- (2) As respects **Physical Damage** coverage,
 - (a) if an additional **aircraft,** the same coverages, insured value and deductibles shall apply as the **aircraft** having the greatest total seating capacity, as described in **Item 4.** of the Declarations, or

- (b) if a replacement **aircraft**, the same coverages, insured value and deductibles as the **aircraft** being replaced.

The **Named Insured** shall pay any additional premium required because of the application of the insurance to such other **aircraft**.

In no event shall the Company be liable for more than the **Named Insured** paid for any newly acquired or replacement aircraft subject to a maximum of \$75,000,000.00.

EXCLUSIONS

This policy does not apply to any:

- 1) **Insured** while the **aircraft** is **in flight** with the knowledge and consent of the **Insured** or of any executive officer, partner, or managing agent of such **Insured** for any unlawful purpose or any purpose not so designated in the Declarations;
- 2) **Bodily Injury** or **Property Damage** 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, and to **Bodily Injury** or **Property Damage** resulting from efforts to prevent dangerous interference with the operation of the **aircraft**;
- 3) **Insured** while the **aircraft** is **in flight** with the knowledge and consent of the **Named Insured**:
 - a) if piloted by other than the pilot or pilots designated in the Declarations except while the **aircraft** is under the care, custody or control of a **Federal Aviation Administration (FAA)** approved repair station for the purpose of maintenance, repair or test flights or
 - b) if the **aircraft** does not possess a valid Standard or Utility Category Airworthiness Certificate unless the aircraft is being operated on a reposition, ferry or test flight, provided a special permit or waiver has been granted by the **FAA** for such flights and such flights are for the sole purpose of reinstatement or renewal of the Airworthiness Certificate.
- 4) **loss** or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss arising from:
 - a) any legal liability of whatsoever nature directly or indirectly caused by or contributed to, by 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.
 - b) it is understood and agreed that such radioactive material or other radioactive source in paragraphs 4) a) (2) and (3) above shall not include:
 - (1) depleted Uranium and natural Uranium in any form,
 - (2) radioisotopes which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
- 5) **Property Damage** or any consequential loss or any legal liability of whatsoever nature with respect to any of the nuclear risks described in exclusion 4) above as 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 or
 - b) any person or organization is required to maintain financial protection pursuant to legislation in any country or
 - 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.
- 6) **loss**, destruction, damage, expenses or legal liability in respect of the nuclear risks not excluded by reason of exclusion 4) a) (2) and (3) above shall (subject to all other terms, conditions, limitations, warranties and exclusions of this policy) be covered, provided as follows:
 - a) 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.
 - b) 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.

- c) 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:

<u>Emitter</u>	<u>Maximum permissible level of non-fixed radioactive surface contamination (Averaged over 300 cm²)</u>
<u>IAEA Health and Safety Regulations</u>	
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Becquerels/cm ² (10 ⁻⁴ microcuries/cm ²)
All other alpha emitters	Not exceeding 0.4 Becquerels/cm ² (10 ⁻⁵ microcuries/cm ²)

- d) the coverage afforded by this paragraph **6**) may be cancelled at any time by the Company giving seven (7) days notice of cancellation.

7) claims caused by any of the following:

- 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:
 - (1) 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
 - (2) use of radioactive contamination 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 or
- g) 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**. For the purpose of this exclusion **7**) g)

only, an aircraft is considered to be in flight at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation or when the **aircraft** is in motion. A rotor-wing **aircraft** shall be deemed to be in flight when the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.

Furthermore, this Policy does not cover 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** 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).

8) claims for:

- a) 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,
- b) any damages or any **loss**, cost or expense arising out of (i) any claim or suit by or on behalf of any governmental authority or any other allegedly responsible party because of, or (ii) any request, demand, order or statutory or regulatory requirement that any **Insured** or any other person or entity should be or is responsible for:
 - (1) assessing the presence, absence, amount or effects of asbestos,
 - (2) 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 or

(3) responding to asbestos or the potential effects of asbestos in any way other than as described in this exclusion 8) b) (1) or (2) above or

c) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with paragraphs 8) b) (1) (2) or (3) of this exclusion.

The Company shall have no obligation to defend or indemnify, or to investigate claims or to share damages with or repay someone else due to or arising from, in whole or in part, any claim, action or suit against the **Insured** in connection with paragraphs a), b) and c) of this exclusion. The Company shall also not be responsible for any costs or expenses related to or associated with any such claims, action or suit.

9) under **Coverages A, B, C, D and E:**

a) to liability assumed by the **Insured** under any contract or agreement, but this exclusion does not apply:

(1) to the assumption by the **Named Insured** of the liability of others for **Bodily Injury** or **Property Damage** in any written hold harmless agreement required by a military or governmental authority as a prerequisite to the use of an airport or an airport facility;

(2) to liability the **Insured** would have in the absence of a contract or agreement.

b) to an **Insured** under this policy who is also an **Insured** under a contract of nuclear energy liability insurance issued by the Nuclear Energy Liability Insurance Association or the Mutual Atomic Energy Liability Underwriters and in effect at the time of the **occurrence** resulting in such injury, sickness, disease, death or destruction; provided, such contract of nuclear energy liability insurance shall be deemed to be in effect at the time of such **occurrence** notwithstanding such contract has terminated upon exhaustion of its limit of liability; or

c) 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:

(6) "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.

(7) "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.

(8) "Waste" means any waste including material to be recycled, reconditioned or reclaimed, whether or not the material has been disposed of by you 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 9).

A claim or claims covered by the policy, when combined with any claims excluded by this exclusion 9) b. and c. 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 9) 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.

- d) to claims in respect of death, **Bodily Injury**, illness or disease to any person or persons and/or damage to or destruction of property caused by or resulting from the application of or use by the **Insured** or his agent of all forms of fertilizers, fungicides, defoliant, herbicides, hormone selective weed killers, pesticides, insecticides and arsenical preparations or compounds or any other forms of chemical.
- 10) to any claim, **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) 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, 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 this exclusion;

due to the inability to correctly recognize, process, distinguish, interpret or accept:

- the change of year from 1999 to 2000;
- the change of date from August 21, 1999 to August 22, 1999;
- any other change of year, date or time;
- any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by or for the **Insured** to determine, rectify, or test for any potential or actual problems described in this exclusion.

11) under **Coverages A, C, and D:**

- a) to any obligation for which the **insured** or any carrier as their insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law or any similar law; or
- b) to **bodily injury** to any employee of the **Named Insured** arising out of and in the course of their employment by the **Named Insured**, but this exclusion b) does not apply to liability assumed by the **Named Insured** under any contract that is a prerequisite for the use of an airport facility.

12) under **Coverages B and D**, to **Property Damage** to property owned, occupied, rented or used by the **Insured** or in the care, custody or control of the **Insured** or as to which the **Insured** is for any purpose exercising physical control or transported by the **Insured**.

13) under **Coverages F, G and H:**

- a) to **loss** or damage to an **aircraft** due to conversion, embezzlement or secretion by any person or organization with legal right to possession of such **aircraft** under bailment, lease, agreement to purchase, conditional sale, mortgage, or other legal agreement that governs the use, sale or lease of the **aircraft**. This exclusion does not apply to **loss** or damage to an **aircraft** when a renter pilot, renting such **aircraft** pursuant to a rental agreement, converts, embezzles or secretes the **aircraft** while it is in the renter pilot's possession provided the **Named Insured** or renter, lessor or owner of the **aircraft** are in no way associated with or a participant in such conversion, embezzlement, or secretion and have no prior knowledge thereof and have not acquiesced therein, or
- b) to **loss** or damage to tires except where such **loss** or damage is caused by fire, theft, windstorm or vandalism or is the direct result of **physical damage** covered by this policy, or
- c) to **loss** or damage which is due and confined to:
 - (1) wear, tear, deterioration, freezing,

- (2) any electrical malfunction or failure of any electronic component(s), accessory(ies), or electrically powered equipment,
- (3) any mechanical, hydraulic, pneumatic, or structural malfunction or failure,
- (4) corrosion or rust in any form

unless any such **loss** or damage in (1), (2), (3) or (4) is the direct result of other **physical damage** covered by this policy.

Damage resulting from electrical malfunction or failure of an electrical component(s), accessory(ies), or electrically powered equipment is considered breakdown of the entire electrical system containing such electronic component(s), accessory(ies), or electrically powered equipment.

Damage resulting from the breakdown, failure or malfunction of any engine component, accessory or part (as designated on the manufacturer's parts list for the engine) is considered mechanical breakdown of the entire engine.

- d) to **loss** or damage to turbine **aircraft** engines and auxiliary power units **Insured** under this policy if such damage is caused by
 - (1) ingestion of **domestic objects**, or
 - (2) foreign objects unless a result of **ingestion**, or
 - (3) heat or temperature change from the operation, attempted operation or shutdown of the engine or auxiliary power unit

unless any such **loss** or damage is the direct result of other **physical damage** covered by this policy.

LIMIT OF THE COMPANY'S LIABILITY

ALL COVERAGES -- Other Insurance

Except with respect to insurance afforded by **Special Insuring Agreements 2) a) and b)** and to insurance specifically purchased by the **Insured** to apply in excess of this policy, if there is other insurance in the **Insured's** name or otherwise, against **loss**, liability or expense covered by this policy, the Company shall 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 bears to the total applicable limit of liability of all valid and collectible insurance against such **loss**, liability or expense. Insurance afforded by **Special Insuring Agreements 2) a) and b)** shall be excess insurance over any other valid and collectible insurance available to the **Insured**, either as **Insured** under a policy applicable to the **aircraft** or otherwise and if such other insurance shall have been written through the

Company as primary insurance then the Company's limits of liability under this policy shall be reduced by the applicable limits of such other policy.

COVERAGES A, B, C AND D -- Total Liability

Regardless of the number of (1) **Insureds** under this policy, (2) persons or organizations who sustain **Bodily Injury** or **Property Damage**, (3) claims made or suits brought on account of **Bodily Injury** (including **related claims**) or **Property Damage** or (4) **aircraft** to which this policy applies, the Company's liability is limited as follows:

Coverage A. The total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by any person as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each person". Subject to the above provision respecting "each person", the total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **occurrence**."

