

SERFF Tracking Number: AERO-125613286 State: Arkansas
Filing Company: HallmarkInsurance Company State Tracking Number: EFT \$50
Company Tracking Number: AV AR 99-04-08-003
TOI: 22.0 Aircraft Sub-TOI: 22.0000 Aircraft
Product Name: Aviation Insurance
Project Name/Number: Hallmark - Name Change/AV AR 99-04-08-003

Filing at a Glance

Company: HallmarkInsurance Company

Product Name: Aviation Insurance

TOI: 22.0 Aircraft

Sub-TOI: 22.0000 Aircraft

Filing Type: Form

SERFF Tr Num: AERO-125613286 State: Arkansas

SERFF Status: Closed

State Tr Num: EFT \$50

Co Tr Num: AV AR 99-04-08-003

State Status: Fees verified and received

Co Status:

Reviewer(s): Alexa Grissom, Betty Montesi, Llyweyia Rawlins, Brittany Yielding

Authors: Tom Murphy, Chris Smith

Disposition Date: 05/12/2008

Date Submitted: 04/30/2008

Disposition Status: Approved

Effective Date Requested (New): 05/15/2008

Effective Date (New): 05/15/2008

Effective Date Requested (Renewal): 05/15/2008

Effective Date (Renewal): 05/15/2008

State Filing Description:

General Information

Project Name: Hallmark - Name Change

Project Number: AV AR 99-04-08-003

Reference Organization: None

Reference Title: None

Filing Status Changed: 05/12/2008

State Status Changed: 05/12/2008

Corresponding Filing Tracking Number:

Filing Description:

The Aircraft Insurance Policy and the Airport Liability Insurance Policy were initially filed and approved for use by Phoenix Indemnity Insurance Company. Recently, Phoenix Indemnity Insurance Company changed its name to Hallmark Insurance Company. The name change prompted this form filing of the following forms that displayed the company's name.

Status of Filing in Domicile: Authorized

Domicile Status Comments: None

Reference Number: None

Advisory Org. Circular: None

Deemer Date:

SERFF Tracking Number: AERO-125613286 *State:* Arkansas
Filing Company: HallmarkInsurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: AV AR 99-04-08-003
TOI: 22.0 Aircraft *Sub-TOI:* 22.0000 Aircraft
Product Name: Aviation Insurance
Project Name/Number: Hallmark - Name Change/AV AR 99-04-08-003

1. The Aircraft insurance Policy GA100 P (01/2006) as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Aircraft insurance Policy GA100 H (02/2008) displaying the Hallmark Insurance Company's name. There are other minor changes made to the Aircraft insurance Policy GA100 H (02/2008), see Page 1 of the Policy comparison marked in red with items underlined that are new and strikethrough for items that are deleted.. These changes do not broaden or restrict coverage of the Policy

2.The Coverage Indemnification Page GA102 P (1/06), as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Coverage Indemnification Page GA102 H (02/08) displaying the Hallmark Insurance Company's name. There are no other changes made to the Coverage Indemnification Page GA102 H (02/08).

3.The Airport Liability Insurance Policy AP2000 P (01/2006), as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Airport Liability Insurance Policy AP 2000 H (02/2008) displaying the Hallmark Insurance Company's name. There are some changes made to the Airport Liability Insurance Policy AP 2000 H (02/2008). See the Policy Comparison marked in red with items underlined that are new and strikethrough for items that are deleted. The changes do not broaden or restrict the Policy Coverage.

4.The Coverage Indemnification Page AP2001 P (01/06), as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Coverage Indemnification Page AP 2001 H (02/08) displaying the Hallmark Insurance Company's name. There are no other changes made to the Coverage Indemnification Page AP 2001 H (02/08).

5.The Aircraft Insurance Policy & the Airport Liability Insurance Policy have individually filed and approved State Amendatory Forms that amend the cancellation provisions and other Policy provisions to bring the Policies into compliance with the individual state requirements. Copies of the State Amendatory Forms are included in the Supplementary Documents section of the filing.

There are no other changes to the Aircraft Insurance Policy & the Airport Liability Insurance Policy at this time.