Coverage B. The total liability of the Company for all damages because of all **Property Damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **occurrence**."

Coverage C. The total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by any **passenger** as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **passenger**". Subject to the above provision respecting "each **passenger**", the total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by two or more **passengers** as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **occurrence**".

Coverage D. The total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** or **Property Damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **occurrence**."

And further provided that if the Declarations are completed to show "**passenger liability limited to**", the total liability of the Company for all damages, including all **related claims** and all damages for care or loss of ser-

VICES because of **Bodily Injury** to **passengers** and **crew** shall not exceed the following:

- 1) as respects any one **passenger** or **crew** member, the amount stated in the Declarations as applicable to "each person".
- 2) as respects two or more **passengers** or **crew** members, subject to the above provisions respecting any one **passenger** or **crew** member, the amount stated in the Declarations as applicable to "each person" multiplied by the total number of **passenger** and **crew** seats as stated in **Item 4.** of the Declarations for the **aircraft** involved, but in no event shall the Company's Liability for all **Bodily Injury** (including **passenger Bodily Injury**) and **Property Damage** exceed the limits stated in the Declarations as applicable to "each **occurrence**".

For the purpose of determining the limit of the Company's liability, all **Bodily Injury** and **Property Damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

COVERAGES A, B, C AND D -- Severability of Interests

The insurance afforded applies separately to each **Insured** against whom claim is made or suit is brought, except with respect to the limits of the Company's liability.

COVERAGE E -- Total Liability

The limit of liability stated in the Declarations as applicable to "each person" is the limit of the Company's liability for all expenses incurred by or on behalf of each person who sustains **Bodily Injury** (including **related claims**) in any one **occurrence**. The limit of liability stated in the Declarations for **Coverage E** as applicable to "each **occurrence**" is subject to the above provision respecting each person, the total limit of the Company's liability for all expenses incurred by or on behalf of two or more persons who sustain **Bodily Injury** (including **related claims**) in any one **occurrence**.

COVERAGES F, G AND H -- Total Liability

With respect to **total loss**, the Company will pay the **Insured** value of the **aircraft**, as stated in the Declarations, subject to any applicable deductible.

With respect to **partial loss**, the company may pay for the least expensive and most reasonable means to repair the **aircraft** or may pay for the loss in money, subject to any applicable deductible, as follows:

- 1) If repairs are made by other than the **Named Insured**, the total of the:

- a) cost to repair the damaged property with material of like kind and quality (excluding any charges for overtime), plus
 - b) cost of the least expensive and most reasonable method of transporting new and/or damaged parts and/or the damaged **aircraft** to the place of repair and the return of the repaired **aircraft** to the place where the **loss** occurred or the place where the **aircraft** is regularly based, whichever is nearer;
- 2) if repairs are made by the **Named Insured**, the total of the:
 - a) actual cost to the **Insured** of material of like kind and quality,
 - b) actual wages paid for labor, excluding overtime,
 - c) overhead and supervisory services up to a maximum of 150% of 2) b) hereinabove and
 - d) cost of the least expensive and most reasonable method of transporting new and/or damaged parts and/or the damaged **aircraft** to the place of repair and the return of the repaired **aircraft** to the place where the **loss** occurred or the place where the **aircraft** is regularly based, whichever is nearer.

With respect to any **partial loss** or **total loss**, the following shall apply;

- 3) The amount due under this policy shall not exceed the amount due were the **loss** payable as a **total loss**;
- 4) Any salvage value remaining shall inure to the benefit of the Company and the **Named Insured** shall provide clear title thereto;
- 5) Any equipment attached to the **aircraft**, even if subsequent to the effective date of coverage, shall be considered a part of the **aircraft**;
- 6) There shall be no abandonment of any damaged property without the consent of the Company.

If the **loss** is due to theft or **disappearance**, the Company shall have the right to return any found stolen property at any time prior to actual payment of the claim hereunder, with payment for any **Physical Damage** sustained thereto.

As available, the Company will pay for repair or replacement of like, kind and quality. The Company will not pay excess of like, kind and quality amounts for the cost of **betterment**.

CONDITIONS

APPLICABLE TO COVERAGES A, B, C AND D

1) ACTION AGAINST THE COMPANY

No person or organization has a right under this policy:

- a) to join the Company as a party or otherwise bring the Company into a suit asking for damages from an **Insured** or
- b) to sue on this policy unless all of its terms have been fully complied with.

A person or organization may sue the Company to recover on an agreed settlement or on a final judgment against an **Insured** obtained after an actual trial; but the Company will not be liable for damages that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Company, the **Insured** and the claimant or the claimant's legal representative. Service of process may be made upon the Company. However, the Company does not waive its rights to commence an action in any court of competent jurisdiction or to seek a transfer to another court as permitted by law.

2) FINANCIAL RESPONSIBILITY

If this policy is certified as proof of insurance under any governmental financial responsibility law applicable to aircraft, the Company will pay the minimum amount required by that law which does not exceed the limit of liability of this policy. The **Named Insured** agrees to reimburse the Company promptly for any amounts the Company would not have had to pay were it not for this clause.

3) NOTICE OF OCCURRENCE, LOSS, CLAIM OR SUIT

- a) The **Named Insured** must promptly notify the Company of an **occurrence** that may result in a claim. Such notice shall be in writing to the Company claims notification address which is set forth with this policy. Such notice shall include all of the following:
 - (1) particulars sufficient enough to identify the **Insured**,
 - (2) how, when and where the **occurrence** took place and
 - (3) the names and addresses of any injured persons and witnesses.
- b) If claim is made or suit is brought against the **Insured**, the **Named Insured** must see to it that

the Company receives prompt written notice of the claim or suit. The **Named Insured** and any other **Insured** involved must

- (1) immediately send the Company copies of any demands, notices, summonses or legal papers received in connection with the claim or suit,
 - (2) authorize the Company to obtain records and other information,
 - (3) cooperate with the Company in the investigation, settlement or defense of the claim or suit and
 - (4) assist the Company, upon the Company's request, in the endorsement of any right against any person or organization which may be liable to the **Insured** because of injury or damage to which the insurance may also apply.
- c) No **Insured** will, except at its own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Company's consent.

4) SEVERABILITY OF INTEREST

Except with respect to the Limit of the Company's Liability and any rights and duties specifically assigned in this policy to the first **Named Insured**, this insurance applies:

- a) as if each **Named Insured** were the only **Named Insured** and
- b) separately to each **Insured** against whom claim is made or suit is brought.

APPLICABLE TO COVERAGE E – MEDICAL EXPENSE

5) ACTION AGAINST THE COMPANY

No person or organization has the right under this policy to sue on this policy unless all of its terms have been fully complied with and until thirty (30) days after the required proofs of claim have been filed with the Company.

6) MEDICAL REPORTS: PROOF AND PAYMENT OF CLAIM

- a) The injured person or someone on his or her behalf, as soon as practical after an accident, must give the **Company** written proof of claim and, if requested by the Company:
 - (1) provide his or her sworn statement under oath,
 - (2) authorize the Company to obtain medical reports and copies of records and

- (3) submit to physical examination by a physician selected by the Company, when and as often as the Company may reasonably require.
- b) The Company may pay the injured person or any person or organization rendering the services and such payment:
 - (1) shall reduce the amount payable hereunder for the injury and
 - (2) shall not constitute admission of liability by an **Insured** or the Company.

**APPLICABLE TO COVERAGES F, G, AND H –
PHYSICAL DAMAGE**

7) ACTION AGAINST THE COMPANY AND PAYMENT OF LOSS

The Company does not have to pay, and the **Named Insured** does not have the right to sue on this policy, unless all of its terms have been fully complied with and until thirty (30) days after the required proofs of **loss** have been filed with the Company and the amount of **loss** is determined as provided by the policy, nor at all unless commenced within twelve (12) months after the date of the **loss**.

8) APPRAISAL OF LOSS

If the **Named Insured** and the Company fail to agree as to the amount of **loss**, each shall, upon written notice to the other, hire at its own expense an independent aircraft appraiser. The appraisers will then agree on a knowledgeable and neutral umpire. If they cannot agree on the umpire in fifteen (15) days, a Judge of the county of the pending appraisal will appoint the umpire. Agreement by any two of these three shall determine the amount of **loss**. The **Named Insured** and the Company will share the umpire's cost equally. But this clause shall not deprive or waive any rights of the Company.

9) AUTOMATIC REINSTATEMENT

In the event of **loss**, whether or not covered by this policy, the amount of insurance in respect to any **aircraft** shall be reduced as of the time and date of **loss** by the amount of such **loss** and such reduced value shall continue until repairs are commenced when the amount of insurance shall be automatically increased by the value of the completed repairs until the amount of insurance is fully reinstated or the policy has expired.

10) INSURED'S DUTIES WHEN LOSS OCCURS

When **loss** occurs, the **Insured** shall:

- a) take all reasonable precautions to protect the property or **aircraft** after an **occurrence**. The

- Company shall reimburse the **Insured** all reasonable cost in affording such protection,
 - b) not abandon the property or **aircraft**,
 - c) immediately contact the Company and provide prompt written notice at the address appearing on the policy back cover, including the following:
 - (1) time, place and description of events and
 - (2) a description and location of the **aircraft**,
 - d) promptly report theft and vandalism to the Company and local police,
 - e) do nothing after the **loss** to harm the Company's rights of recovery against any person or organization,
 - f) allow the Company to inspect the property,
 - g) submit to examination under oath if requested by the Company,
 - h) allow the Company to inspect all aircraft records, pilot logbooks, repair and service invoices, sales receipts and any other pertinent records until settlement of the **loss** and
 - i) file proof of **loss** with the Company within sixty (60) days after the date of **loss**, in the form of a sworn statement to include:
 - (1) the interest of the **Named Insured** and all others in the property affected,
 - (2) any encumbrances thereon,
 - (3) the actual cash value of the property at the time of the **loss**,
 - (4) the amount, place, time and cause of such **loss** and
 - (5) the description and amounts of all other insurance covering such property,
- unless such time is extended in writing by the Company.

11) NO BENEFIT TO BAILEE

The insurance afforded by this policy shall not inure directly or indirectly to the benefit of any carrier or bailee liable for **loss** to the **aircraft**.

APPLICABLE TO ALL COVERAGES

12) ASSISTANCE AND COOPERATION OF THE INSURED

The **Insured** shall cooperate with the Company and, upon the Company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits. The **Insured** shall not, except at its own cost, voluntarily

make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of an **occurrence**.

13) BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations hereunder.

14) CANCELLATION

- a) The first **Named Insured** shown on the Declarations may cancel this policy by mailing or delivering to the Company advance written notice of cancellation.
- b) The Company may cancel this policy by mailing or delivering to the first **Named Insured** written notice of cancellation at least:
 - (1) ten (10) days before the effective date of cancellation if the Company cancels for non-payment of premium or
 - (2) thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
- c) The Company will mail or deliver notice to the first **Named Insured's** last mailing address known to the Company.
- d) If this policy is cancelled, the Company will return any premium refund due. If the Company cancels, the refund will be pro rata. If the **Named Insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company have not made or offered a refund. The Company shall not be liable for any return **Physical Damage** premium in respect to any **aircraft** on which a **total loss** has been paid.
- e) If notice is mailed, proof of mailing will be sufficient proof of notice.

15) CHANGING THE POLICY

Nothing in this policy can be changed or waived except by the Company's written endorsement, approved and signed by the Company.

16) EXAMINATION OF INSURED'S BOOKS AND RECORDS

The Company may examine and audit the **Insured's** books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

17) FRAUD OR MISREPRESENTATION

This policy shall be void if the **Named Insured** has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in case of any fraud, attempted fraud or false swearing by the **Named Insured** touching any matter relating to this insurance or the subject thereof, whether before or after a **loss**.

18) INSPECTION AND SURVEYS

The Company has the right but are not obligated to:

- a) make inspections and surveys at any time,
- b) give the **Named Insured** reports on the conditions found or
- c) recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Company does not make safety inspections. The Company does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. Additionally the Company does not warrant that conditions:

- d) are safe and healthful or
- e) comply with laws, regulations, codes or standards.

This condition applies not only to the Company, but also to any rating, advisory, rate service or similar organization that make insurance inspections, surveys, reports or recommendations.

19) NONRENEWAL

If the Company decides not to renew this coverage, the Company will mail or deliver to the first **Named Insured** shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

20) PREMIUMS

The first **Named Insured** shown in the Declarations is responsible for the payment of all premiums.

21) REPRESENTATIONS

By accepting this policy, the **Named Insured** agrees that:

- a) the statements in the Declarations are accurate and complete,
- b) those statements are based upon representations of the **Named Insured** to the Company and

- c) the Company has issued this policy in reliance upon the **Named Insured's** representations.

22) STATE STATUTES

If the terms of this policy are in conflict with or inconsistent with the insurance statutes of any state where this policy is in effect, the policy will conform to those state statutes.

23) SUBROGATION

If the **Insured** has rights to recover all or part of any payment the Company has made under this policy, those rights are transferred to the Company. The **Insured** must do nothing after **loss** to impair them. At the request of the Company, the **Insured** will bring suit or transfer those rights to the Company and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after a **loss** to prejudice such rights.

24) TITLES OF PARAGRAPHS

The titles of the various paragraphs of this policy and amendments, if any, attached to this policy are inserted solely for reference and are not to be deemed in any way to limit or affect the provision to which they relate.

25) TRANSFER OF THE NAMED INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY

The **Named Insured's** rights and duties under this policy may not be transferred without the Company's written consent except in the case of the death or bankruptcy of an individual **Named Insured**.

If such individual **Named Insured** dies or is adjudged bankrupt or insolvent, his or her rights and duties will be transferred to the **Named Insured's** legal representative but only while acting within the scope of duties as such. Until the **Named Insured's** legal representative is appointed, anyone having proper temporary custody of the **Named Insured's** property will have such **Named Insured's** rights and duties but only with respect to that property, but in no event for more than sixty (60) days following such death or adjudication.

26) VIOLATION OF STATUTE

If coverage for a claim under this policy is in violation of any of 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"), then coverage for that claim shall be null and void.

-END-

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
1

BROAD NAMED INSURED ENDORSEMENT

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

The **Named Insured** set forth on the Declarations is changed as follows:

and any subsidiary, affiliated, owned or controlled companies or entities now in existence or hereafter formed or acquired jointly or severally, as their respective interests may appear.

“Subsidiary, affiliated, owned or controlled companies or entities” means any company or entity of which at least fifty percent (50%) of the stock or fifty percent (50%) of the members or, if a partnership, fifty percent (50%) interest in the partnership is owned by the **Named Insured**, or for which the **Named Insured** has assumed active management control. Subsidiary, affiliated, owned or controlled companies or entities acquired after the effective date of your policy shall be reported to the Company within thirty (30) days after they are acquired.

All other provisions of this policy remain the same.

Named Insured:
Policy Number:
Effective Date:

Endorsement Number
2.1

MANAGED AIRCRAFT ENDORSEMENT

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

- Coverages for the **aircraft** described below are added to the policy:

The insurance afforded is only with respect to such and so many of the following coverages as are indicated by a specified limit of liability or value. The limit of the Company's liability against such coverage shall be as stated herein, subject to all of the terms of this policy having reference thereto. If more than one **aircraft** is insured hereunder, the terms of this policy shall apply separately to each.

ITEM 3. LIMITS OF INSURANCE		
COVERAGE A: BODILY INJURY – EXCLUDING PASSENGERS	\$ Not Covered	Each Person
	\$ Not Covered	Each Occurrence
COVERAGE B: PROPERTY DAMAGE	\$ Not Covered	Each Occurrence
COVERAGE C: PASSENGER LIABILITY	\$ Not Covered	Each Passenger
	\$ Not Covered	Each Occurrence
COVERAGE D: SINGLE LIMIT BODILY INJURY AND PROPERTY DAMAGE LIABILITY INCLUDING PASSENGERS WITH PASSENGER LIABILITY LIMITED TO:	\$	Each Occurrence
	\$ Not Applicable	Each Passenger
COVERAGE E: MEDICAL EXPENSE – INCLUDING CREW	\$	Each Person
	\$ Not Applicable	Each Occurrence

ITEM 4. COVERAGES F, G or H: DESCRIPTION OF AIRCRAFT AND PHYSICAL DAMAGE COVERAGE:							
Reg. Number	Make & Model	Year Built	Seats Crew / Pass.	Insured Value	Cov. letter	Not In-Motion	Deductibles In-Motion/ Ingestion
			/	\$		\$	\$
			/	\$		\$	\$
			/	\$		\$	\$
			/	\$		\$	\$
			/	\$		\$	\$
			/	\$		\$	\$

Physical Damage Coverage letters mean as defined in Paragraph 3. Physical Damage Coverage of the Insuring Agreements. N/C means Not Covered.

2. With respect to **aircraft** scheduled in Paragraph 1., hereinabove, the **Insured Owner** is included as an **Insured**.

“**Insured Owner**” means the person(s) or organization(s) described below who have entered into an aircraft management agreement with the **Named Insured**.

Insured Owner:

3. Coverages and limits as described in this policy apply to the **Insured Owner**, except with respect to the provisions hereunder:

a. With respect to any non-owned **aircraft**, coverages shall apply only if:

1. the aircraft is being operated by the **Named Insured** on behalf of the **Insured Owner** or the flight is arranged by the **Named Insured** on behalf of the **Insured Owner**, and
2. the aircraft being operated on behalf of the **Insured Owner** is not owned in whole or in part by or registered to the **Insured Owner**.

b. Paragraph 7. of the “Non-Owned Aircraft: Liability Endorsement” is amended as follows:

7. The Company’s Limit of Liability with respect to non-owned **aircraft** shall in no event exceed:

COVERAGE A: BODILY INJURY – EXCLUDING PASSENGERS	\$	Not Covered	Each Person
	\$	Not Covered	Each Occurrence
COVERAGE B: PROPERTY DAMAGE	\$	Not Covered	Each Occurrence
COVERAGE C: PASSENGER LIABILITY	\$	Not Covered	Each Passenger
	\$	Not Covered	Each Occurrence
COVERAGE D: SINGLE LIMIT BODILY INJURY AND PROPERTY DAMAGE LIABILITY INCLUDING PASSENGERS WITH PASSENGER LIABILITY LIMITED TO:	\$		Each Occurrence
	\$	Not Applicable	Each Passenger
COVERAGE E: MEDICAL EXPENSE – INCLUDING CREW	\$		Each Person
	\$	Not Applicable	Each Occurrence

The above Limit of Liability is included within the policy Limit of Liability applicable to Liability Coverages, and is not in addition thereto.

c. The following limits set forth for the coverages listed below shall be amended to read:

Premises Liability	\$	each occurrence
Products Liability - Sale of Aircraft , Aircraft Parts, Food and Beverage	\$	each occurrence and aggregate
Host Liquor Liability	\$	aggregate
Mobile Equipment Liability	\$	each occurrence
Personal Injury Liability	\$	any one offense and in the annual aggregate

The above limits are part of and not in addition to the limits described elsewhere in the policy for the same coverage.

4. The insurance afforded by this policy for the interest of the **Insured Owner** shall not be invalidated by any act or neglect of the **Named Insured** provided that the **Insured Owner** did not consent to such act or neglect which would otherwise invalidate the insurance provided by this policy or that the **Insured Owner** had no knowledge that such act or neglect to which they consented would invalidate the insurance provided by this policy.