Company and Contact

SERFF Tracking Number: AERO-125613286 State: Arkansas
 Filing Company: HallmarkInsurance Company State Tracking Number: EFT \$50
 Company Tracking Number: AV AR 99-04-08-003
 TOI: 22.0 Aircraft Sub-TOI: 22.0000 Aircraft
 Product Name: Aviation Insurance
 Project Name/Number: Hallmark - Name Change/AV AR 99-04-08-003

Filing Contact Information

Thomas Murphy, Compliance Officer tmurphy@aerospaceim.com
 14990 Landmark Blvd., Suite 300 (972) 852-1200 [Phone]
 Dallas, TX 75254 (972) 852-1212[FAX]

Filing Company Information

HallmarkInsurance Company CoCode: 34037 State of Domicile: Arizona
 777 Main Street Group Code: 3478 Company Type: Property & Casualty

 Suite 1000
 Fort Worth, TX 76102 Group Name: Hallmark Financial State ID Number:
 Group
 (972) 934-2400 ext. [Phone] FEIN Number: 47-0718164

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: \$50.00 FOR FORM FILINGS
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
HallmarkInsurance Company	\$50.00	04/30/2008	20020513

SERFF Tracking Number:	AERO-125613286	State:	Arkansas
Filing Company:	HallmarkInsurance Company	State Tracking Number:	EFT \$50
Company Tracking Number:	AV AR 99-04-08-003		
TOI:	22.0 Aircraft	Sub-TOI:	22.0000 Aircraft
Product Name:	Aviation Insurance		
Project Name/Number:	Hallmark - Name Change/AV AR 99-04-08-003		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	05/12/2008	05/12/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Broad Form Airport Liability Policy	Form	Tom Murphy	05/08/2008	05/08/2008
supporting docs 2	Supporting Document	Tom Murphy	05/08/2008	05/08/2008

SERFF Tracking Number: AERO-125613286 *State:* Arkansas
Filing Company: HallmarkInsurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: AV AR 99-04-08-003
TOI: 22.0 Aircraft *Sub-TOI:* 22.0000 Aircraft
Product Name: Aviation Insurance
Project Name/Number: Hallmark - Name Change/AV AR 99-04-08-003

Disposition

Disposition Date: 05/12/2008

Effective Date (New): 05/15/2008

Effective Date (Renewal): 05/15/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AERO-125613286 State: Arkansas
 Filing Company: HallmarkInsurance Company State Tracking Number: EFT \$50
 Company Tracking Number: AV AR 99-04-08-003
 TOI: 22.0 Aircraft Sub-TOI: 22.0000 Aircraft
 Product Name: Aviation Insurance
 Project Name/Number: Hallmark - Name Change/AV AR 99-04-08-003

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	SUPPORTING DOCUMENTS	Approved	Yes
Supporting Document (revised)	supporting docs 2	Approved	Yes
Supporting Document	supporting docs 2	Approved	No
Form	Aircraft Insurance Policy	Approved	Yes
Form	Coverage Identification Page	Approved	Yes
Form (revised)	Broad Form Airport Liability Policy	Approved	Yes
Form	Broad Form Airport Liability Policy	Approved	No
Form	Coverage Identification Page	Approved	Yes

SERFF Tracking Number: AERO-125613286 State: Arkansas
 Filing Company: HallmarkInsurance Company State Tracking Number: EFT \$50
 Company Tracking Number: AV AR 99-04-08-003
 TOI: 22.0 Aircraft Sub-TOI: 22.0000 Aircraft
 Product Name: Aviation Insurance
 Project Name/Number: Hallmark - Name Change/AV AR 99-04-08-003

Amendment Letter

Amendment Date:
 Submitted Date: 05/08/2008

Comments:

The Broad Form Airport Policy was revised to clarify Exclusion 7 & 8 on Page 8 there were no additional changes.

The policy comparison under the supplemental section was also revised to reflect this change.

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Broad Form Airport Liability Policy	AP200H	(02/2008)	Policy/C overage Form	Replaced	AP2000P (01/2006)	AR#8722;P0 C#8722;06 −019 969		AP2000H (02-2008).pdf

Supporting Document Schedule Item Changes:

User Added -Name: supporting docs 2

Comment: The revised Broad Form Airport Liability Insurance Policy comparison is attached to this section.