The insurance afforded by this policy for the interest of the **Named Insured** shall not be invalidated by any act or neglect of the **Insured Owner** provided that the **Named Insured** did not consent to such act or neglect which would otherwise invalidate the insurance provided by this policy.

5. **Loss**, if any, under **physical damage** coverage shall be determined in consultation with the **Named Insured** and made payable to the **Named Insured, Insured Owner** and any lienholder of record, if any.
6. Schedule of Lienholders of record, if any:

FAA Registration

Lienholder

SAMPLE

All other provisions of this policy remain the same.

Named Insured:
 Policy Number:
 Effective Date:

Endorsement Number
 2.2

MANAGED AIRCRAFT ENDORSEMENT

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

- Coverages for the **aircraft** described below are added to the policy:

The insurance afforded is only with respect to such and so many of the following coverages as are indicated by a specified limit of liability or value. The limit of the Company's liability against such coverage shall be as stated herein, subject to all of the terms of this policy having reference thereto. If more than one **aircraft** is insured hereunder, the terms of this policy shall apply separately to each.

ITEM 3. LIMITS OF INSURANCE			
COVERAGE A: BODILY INJURY – EXCLUDING PASSENGERS	\$	Not Covered	Each Person
	\$	Not Covered	Each Occurrence
COVERAGE B: PROPERTY DAMAGE	\$	Not Covered	Each Occurrence
COVERAGE C: PASSENGER LIABILITY	\$	Not Covered	Each Passenger
	\$	Not Covered	Each Occurrence
COVERAGE D: SINGLE LIMIT BODILY INJURY AND PROPERTY DAMAGE LIABILITY INCLUDING PASSENGERS WITH PASSENGER LIABILITY LIMITED TO:	\$		Each Occurrence
	\$	Not Applicable	Each Passenger
COVERAGE E: MEDICAL EXPENSE – INCLUDING CREW	\$		Each Person
	\$	Not Applicable	Each Occurrence

ITEM 4. COVERAGES F, G or H: COVERAGE:		DESCRIPTION OF AIRCRAFT AND PHYSICAL DAMAGE						
Reg. Number	Make & Model	Year Built	Seats Crew / Pass.	Insured Value	Cov. letter	Deductibles	Not In-Motion	In-Motion/ Ingestion
			/	\$		\$		\$
			/	\$		\$		\$
			/	\$		\$		\$
			/	\$		\$		\$
			/	\$		\$		\$
			/	\$		\$		\$

Physical Damage Coverage letters mean as defined in Paragraph 3. Physical Damage Coverage of the Insuring Agreements. N/C means Not Covered.

2. With respect to **aircraft** scheduled in Paragraph 1., hereinabove, the **Insured Owner** is included as an **Insured**.

“**Insured Owner**” means the person(s) or organization(s) described below who have entered into an aircraft management agreement with the **Named Insured**.

Insured Owner:

3. Coverages and limits as described in this policy apply to the **Insured Owner**, except with respect to the provisions hereunder:

a. With respect to any non-owned **aircraft**, coverages shall apply only if:

1. the aircraft is being operated by the **Named Insured** on behalf of the **Insured Owner** or the flight is arranged by the **Named Insured** on behalf of the **Insured Owner**, and
2. the aircraft being operated on behalf of the **Insured Owner** is not owned in whole or in part by or registered to the **Insured Owner**.

b. Paragraph 7. of the “Non-Owned Aircraft: Liability Endorsement” is amended as follows:

7. The Company’s Limit of Liability with respect to non-owned **aircraft** shall in no event exceed:

COVERAGE A: BODILY INJURY – EXCLUDING PASSENGERS	\$	Not Covered	Each Person
	\$	Not Covered	Each Occurrence
COVERAGE B: PROPERTY DAMAGE	\$	Not Covered	Each Occurrence
COVERAGE C: PASSENGER LIABILITY	\$	Not Covered	Each Passenger
	\$	Not Covered	Each Occurrence
COVERAGE D: SINGLE LIMIT BODILY INJURY AND PROPERTY DAMAGE LIABILITY INCLUDING PASSENGERS WITH PASSENGER LIABILITY LIMITED TO:	\$		Each Occurrence
	\$	Not Applicable	Each Passenger
COVERAGE E: MEDICAL EXPENSE – INCLUDING CREW	\$		Each Person
	\$	Not Applicable	Each Occurrence

The above Limit of Liability is included within the policy Limit of Liability applicable to Liability Coverages, and is not in addition thereto.

c. The following limits set forth for the coverages listed below shall be amended to read:

Premises Liability	\$	each occurrence
Products Liability - Sale of Aircraft , Aircraft Parts, Food and Beverage	\$	each occurrence and aggregate
Host Liquor Liability	\$	aggregate
Mobile Equipment Liability	\$	each occurrence
Personal Injury Liability	\$	any one offense and in the annual aggregate

The above limits are part of and not in addition to the limits described elsewhere in the policy for the same coverage.

4. The insurance afforded by this policy for the interest of the **Insured Owner** shall not be invalidated by any act or neglect of the **Named Insured** provided that the **Insured Owner** did not consent to such act or neglect which would otherwise invalidate the insurance provided by this policy or that the **Insured Owner** had no knowledge that such act or neglect to which they consented would invalidate the insurance provided by this policy.

The insurance afforded by this policy for the interest of the **Named Insured** shall not be invalidated by any act or neglect of the **Insured Owner** provided that the **Named Insured** did not consent to such act or neglect which would otherwise invalidate the insurance provided by this policy.

5. **Loss**, if any, under **physical damage** coverage shall be determined in consultation with the **Named Insured** and made payable to the **Named Insured, Insured Owner** and any lienholder of record, if any.
6. Schedule of Lienholders of record, if any:

FAA Registration

Lienholder

SAMPLE

All other provisions of this policy remain the same.

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

Endorsement Number
3

PILOT WARRANTY ENDORSEMENT

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

The Pilots section as set forth on the Declarations is completed as follows:

It is a condition of this insurance that when **in flight**, the **aircraft** must at all times be operated by the pilot(s) scheduled below. In addition to the requirements below, all pilots must possess the appropriate **FAA** Pilot's Certificate, Ratings and Medical Certificate for the flight involved.

As respects all scheduled aircraft:

- A two person crew consisting of a Pilot in Command and a Second in Command:
 - As Respects Pilot In Command:
 - As Respects Second In Command:
- Single pilot operations by:
- Any pilot who has been specifically approved by the Named Insured's Chief Pilot or his designee, including licensed mechanics for taxi and engine run-ups.

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
4

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".

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

(1) Act of Terrorism:

(A) Certification - The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State and the Attorney General of the United States.:

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to:

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of

(I) an air carrier or commercial vessel defined as one principally based in the United States, on which United States income tax is paid, and whose insurance coverage is subject to regulation in the United States;

(II) the premises of a United States mission; and

(iv) to have been committed by an individual(s) 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.

(B) Limitation - No act shall be certified by the Secretary as an act of terrorism if:

(i) the act is committed as part of the course of war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or

(ii) property and casualty insurance losses resulting from the act, in aggregate, do not exceed \$5,000,000.

(C) Determinations Final - 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) Non-delegation - 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.

The full text of "TRIA" may be reviewed at <http://www.treas.gov/offices/domestic-finance/financial-institution/terrorism-insurance/pdf/TRIAasamended-CompositeTextPost.pdf>

Federal Share of Compensation

Payments made under this policy, for losses caused by a certified "Act of Terrorism", will be reimbursed in part by the United States Government to the Company using a formula established by Federal Law. Under this formula, the United States Government generally reimburses eighty-five percent (85%) of covered terrorism losses exceeding the statutorily established deductible paid by the Company for losses arising from certified "Acts of Terrorism".

\$100 Billion Cap

The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as the Company's 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, coverage (if purchased) for "Acts of Terrorism" may be reduced.

II. 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, 2014) 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, 2014, 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. redefine terrorism or make 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 II. A. above occur, this endorsement will continue in effect unless the Company notifies the **Named Insured** of changes in response to federal law.

III. "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.

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.

(Any coverage for "Acts of Terrorism" will be subject to all the terms, conditions and limitations of this policy.)

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

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
5

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:

(1) Act of Terrorism:

(A) Certification - The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State and the Attorney General of the United States.:

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to:

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of

(I) an air carrier or commercial vessel defined as one principally based in the United States, on which United States income tax is paid, and whose insurance coverage is subject to regulation in the United States;

(II) the premises of a United States mission; and

(iv) to have been committed by an individual(s) 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.

(B) Limitation - No act shall be certified by the Secretary as an act of terrorism if:

(i) the act is committed as part of the course of war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or

(ii) property and casualty insurance losses resulting from the act, in aggregate, do not exceed \$5,000,000.

(C) Determinations Final - 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) Nondelegation - 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.

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.

All other provisions of this policy remain the same.

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

Endorsement Number
6

BROAD COVERAGE ENDORSEMENT

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

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

AIRWORTHINESS CERTIFICATE

Exclusion 3) b) set forth in the policy provisions is deleted.

AUTOMATIC INSURANCE FOR INCREASED INSURED VALUE

If the value of the **aircraft** increases due to **modification** or additional equipment accomplished during the Policy Period, the Amount of Insurance applicable to the **aircraft's physical damage** coverage shall increase automatically by the cost of such **modification** or additional equipment provided however that:

- (a) such increase in value is reported to the Company within thirty (30) days of completion of such **modification** or additional equipment;
- (b) the maximum automatic increase for which the Company shall be liable shall not exceed 25% of the insured value applicable to such **aircraft** specified in the Declarations before such **modification** or additional equipment, subject however to a maximum insured value of \$50,000,000 whichever is less;
- (c) the **Insured** pays any additional premium when due on account of such increase in insured value.

"**Modification**" as used in this endorsement shall mean a physical change to an **aircraft** insured for **physical damage** by this policy to enhance or improve performance. Modification does not include routine or scheduled maintenance.

BAGGAGE & HANGAR COVERAGES

Property Damage coverage is extended to include the following additional coverages:

- (a) direct **physical damage** to **passenger's baggage** for not more than \$10,000 each **passenger**, any one **occurrence**;
- (b) **Property Damage** to hangars and the contents thereof, of others, in the care, custody or control of the **Insured**, for not more than \$1,000,000 each **occurrence**.

This clause does not include coverage for damage to **aircraft** of others or any **aircraft** which could be insured elsewhere within this policy.

"**Baggage**" means handbags, suitcases, valises, briefcases and other forms of baggage or personal effects usually carried by travelers, and the contents thereof, but excluding accounts, bills, jewelry, deeds, evidences of debt, letters of credit, passports, documents, coupons, money, credit cards, notes, securities, manuscripts, valuable papers, airline and other tickets.

Coverage provided by this paragraph is secondary to and excess over any other valid insurance available and collectible by the **Insured**.

DEFINITION OF **PREMISES** - Applicable to the **Insured Owner**

"Premises" means such portions of airports and heliports used by the **Insured Owner** directly in connection with the ownership, maintenance or use of any **aircraft** inclusive of premises owned, operated or maintained by the **Named Insured**.

The limit of insurance provided under Item 1) of the Insuring Agreements with respect to an **occurrence** and arising out of the maintenance or use of the **premises** in or upon which the **aircraft** is stored shall be:

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

the same limit as the Coverages A, B and D set forth on the Declarations; or

\$As Endorsed per **occurrence**

Coverage provided by this paragraph is secondary to and excess over any other valid insurance available and collectible by the **Insured**.

EMERGENCY OR UNEXPECTED LANDING

This policy is extended to pay for the reasonable expenses of disassembly and removal of an **aircraft** insured under this policy from a place of emergency or unexpected landing to the nearest airport, provided that the place of emergency or unexpected landing is inadequate for a safe take-off for flight.

The Company shall not be liable:

- (a) if the **aircraft** is not insured while **in flight**,
- (b) for any expense in correcting any mechanical difficulty,
- (c) for any expenses that exceed 100% of the insured value of the **aircraft** involved.

If the cost to disassemble, remove and/or transport the **aircraft** equals or exceeds the **aircraft** insured value or actual cash value the Company will pay a **total loss** and all rights to any remaining salvage shall inure to the Company.

EXTRA EXPENSE FOR RENTING SUBSTITUTE AIRCRAFT - Only with respect to Non-Commercial Operations

Only with respect to **aircraft** insured for Ground and Flight coverage F:

1. The Company will pay the **Named Insured** for the **extra expense** caused by an **occurrence** and arising out of **Insured's physical damage loss** to an **aircraft** scheduled in the Declarations.
2. Limit of Liability
\$5,000 each day, each **aircraft**
\$300,000 each **occurrence**, each **aircraft**
3. The insurance afforded by this coverage does not apply to:
 - (a) any expenses incurred within 5 days from the date of **occurrence**.
 - (b) any expenses if another similar aircraft is available at no charge.
 - (c) any expenses if the **Named Insured** acquires through ownership, lease, lease purchase option, or otherwise, a permanent replacement aircraft for the damaged **aircraft**.
 - (d) any expenses if the **aircraft** is a **total loss** and the Company has offered the **Named Insured** a proof of loss.
 - (e) any expenses incurred after repairs covered under Ground and Flight Coverage F on the **aircraft** have been completed.
 - (f) any expenses incurred after 65 days from the date of **occurrence**.

"Extra Expense" means the costs of leasing or renting a temporary substitute aircraft which exceeds the cost the **Named Insured** would have incurred if the **Named Insured** could have operated the **aircraft** had it not been damaged.

EXTRA EXPENSE OF TEMPORARY REPLACEMENT AIRCRAFT PARTS

Only with respect to **aircraft** insured for Ground and Flight coverage F:

The Company will pay extra expense, including the direct cost of installation, removal and transportation, incurred by the **Named Insured** for renting or leasing aircraft parts as temporary replacements for aircraft parts;

1. damaged and being repaired, or
2. destroyed and being permanently replaced,

caused by a **physical damage loss** covered by this policy to an **aircraft** shown in the Declarations.

The Limit of the Company's Liability with respect to this coverage shall not exceed:

\$50,000 each **loss**, regardless of the number of such replacement parts or **aircraft**.

The coverage provided herein shall be in addition to the Limit of Liability shown in the Declarations.

This coverage does not apply:

1. if the time to permanently replace, or to repair and return such part is less than 5 calendar days;
2. if the **aircraft** to which this coverage applies is a total, constructive total or arranged **total loss**;
3. to the **Insured's** spare parts;
4. to parts under existing rental, lease or exchange agreements;
5. to charges for wear, tear or depreciation, damage, **loss**, loss of use, maintenance, repairs or operating costs;
6. to charges incurred after such damaged or destroyed part has been permanently repaired or replaced;
7. to charges incurred while such **aircraft** or temporary replacement part is unusable on account of an Airworthiness Directive, factory Service Bulletin, airworthiness inspection, breakdown, malfunction or unsuitability;
8. to charges incurred during the period prior to installation of such temporary part on the **aircraft** if uninstalled for three (3) days or more.

HANGARKEEPER'S LIABILITY - Applicable to the **Insured Owner**

The Company will pay on behalf of the **Insured Owner** all sums the **Insured Owner** is legally obligated to pay as damages because of **Property Damage** caused by an **occurrence** to any aircraft but only while such aircraft is not **in flight** and is in the care, custody and control of the **Insured** for safekeeping, storage or repair.

This coverage shall not apply to:

- (a) any **aircraft** that is owned by, leased to, rented or loaned to, the **Insured**, partners of the **Insured**, an officer or employee of the **Insured**;
- (b) robes, wearing apparel, personal effects or merchandise;
- (c) any damages due to theft or conversion by the **Insured**, partners of the **Insured**, or an officer or employee of the **Insured**;
- (d) the **Insured's** liability under any agreement to be responsible for damages to any aircraft.

The Limit of Liability with respect to this coverage is \$5,000,000 each **aircraft**, \$5,000,000 each **occurrence** and is subject to a deductible of \$1,000 each **aircraft**.

The Company's right and duty to defend will end when the Company has used up the applicable limits of insurance in the payment of judgments or settlements under this coverage.

HOST LIQUOR LIABILITY - Applicable to the Insured Owner

The Company will pay on behalf of the **Insured Owner** all sums which the **Insured Owner** becomes legally obligated to pay as damages because of **Bodily Injury** or **Property Damage** caused by an **occurrence** during the policy period arising out of the serving or giving of alcoholic beverages at or from the **Insured's premises** or any **aircraft** covered by this policy. The insurance provided by this coverage section is excess insurance.

The Limit of Liability with respect to this coverage is \$As Endorsed aggregate.

MOBILE EQUIPMENT LIABILITY - Applicable to the Insured Owner

The Company will promptly pay on behalf of the **Insured Owner** all sums the **Insured Owner** becomes legally obligated to pay as damages because of **Bodily Injury** and **Property Damage** caused by an **occurrence** arising out of the ownership, maintenance or use of **mobile equipment**.

"**Mobile equipment**" shall mean a land vehicle (including any machinery or apparatus attached) that is not subject to motor vehicle registration or is used exclusively on **premises** owned by or rented to the **Named Insured**, but only while used on **premises** and in connection with the maintenance or operation of **aircraft** or **premises**. The insurance provided by this coverage shall be excess over any other coverage available to the **Insured**.

The Limit of Liability with respect to this coverage is \$As Endorsed each **occurrence**.

PHYSICAL DAMAGE TO SPARE ENGINES, PARTS, AVIONICS AND ACCESSORIES

Physical damage coverage is extended to insure aircraft engines, parts, avionics and accessories not attached to or forming a part of any aircraft and being the property of the **Named Insured** or the property of others for which the **Named Insured** is legally liable, against all risks of loss from external cause. In addition to the exclusions applying to **physical damage** coverage, the coverage extended by this paragraph does not apply to:

- (a) any property while temporarily detached from an aircraft;
- (b) **loss** or damage occurring once attachment or installation of such property has begun;
- (c) mysterious disappearance of the insured property;
- (d) depreciation, delay, loss of market or loss of use of the insured property.

The Limit of Liability with respect to this coverage is \$1,000,000 each **occurrence** subject to a deductible of \$1,000 each and every **loss**.

POLICY TERRITORY

The POLICY PERIOD AND TERRITORY set forth in the Insuring Agreements is amended to read as follows:

Under All Coverages

This policy applies only to **Bodily Injury** or **Property Damage** which occurs, and to **physical damage** to the **aircraft** which is sustained, during the policy period and while the **aircraft** is anywhere in the world.

PREMISES MEDICAL COVERAGE - Applicable to the Insured Owner

The Company will pay all reasonable **medical expenses** incurred within one (1) year from the date of injury, to or for each person who sustains **Bodily Injury** caused by an **occurrence** and arising out of the ownership, maintenance or use of the **premises**. The same exclusions and conditions applicable to **aircraft medical expense** coverage in this policy shall also apply to this coverage.

The Limit of Liability with respect to this coverage is \$ each person.

PRODUCTS LIABILITY - SALE OF **AIRCRAFT**, AIRCRAFT PARTS, FOOD AND BEVERAGE - Applicable to the **Insured Owner**

Liability coverage is extended to include all sums which the **Insured Owner** shall become legally obligated to pay for **Bodily Injury** or **Property Damage** caused by an **occurrence** and arising out of:

- (a) the sale or relinquishment from exclusive written lease by the **Named Insured** of **aircraft** or **aircraft parts**;
- (b) the furnishing to others of aircraft fuel or aircraft maintenance services by the **Named Insured** without intentional profit;
- (c) the furnishing to **passengers** of food and beverage by the **Named Insured** in connection with the operation of **aircraft** or **premises**.

This coverage shall apply only if the **Bodily Injury** or **Property Damage** occurs away from **premises** used by the **Named Insured** and after physical possession of such **aircraft**, aircraft parts, aircraft fuel, food or beverage has been relinquished to others and such services have been completed.