- GA100H (2-2008) R.pdf
- GA 170 AR 04-05.pdf
- AP2010 AR _06-05_.pdf
- AP2000H (02-2008) R.pdf

SERFF Tracking Number: AERO-125613286 State: Arkansas
 Filing Company: HallmarkInsurance Company State Tracking Number: EFT \$50
 Company Tracking Number: AV AR 99-04-08-003
 TOI: 22.0 Aircraft Sub-TOI: 22.0000 Aircraft
 Product Name: Aviation Insurance
 Project Name/Number: Hallmark - Name Change/AV AR 99-04-08-003

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Aircraft Insurance Policy	GA100H	(02/2008)	Policy/Coverage Form	Replaced Form #:0.00 GA100P (01/2006) Previous Filing #: AR#8722;PC# 8722;06#8722;0 19939		GA100H (2-2008).pdf
Approved	Coverage Identification Page	GA102H	(02/08)	Declaration s/Schedule	Replaced Form #:0.00 GA102P (01/06) Previous Filing #: AR#8722;PC# 8722;06#8722;0 19939		GA 102 H (02-08) .pdf
Approved	Broad Form Airport Liability Policy	AP200H	(02/2008)	Policy/Coverage Form	Replaced Form #:0.00 AP2000P (01/2006) Previous Filing #: AR#8722;PC# 8722;06#8722;0 19969		AP2000H (02-2008).pdf
Approved	Coverage Identification Page	AP2001H	(02/08)	Declaration s/Schedule	Replaced Form #:0.00 AP2001P (01/06) Previous Filing #: AR#8722;PC# 8722;06#8722;0 19969		AP2001 H (02-08).pdf



Aircraft Insurance Policy

Hallmark Insurance Company

777 Main Street Suite 1000 Fort Worth, Texas 76102

Form GA100H (02/2008)

This policy is written in language that is easier to understand than language previously used. The provisions of your policy are set forth in detail in the Coverage Identification Page, Parts One through Five and any Endorsements we issue. Together, these comprise your policy.

This policy may provide you with coverage for Aircraft Physical Damage, Liability to Others and medical Expense. Be sure to review your Coverage Identification Page to confirm the coverage and limits issued to you. Then read each Part of the Policy and each Endorsement we issued. This will enable you to better understand your policy.

This Policy is a legal contract between you and the Company; therefore, **IT IS IMPORTANT THAT YOU READ YOUR POLICY CAREFULLY.**

The next page provides you with a brief index to the important features of your policy.

WARNING

If you have an accident or occurrence in Mexico, you may be jailed and your aircraft impounded unless you have aircraft liability coverage issued by an insurance company licensed in Mexico or otherwise comply with the laws of Mexico.

As the Company is not licensed in Mexico, you must make certain you have the required coverage before you fly into Mexico!

ISSUED THROUGH



Aerospace Insurance Managers, Inc.
14990 Landmark Blvd., Suite 300, Dallas, Texas 75254

Where to Find

Coverage Identification Page

Your Insurance Company Name.....	Top Left
Your Policy Number	Top Left
Prior Policy Number	Top Right
Your Agent's Name and Address	Top Right
Named Insured	Item 1
Your Address	Item 2
Policy Period	Item 3
Location of Aircraft	Item 4
Description of Aircraft and Physical Damage Coverage	Item 5
Liability and Medical Payments Coverage and Limits of Coverage.....	Item 6
Premiums	Item 7
Forms and Endorsements Attached When the Policy is Issued	Item 8
Requirements for the Pilot Flying the Aircraft.....	Item 9
The Use of the Aircraft	Item 10
Additional Interests	Item 11
Signatures of an Authorized Representative and our Aviation Managers.....	Bottom

Part One. General Provisions and Conditions

1. Words and Phrases.....	Page 1
2. Our Obligations and Your Duties	3
3. Requirements for the Pilot Flying the Aircraft.....	3
4. The Use of the Aircraft	3
5. When and Where You Are Covered	3
6. If there is an Accident or Occurrence.....	3
7. Changing The Policy	4
8. Canceling The Policy	4
9. Other Coverage.....	4
10. Transfer of Interest in Your Policy.....	5
11. Our Right of Recovery.....	5
12. State Insurance Statutes	5
13. Legal Action Against Us.....	5
14. Concealment or Misrepresentation	5
15. Inspection and Audit	5