The Limit of Liability with respect to this coverage is \$As Endorsed each **occurrence** and aggregate and such limit is in addition to the limits for aircraft liability.

SEARCH AND RESCUE EXPENSES

DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS Insuring Agreement is extended to include the following additional coverages:

- (a) the cost of runway or **aircraft** foaming incurred by the **Insured** for minimizing **loss** under this policy, but not in excess of \$100,000 each **occurrence** for each foaming;
- (b) the actual expenses incurred by the **Insured**, but not to exceed \$100,000 any one **occurrence**, for search and rescue operations performed by or at the request of the **Named Insured**, but only after all governmental and military search and rescue operations have been discontinued.

TRIP INTERRUPTION EXPENSE

DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS are extended to include the following expenses incurred as a result of a covered **physical damage loss**:

The Company will promptly reimburse the **Named Insured** for their reasonable expenses of food, travel and lodging of **passengers** incurred from the place where an **aircraft** insured hereunder suffers a covered **physical damage loss** to the intended final destination of the **aircraft**, or back to the place they originally boarded the aircraft, if the trip is discontinued. Coverage hereunder shall not exceed \$10,000 for each **passenger**, each **occurrence**. The **Named Insured** will provide to the Company duplicate invoices for all covered expenses within thirty (30) days of the date such expenses are incurred.

UNEARNED PREMIUM INSURANCE

In the event of a **total loss**, the Company shall refund the pro-rata unearned premium applicable only to **physical damage** coverage, with respect only to such **aircraft** which is a **total loss**.

All other provisions of this policy remain the same.

Named Insured: **Named Insured & Address**
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 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;
- (d) Any malicious act or act of sabotage;
- (e) 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;
- (f) 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 (f). 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 (e)) or hijacking, etc. (as per Section One Clause (f)) 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: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
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TRIA HULL 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 "Act 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>
	None		\$
			\$

All other provisions of this policy remain the same.

Named Insured: **Named Insured & Address**
 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 – Exclusion 7), it is hereby understood and agreed that effective on the above date at 12:01 A.M., Standard Time, and only as respects **Bodily Injury, Property Damage and Passenger Liability**, all sub-paragraphs other than sub-paragraph 7) b) (1) and b) (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 7) a) 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 Item 3. 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

Limit

All scheduled aircraft

All reported **aircraft** that are covered by the attached "Reporting Form Endorsement."

Same as the Single Limit for **Bodily Injury and Property Damage** reported for each **aircraft**, subject to a maximum Limit of Liability of \$ _____, 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 7) a) 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: **Named Insured & Address**
 Policy Number:
 Effective Date:

Endorsement Number
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AUTOMATIC ATTACHMENT ENDORSEMENT FOR NEWLY ACQUIRED AIRCRAFT

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

For the purposes of this endorsement only, Paragraph 1) under **SPECIAL INSURING AGREEMENTS** does not apply.

Paragraph 2) c) under **SPECIAL INSURING AGREEMENTS** is hereby deleted and replaced by the following:

1. Coverages A, B, C, D, E and F shall attach with respect to the following **aircraft** indicated by an "X" to the left of the appropriate paragraph:
 - (a) Any fixed wing, land **aircraft** bearing a "Standard" category Airworthiness Certificate having no more than _____ total seats,
 - (b) Any fixed wing, land **aircraft** bearing a "Standard" category Airworthiness Certificate having no more than _____ total seats and having a certificated gross weight not in excess of 12,500 pounds,
 - (c) _____,

acquired by the **Insured**, as owner or exclusive lessee, during the policy term provided that the Company is advised of the full details of the transaction within 30 days of acquisition or lease and the applicable premiums paid therefor.
2. As respects Liability Coverage and Medical Expense coverage,
 - (a) if an additional **aircraft**, the same coverages and limits of liability shall apply as the **aircraft** having the greatest total seating capacity, as described in **Item 4.** of the Declarations or
 - (b) if a replacement **aircraft**, the same coverages and limits of liability as the **aircraft** being replaced.
3. As respects **Physical Damage** coverages:
 - (a) The insured value of such **aircraft** shall be the actual price paid including engine(s) as evidenced by the records of the **Insured** unless a different value is accepted by the Company after notification as required above.
 - (b) The maximum amount of insurance automatically provided for any one **aircraft** shall not exceed \$ _____ ; and in the event an acquired **aircraft** shall have a value in excess of this amount, the Company shall not be liable in the event of loss for an amount greater than the percentage this limit bears to the actual value unless such actual value shall have been specifically approved on the particular **aircraft** by the Company in writing.
 - (c) The amount of insurance automatically provided hereunder is subject to deductibles of:

Not In Motion	\$
In Motion, Ingestion, or Mooring	\$
4. Item 1. of this endorsement shall not apply to, and Coverages A, B, C, D, E and F shall not automatically attach, with respect to any **aircraft** scheduled below:
 Schedule:

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
11

CARGO LIABILITY ENDORSEMENT

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

1. The Company agrees to pay on behalf of the **Named Insured** those sums which the **Named Insured** shall become legally liable to pay (but limited to the **Named Insured's** legal liability under tariff document, airway bill of lading, or shipping receipt, if any) for direct **property damage** or **loss** from external cause to cargo, caused by an **occurrence**, but only while in the care, custody and control of the **Named Insured** and only while on an aircraft insured by this policy or on an airport **premises**.

2. LIMIT OF LIABILITY

\$ each **occurrence**.

The Limits of Liability under this endorsement are included within the policy Limits of Liability applicable to **property damage** liability and are part of and not in addition thereto.

3. DEDUCTIBLE AMOUNT

The **Insured** shall bear the first \$ of each claim, but not to exceed \$ each **occurrence**.

4. The insurance afforded under this endorsement shall be secondary to and excess over any other valid and collectible insurance available to the **Insured**.

5. EXCLUSIONS

In addition to the exclusions appearing in the policy to which this endorsement is attached (including those exclusions applicable to all the Liability Coverages), this endorsement does not insure any liability for:

- (a) **loss** of use, loss of market, delay, inherent vice, extremes of temperature or pressure, or deterioration.
- (b) **loss**, damage or expense caused by or resulting from infidelity or dishonesty of any person in the employment or service of the **Insured**.
- (c) **loss** in excess of the actual cost of reconstruction of, reproducing or replacing destroyed or damaged manuscripts, notes, securities, accounts, bills, deeds, evidences of debt or other commercial papers or documents of value.
- (d) currency or money.
- (e) property owned or used by the **Named Insured**.
- (f) **baggage**; "**baggage**" shall mean handbags, suitcases, valises, briefcases and other forms of baggage usually carried by travelers and the contents thereof.
- (g) bullion, gold, silver, platinum or other precious alloys or metals; furs, fur garments or garments trimmed with fur; jewelry, watches, precious or semiprecious stones or similar valuable property.
- (h) live animals, birds or fish except for (1) theft or (2) death or destruction directly resulting from or made necessary by fire, lightning, windstorm, smoke, explosion, earthquake, flood, or by accident to the **aircraft** carrying the property.
- (i) **property damage** or **loss** to cargo or equipment attached externally to an **aircraft**, including attaching devices and hardware.

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
12

PERSONAL INJURY EXTENSION

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

This insurance is extended to cover the **Named Insured's** Legal Liability for damages arising out of aircraft operations sustained by any person arising out of one or more of the following offenses committed during the policy period:

1. False arrest, restraint, detention or imprisonment.
2. Malicious prosecution.
3. Wrongful entry, eviction or other invasion of the right of private occupancy.
4. The publication or utterance of a libel or slander or of other defamatory or disparaging material in violation of an individual's right of privacy except publication or utterance in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the **Named Insured**.

The following additional exclusions shall apply to the insurance provided by this extension:

- (a) liability assumed by the **Insured** under any contract or agreement.
- (b) personal injury arising out of the willful violation of penal statute or ordinance, committed by or with the knowledge or consent of the **Named Insured**.
- (c) personal injury arising out of offense 4 above,
 - (i) if the first injurious publication or utterance of the same or similar material was made prior to the effective date of this insurance;
 - (ii) if such publication or utterance was made by or at the direction of the **Named Insured** with the knowledge of the false nature thereof.
- (d) liability for personal injury sustained by any person directly or indirectly related to the past, present or potential employment of such person by the **Named Insured**.

The Limit of Liability applicable to Personal Injury claims shall be \$As Endorsed any one offense and \$As Endorsed in the annual aggregate during the policy period being within the overall policy limit and not in addition thereto.

All other provisions of this policy remain the same.

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

Endorsement Number
13

PASSENGER VOLUNTARY SETTLEMENT

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

The Company shall offer to pay on behalf of an **Insured** those sums requested by the **Named Insured**, to or for the benefit of each covered **passenger** who sustains **bodily injury** caused by an occurrence arising out of the ownership, maintenance, or use of **aircraft** or **non-owned aircraft** by or on behalf of an **Insured**.

If the Company is not permitted by law or statute to pay on behalf of the **Insured**, the Company will indemnify the **Insured** for those sums permitted by law in excess of any other valid and collectible insurance available to the **Insured**.

DEFINITIONS

When used in this endorsement, the terms in bold face print shall be defined as stated below:

"Aircraft" means any aircraft specifically scheduled and insured by this policy or any aircraft that qualifies as an insured temporary substitute aircraft or any aircraft that qualifies under the automatic attachment for newly acquired aircraft provisions of this policy. Aircraft specifically excludes any **non-owned aircraft**.

"Body part(s)" means a hand, foot or eye.

"Loss" means:

- (a) with respect to the severance of a hand or foot, at or above the wrist or ankle; or
- (b) the entire and irrecoverable loss of sight or an eye.

"Non-owned aircraft" means any **aircraft** that qualifies as an insured non-owned aircraft in this policy.

"Permanent total disability" means the inability of the injured **passenger**, after twelve (12) months of being continuously **totally disabled**, to perform every duty pertaining to the occupation the person was hired to perform for the rest of that person's life.

"Settlement limit" means the maximum amount the Company will pay to or for each **passenger** stated in the Limits of Liability section of this endorsement.

"Totally disabled" means the complete inability to perform any duty pertaining to one's occupation.

EXCLUSIONS

In addition to the exclusions applicable to liability coverages within the policy provisions, the following exclusions shall also be applicable to coverage provided by this endorsement.

This coverage shall not pay for any claim:

1. To or on behalf of any **crew** on any **non-owned aircraft** unless the Declarations states a **settlement limit** for **non-owned aircraft** and for **crew** and
 - (a) the **crew** are professional pilots who are regular employees of the **Insured** acting in their capacity as professional pilots; or
 - (b) they are **crew** who routinely operate an **aircraft** for an **Insured**, but are operating **non-owned aircraft** on behalf of an **Insured** at the time of the **occurrence**.

2. Arising out of the use of a **non-owned aircraft** unless a dollar amount is shown in the **settlement limit** for **non-owned aircraft** in the Limits of Liability section of this endorsement.

CONDITIONS

1. If requested, the injured **passenger** or his or her legal representative shall authorize the Company to obtain his or her medical records.
2. If requested, the injured **passenger** shall submit to physical examination by the physicians selected by the Company when they may reasonably require before any payment is made.
3. All injured **passengers** or their legal representative(s) shall execute a full release approved by the Company before any payment shall be made by the Company. This shall not apply to recipients of weekly indemnity payments.
4. If the injured **passenger(s)** or their legal representative(s) rejects or does not accept an offer from the **Named Insured** within ninety (90) days of receipt of the offer, or if a claim is made or suit brought by the injured **passenger** or on his or her behalf, this coverage shall not apply.
5. The coverage provided by this endorsement applies to injuries covered by workers compensation, unemployment compensation or disability benefit law or under any similar law. But, the coverage provided by this endorsement may not be used by the **Insured** to satisfy the **Insured's** obligation under workers compensation, unemployment compensation or disability benefit law or under any similar laws.

LIMITS OF LIABILITY

If the **bodily injury** is direct and independent of all other causes and results in death, **permanent total disability** or **loss of body parts**:

- (a) the Company shall offer to pay up to the **settlement limit** for death or **permanent total disability** of the **passenger**;
- (b) the Company shall offer to pay up to the **settlement limit** for loss of two or more **body parts**; or
- (c) the Company shall offer to pay up to one-half of the **settlement limit** for **loss** of one **body part**.

Expense Reimbursement for Weekly Indemnity Payments:

If a **passenger** becomes **totally disabled** due to **bodily injury** and qualifies for a **settlement limit**, the Company shall reimburse the **Named Insured** for payments they choose to make to the **totally disabled passenger** for the loss of earnings as a result of the disability. The Company, however, shall only pay up to eighty percent (80%) of the average weekly wage of the **totally disabled passenger** but not exceeding the Maximum Weekly Indemnity Limit shown in the **Settlement Limits** in this endorsement. Payments shall be made for the period of continuous **total disability** up to the Maximum Indemnity Period shown in the **Settlement Limits** under this endorsement. If the **totally disabled passenger** or **crew** is the **Named Insured** employee at the time of the **occurrence** and is injured in the course and scope of that employment, the **settlement limit** shall be reduced by the amount of any payments that are made under this provision.

SETTLEMENT LIMITS

With respect to an **aircraft**:

Each non-crew passenger	\$	each occurrence
Each crew passenger	\$	each occurrence

With respect to any **non-owned aircraft**:

Each non-crew passenger	\$ Not Covered	each occurrence
Each crew passenger	\$ Not Covered	each occurrence
Total all non-owned aircraft crew and non-crew passengers combined:	\$ Not Applicable	each occurrence

Maximum Weekly Indemnity Limit	\$	1,250	each passenger
Maximum Indemnity Period		52	consecutive weeks

SAMPLE

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
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NON-OWNED AIRCRAFT: PHYSICAL DAMAGE ENDORSEMENT

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

1. This policy is extended to apply to those sums which the **Named Insured** shall become legally liable to pay because of **physical damage** or **loss to aircraft** of others described in Paragraph 3. below (including the resultant loss of use thereof) being used by, or on behalf of, the **Named Insured**, provided such **aircraft** is not registered to, owned in whole or in part by, under a lease of more than a thirty (30) day term to, or under a lease-purchase option agreement to, or under the exclusive control of the **Named Insured**, or officer, partner, or employee thereof, or a member of the household of any of the foregoing.
2. This insurance shall be secondary to and excess over any other valid and collectible insurance available to the **Insured**. If such other Insurance is written through the Company as primary insurance, then the total limit of the Company's liability under all such policies shall not exceed the greatest Limit of Liability applicable under any one such policy.
3. The coverage provided by this endorsement only applies to the following **aircraft** indicated by an "X" to the left of the appropriate paragraph:
 - (a) Any fixed wing, land **aircraft** bearing a "Standard" category Airworthiness Certificate having no more than total seats.
 - (b) Any fixed wing, land **aircraft** bearing a "Standard" category Airworthiness Certificate having no more than total seats and having a certificated gross weight not in excess of 12,500 pounds.
 - (c)
4. In addition to the Exclusions appearing in the policy, the coverage provided by this endorsement does not apply:
 - (a) if the Company does not insure all the **aircraft** owned by, registered to, leased to or under the exclusive control of the **Named Insured**;
 - (b) to any claims arising out of any **Insured's** products manufactured, distributed or handled by any **Insured**;
 - (c) to any liability assumed by any **Insured** except in a written contract with a military or governmental body necessary for the use of any airport, unless endorsed in writing onto the policy;
 - (d) to any loss or damage to any material furnished by any **Insured** or to any work performed by the **Insured** out of which an accident or **occurrence** arises;
 - (e) to claims for **loss** of or damage to wearing apparel, personal effects or property of any description owned, rented, controlled or transported by any **Insured** whether or not the aircraft is lost or damaged;
 - (f) with respect to any **aircraft** rented, financed or leased to others by any **Insured**, or repossessed or reacquired by any **Insured**.

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

Endorsement Number
15

NON-OWNED AIRCRAFT: LIABILITY ENDORSEMENT

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

1. Such coverage as is afforded by this policy under Coverages A, B, C, D, and E also apply to the **Named Insured** (including any director, executive officer, partner, or employee, agent or stockholder thereof, but only while acting within his or her official duties as such) arising out of the use by, or on behalf of, the **Named Insured** of **aircraft** not owned in whole or in part by, registered to, or under a lease agreement with a term of more than thirty (30) days to the **Named Insured**,
2. TEMPORARY USE OF SUBSTITUTE AIRCRAFT and USE OF OTHER AIRCRAFT Special Insuring Agreements are deleted.
3. The coverage provided by this endorsement is secondary to and excess over any other valid and collectible insurance available to the **Insured**, except insurance purchased as excess of the coverage provided by this endorsement. If such other insurance is written through the Company, the total limit of the Company's liability under all such policies shall not exceed the greatest Limit of Liability applicable under any one such policy.
4. This endorsement applies only to the non-owned **aircraft** indicated by an "X" to the left of the appropriate paragraph.
 - (a) Any fixed wing, land **aircraft** bearing a "Standard" category Airworthiness Certificate having no more than total seats.
 - (b) Any fixed wing, land **aircraft** bearing a "Standard" category Airworthiness Certificate having no more than total seats and having a certificated gross weight not in excess of 12,500 pounds.
 - (c)
5. In addition to the Exclusions applicable to Coverages A, B, C, D, and E, the coverage provided by this endorsement also does not apply to:
 - (a) Any person or organization with respect to **aircraft** owned in whole or in part by, registered to, or under a lease agreement with a term of more than thirty (30) days, to such person (or member of his/her household) or organization.
 - (b) **Physical damage** or **property damage** to, destruction of, or loss of use of non-owned **aircraft**.
 - (c) Claims arising out of any product designed, manufactured, sold, distributed, serviced or handled by an **Insured**.
 - (d) Claims arising out of any aircraft rented to, financed for, or leased to others (or repossessed or reacquired) by any **Insured**, subsidiary, owned or controlled firm thereof.
 - (e) Liability arising out of **aircraft** insured elsewhere in the policy to which this endorsement is attached.
6. With respect to the coverage provided by this endorsement only, the pilot requirements specified in the Declarations are deleted.

7. The Company's Limit of Liability with respect to the coverage under this endorsement shall in no event exceed:

COVERAGE A: BODILY INJURY – EXCLUDING PASSENGERS	\$	Not Covered	Each Person
	\$	Not Covered	Each Occurrence
COVERAGE B: PROPERTY DAMAGE	\$	Not Covered	Each Occurrence
COVERAGE C: PASSENGER LIABILITY	\$	Not Covered	Each Passenger
	\$	Not Covered	Each Occurrence
COVERAGE D: SINGLE LIMIT BODILY INJURY AND PROPERTY DAMAGE LIABILITY INCLUDING PASSENGERS WITH PASSENGER LIABILITY LIMITED TO:	\$		Each Occurrence
	\$	Not Applicable	Each Passenger
COVERAGE E: MEDICAL EXPENSE – INCLUDING CREW	\$		Each Person
	\$	Not Applicable	Each Occurrence

The above Limit of Liability is included within the policy Limit of Liability applicable to Liability Coverages, and is not in addition thereto.

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
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REFERRAL LIABILITY ENDORSEMENT

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

Paragraph 1. of the "Non-Owned Aircraft: Liability Endorsement" is extended to include the following:

Such coverage as is afforded by this policy under Coverages A, B, C, D, and E also apply to the **Named Insured** (including any director, executive officer, partner, or employee, agent or stockholder thereof, but only while acting within his or her official duties as such) arising out of the **Named Insured's** referral or arrangement for use of a non-owned **aircraft** by and on behalf of another person or organization.

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
17

MECHANICS TOOLS ENDORSEMENT

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

INSURING AGREEMENT

This insurance is extended to cover tools of the **Insured's** employee mechanics against direct and accidental physical **loss** or damage from external causes while such tools are in the care, custody and control of the **Named Insured** or such employee while acting within the scope of their duties as such.