Part Two. Aircraft Physical Damage

1. What We Cover	Page 6
2. What You Must Pay or Bear (Deductible)	6
3. What We Will Pay (Less Deductible).....	6
4. What We Will Not Pay.....	7
5. What You Must Do	8
6. When We Will Pay	8
7. Theft.....	8
8. Disappearance	8
9. Reinstatement of Coverage	8

Part Three. Liability to Others

1. What We Cover	Page 9
2. Who Is Protected.....	9
3. Who Is Not Protected	10
4. What Is Not Covered.....	10
5. Additional Protection.....	12

Part Four. Medical Expense

1. What We Will Pay	Page 13
2. Whom We Will Pay	13
3. What We Will Not Pay.....	13
4. Effect of Payment	13
5. Proof of Claim	13
6. Legal Action for Medical Expenses	13

Part Five. Special Provisions and Conditions

1. Newly Acquired Aircraft	Page 14
2. Temporary Use of Substitute Aircraft	14
3. Use of Another Aircraft.....	14
4. What Coverage We Will Provide	14
5. What We Will Not Cover	14

Endorsements

Part One. GENERAL PROVISIONS AND CONDITIONS

Here are some matters **you** need to be aware of before **you** read the other Parts of **your** policy that explain **your** coverage.

1. Words and Phrases

The following words and phrases have special meaning throughout the policy:

- a. **You** and **your** mean the person(s) or organization(s) named in Item 1 of the Coverage Identification Page under the heading "Named Insured."
- b. **Someone we protect** means any person or organization we provide coverage to through this policy other than **you**.
- c. **Anyone** or **others** means any person or organization other than **you** or **someone we protect**.
- d. **We, us** or **our** means the insurance company named on the Coverage Identification Page.
- e. **Aviation Managers** means Aerospace Insurance Managers, Inc., which manages **our** aviation insurance business for **us**.
- f. **Aircraft** means the **aircraft** owned or leased by **you** which is shown in Item 5 of **your** Coverage Identification Page or qualifying under PART FIVE of **your** policy. It includes the airframe, landing gear system, engine (including propeller governor or other parts or accessories attached or mounted to the engine), propeller or rotor, flight and engine instruments, avionics, electrical system, flight control system, fuel system, and any hydraulic and pressurization system. Parts usually mounted or attached to the **aircraft** are included while temporarily removed so long as they are not replaced by other parts. Log books, documents or other records related to an aircraft are not a part of the aircraft.
- ag. **Agreed value** means the amount of money shown in Item 5 of the Coverage Identification Page. This is the amount **you** and **we** have agreed **your aircraft** is worth and the maximum amount of Aircraft Physical Damage coverage **we** provide.
- h. **In motion** means when any part of the **aircraft** is moving under the **aircraft's** electrical or engine power or the resulting momentum.
- i. **In flight** means when movement of the **aircraft** begins for takeoff until completion of the landing run.
- j. **Passenger** means any person who is in the **aircraft** or getting in or out of it. If more than one of the **aircraft** shown in Item 5 of **your** Coverage Identification Page is involved in one **occurrence**, every **person** who is in any of the **aircraft** is a **passenger**.
- k. **Bodily Injury** means physical injury to a person, including sickness, disease (including mental anguish) or death resulting from such physical injury.
- l. **Property damage** means damage to or destruction of tangible property, including any resulting loss of use of that property. It does not include damage to or destruction of the **aircraft** or any other property a **renter pilot, you** or **someone we protect** under **your** policy owns, has charge of, or transports in the **aircraft**.