LIMIT OF LIABILITY

The Company shall not be liable for more than the actual cash value of any tool insured, but in no event shall the Company be liable for more than \$ each **employee**, \$ each **occurrence** subject however to a deductible of \$ each **employee** any one **occurrence**.

EXCLUSIONS

This endorsement does not apply to claims caused by or arising from:

1. wear, tear, deterioration, rust, or inherent vice;
2. delay, depreciation, or loss of use;
3. mechanical, electrical, hydraulic, pneumatic or structural breakdown or failure;
4. artificial electric current;
5. extremes of temperature and humidity;
6. mysterious disappearance or **loss** or shortage disclosed upon taking inventory;
7. infidelity or dishonesty of the **Insured** or anyone in the service of the **Insured**;
8. wrongful taking or secretion by any person or organization in lawful possession thereof; or,
9. failure to save and protect such property from further **loss** or harm after an **occurrence** to which this endorsement applies.

All other provisions of this policy remain the same.

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

Endorsement Number
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CONTRACTUAL LIABILITY ENDORSEMENT

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

This policy is extended to include the following coverage, but only with respect to **aircraft** for which insurance is provided under Liability Coverage, subject to all other agreements, terms, conditions and exclusions forming a part of this policy:

Exclusion **9**) a) of the policy does not apply to the assumption by the **Named Insured** of the liability of others for **bodily injury** or **property damage** in any contractual agreement, provided that the **Named Insured** submits a copy of all such agreements to the Company within thirty (30) days after coming to the attention of the **Named Insured's** Insurance Department, however, failure to do so through error or omission shall not prejudice the insurance afforded hereunder. The Company reserves the right to review and reject submitted contracts within ten (10) days and to charge an additional premium for any such agreement so submitted. The Company hereby waives the submission requirement with respect to temporary aircraft storage and minor servicing agreements, military or governmental agreements, lease of premise agreements and agreements approved by the Company prior to the effective date of this policy.

EXCLUSIONS

This insurance does not apply to liability assumed by the **Insured**:

- (i) under any oral contract or agreement, nor
- (ii) under any agreement or contract:
 - (a) with or for the benefit of **passengers, crew**, or their heirs;
 - (b) insofar as it pertains to major alterations or major repairs as defined in the Federal Aviation Regulations;
 - (c) with respect to the manufacture, sale, or servicing of any aircraft;
 - (d) entered into after the **occurrence** of a **loss** to which this endorsement applies.

LIMIT

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

- The Limit of Liability under this endorsement is included within the policy Limits of Liability applicable to the **aircraft** involved and is part of and not in addition thereto.
- \$ each **occurrence**. This Limit of Liability is included within the policy Limits of Liability applicable to the **aircraft** involved and is part of and not in addition thereto.

All other provisions of this policy remain the same.

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

Endorsement Number
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LAY-UP ENDORSEMENT

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

In the event of an **aircraft** insured in this policy being laid up and not in use for any purpose, the **in motion** coverage under all sections of this policy will be suspended during the period of such lay-up and premium will be returned upon notice of the lay-up period's termination, subject to the following conditions:

1. Notice of lay-ups must be furnished by the **Insured** to the Company prior to commencement of, and also upon termination of, the lay-up period.
2. No return of premium shall be made:
 - (a) for the period of any "Annual", "100 Hour", or "Progressive" inspection for renewal of the Certificate of Airworthiness;
 - (b) unless the period of lay-up is of at least 30 consecutive days, but should the period defined in (a) occur during lay-up then the **Insured** shall be entitled to add the lay-up days prior to and subsequent to which a return may be made;
 - (c) if any claim in respect of the **aircraft** concerned has been made on this insurance. But, this condition (c) shall not apply in the event such claim is not covered under the policy to which this endorsement is attached.

Subject always to the foregoing conditions, the return premium shall be equal to % of the pro rata in-flight hull and liability premium for the actual period of lay-up as defined above.

In the event of the **aircraft** being laid up for a period of at least 30 consecutive days of which only a part of those days attaches to this insurance and part to the annual renewal, then the Company shall return premium for those days for which coverage was suspended.

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
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DELETION OF EXCLUSION ENDORSEMENT – CO-EMPLOYEES

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

Regardless of anything to the contrary in Exclusion 11) b) of this policy and in paragraph 1. of the Definition of **Insured**, Liability Coverages of this policy are extended to apply to **bodily injury** and **property damage** liability claims asserted by an employee of the **Named Insured** against another employee of the same **Named Insured** arising out of the ownership, maintenance or use of the **aircraft**. This endorsement does not provide coverage to the **Named Insured** for any **bodily injury** and **property damage** liability claims asserted by employees of the **Named Insured**, and all other provisions of Exclusion 11) b) and paragraph 1. of the Definition of **Insured** remain in full force and effect.

SAMPLE

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
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MEXICAN LIABILITY

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

With respect to the following aircraft:

N#(s)

The Company has arranged Mexican Liability Insurance, as required under Mexican law, through Policy No(s).

The limits of coverage provided under Policy No(s) shall be part of and not in addition to the limits of coverage provided under any policy written through the Company.

SAMPLE

All other provisions of this policy remain the same.

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

Endorsement Number
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**DATE CHANGE RECOGNITION EXCLUSION ENDORSEMENT
LIMITED WRITE-BACK PROVISION**

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

The Date Change Recognition Exclusion – Exclusion **10**) 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**.

SAMPLE

All other provisions of this policy remain the same.

Named Insured: Named Insured & Address
Policy Number:
Effective Date:

Endorsement Number
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ADDITIONAL INSURED ENDORSEMENT

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

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

- The scheduled persons or organizations are included as additional insured.
- The scheduled persons or organizations are included as an additional insured under the liability coverages as respects their operation of N# under a "dry lease agreement" between the **Named Insured** and the scheduled persons or organizations.
- The scheduled persons or organizations are included as additional insured but only as respects liability coverages.
- The scheduled persons or organizations are included as additional insured under the liability coverages, but only as respects operations of the **Named Insured**.
- The scheduled persons or organizations are included as additional insured but only as respects operations of the **Named Insured**.
- The scheduled persons or organizations are included as additional insured under the liability coverages but only as respects the **Named Insured's** use of **premises** owned, rented or controlled by the scheduled persons or organizations.
- Such insurance as is afforded by this policy shall also apply to the scheduled organization as an additional insured insofar as work performed by the **Insured** for and/or under agreement between the **Insured** and the scheduled organization is concerned.
- The scheduled organization shall not by reason of its inclusion as an additional insured incur liability to us for payment of premium for such insurance.
- Coverage is primary and is not contributing with any insurance or self-insurance maintained by the scheduled organization.
- The term "**Insured**" is used severally and not collectively, but the inclusion herein of more than one **Insured** shall not operate to increase the Limit of the Company's Liability.
- This policy will not be canceled nor the coverage materially changed adversely to the scheduled organization by the Company without thirty (30) days prior written notice (10 days for non-payment of premium) of such cancellation or adverse change in coverage to the scheduled organization at the address indicated.
- With respect to **Physical Damage** Coverage, the Company agrees to waive its right of recovery against the scheduled organization and its subsidiaries.
- The insurance extended by this endorsement shall not apply to, and the person or organization named in the schedule 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.

Schedule:

All other provisions of this policy remain the same.

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

Endorsement Number
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LIENHOLDER'S INTEREST ENDORSEMENT

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

Loss, if any, under any **physical damage** coverage provided by this policy shall be payable to the **Named Insured** and the following (hereinafter called the Lienholder) as interests may appear:

1. As to the interest of the said Lienholder only, the insurance afforded by any **physical damage** Coverage of this policy shall not be invalidated by any act or neglect of the **Named Insured** nor by any change in the title or ownership of the aircraft but conversion, embezzlement or secretion by or at the direction of the **Named Insured** is not covered hereunder; provided however that:
 - (a) in case the **Named Insured** shall neglect to pay any premium due under this policy the Lienholder shall, on demand, pay the premium; and
 - (b) the Lienholder shall notify the Company of any change of title or ownership of the **aircraft** or apparent increase of hazard, which shall come to the knowledge of the Lienholder, and, unless permitted by this policy, it shall be endorsed thereon and the Lienholder shall, on demand, pay the premium for such increased hazard.
2. The liability of the Company to any Lienholder under the provisions of Paragraph 1 of this endorsement shall not exceed:
 - (a) the unpaid balance due on liens pertaining to the **aircraft** less unearned interest and unpaid installments more than ten (10) days overdue on the date of **loss** or damage; nor
 - (b) the amount of lien recited in paragraph 6 of this endorsement, which would have remained unpaid at the time of the **loss** or damage had all payments been made when not more than ten (10) days overdue; nor
 - (c) 100% of the Insured Value of the **aircraft** as stated in this policy, whichever is less.
3. Whenever the Company shall pay any sum for **loss**, damage or expense under any **physical damage** Coverage of this policy and claim that, as to the **Named Insured**, no liability existed therefor, the Lienholder shall thereupon, to the extent of such payment, assign, deliver and convey all interest that the Lienholder may have in said **aircraft**, all instruments of security pertaining thereto and rights against the **Named Insured**, to the Company. The **Named Insured** agrees to promptly reimburse the Company for any sum paid for **loss**, damage or expense which the Company would not have been obligated to pay but for the provisions of paragraph 1 of this endorsement.
4. No provision in this policy in relation to deductions from any loss payable shall be applicable to any payment to the Lienholder under Paragraph 1 of this endorsement other than as set forth in this endorsement.
5. In the event this policy or this endorsement is cancelled by the Company, thirty (30) days (ten (10) days if for nonpayment of premium) prior notice shall be sent to the said Lienholder named herein.
6. This endorsement shall be applicable only with respect to the **aircraft** identified below.

Aircraft Registration Number(s)

Amount of Lien

All other provisions of this policy remain the same.