- m. **Accident** means a sudden event during the policy period, neither expected nor intended by **you** or **someone we protect**, that involves the **aircraft** and causes physical damage to or loss of the **aircraft** during the policy period.
- n. **Occurrence** means a sudden event or repeated exposure to conditions, involving the **aircraft** during the policy period, neither expected nor intended by **you** or **someone we protect**, that causes **bodily injury** or **property damage** to **others** during the policy period. All **bodily injury** or **property damage** resulting from the same general conditions will be considered to be caused by one **occurrence**. If more than one of the **aircraft** shown in Item 5 of **your** Coverage Identification Page is involved in the same **occurrence**, all **bodily injury** or **property damage** resulting from the involvement of all of the **aircraft** will be considered to be caused by one **occurrence**.
- o. **Federal Aviation Administration (FAA)** means the authority of the United States of America having jurisdiction over civil aviation or its counterpart in another country.
- p. **Student Pilot** means any pilot holding a valid student pilot certificate issued by the **FAA** who is receiving flight instruction or operating the **aircraft** solo under the direct supervision and flight endorsement of a **FAA** Certified Flight Instructor.
- q. **Renter Pilot** means any person or organization who is renting the **aircraft** from **you**.
- r. **Pleasure and Business** means use of the **aircraft** by **you** or by **someone we protect** for personal and business-related purposes where no charge is made for such use. **You** or **someone we protect** may receive reimbursement for expenses incurred in operating the **aircraft** provided such reimbursement is limited to expenses allowable, if any, to a Private Pilot under Part 61 of the **FAA** regulations.
- s. **Instruction and/or Rental** means use of the **aircraft** by **you** for the instruction of, or rental to, **others** for their **pleasure and business** purposes. **You** or **someone we protect** may also use the **aircraft** for **pleasure and business** purposes.
- t. **Charter/Air Taxi** means use of the **aircraft** by **you** for transporting passengers or freight for hire, and use by **you** or **someone we protect** for **pleasure and business** purposes.
- u. **Commercial** means use of the **aircraft** by **you** for **instruction and/or rental** purposes, **charter/air taxi** purposes and by **you** or **someone we protect** for **pleasure and business** purposes.
- v. **Flying Club** means use of the **aircraft** by **your** members for their **pleasure and business** purposes. A member is any person having an ownership interest in the **aircraft** or the organization shown in Item 1 of the Coverage Identification Page. **You** may charge membership fees and dues and **you** may also charge the members fees for use of the **aircraft**.

2. **Our Obligations and Your Duties**

We agree to provide coverage to **you** and **someone we protect** if **you** pay the premium and comply fully with the policy requirements, but if **you** do not, or **someone we protect** does not, then **we** are not obligated either to **you** or to **someone we protect**. **We** have the right to deduct any premium or other monetary obligations owed to **us** from any payment **we** make.

3. Requirements for the Pilot Flying the **Aircraft**

You must make certain that the pilot operating the **aircraft in flight** meets the requirements shown in Item 9 of the Coverage Identification Page. There is no coverage under the policy for any **accident** or **occurrence** involving operation of the **aircraft in flight** if the pilot does not meet these requirements.

4. The Use of the **Aircraft**

You must make certain that the **aircraft** is used for the purposes stated in Item 10 of the Coverage Identification Page. There is no coverage under the policy if the **aircraft**:

- a. is used for any purpose not stated in Item 10 of the Coverage Identification Page;
- b. is used for any unlawful purpose;
- c. use requires a special permit or waiver from the **FAA**; or
- d. airworthiness certificate is not in full force and effect or has been converted to a restricted or experimental certificate unless stated in Item 5 of the Coverage Identification Page.

5. When and Where the Policy Provides Coverage

This policy provides coverage during the policy period shown in Item 3 of the Coverage Identification Page while the **aircraft** is within the United States (excluding Alaska and Hawaii), Canada, Mexico, or while en route between these territories.

6. If there is an **Accident** or **Occurrence**

- a. In the event of an **accident** or **occurrence**, **you** or **someone we protect** must:
 - i. promptly notify **us** or **our Aviation Managers** and describe how, when and where the **accident** or **occurrence** happened and give the names and addresses of witnesses, injured persons and all persons onboard the **aircraft**.
 - ii. cooperate with **us** in the investigation, settlement or defense of any claim;
 - iii. answer under oath questions asked by **us** or anyone **we** designate;
 - iv. promptly send **us** copies of any notices or legal papers received relating to the **accident** or **occurrence**;
 - v. help **us** in obtaining and giving evidence, attending hearings and trials, and getting witnesses to testify; and

- vi. promptly notify the police if **your aircraft** or any part of it is stolen or vandalized.

b. In the event of an **accident** or **occurrence**, **you** and **someone we protect** must not:

- i. make any statement about the **accident** or **occurrence** to **others** without **our** permission, except to government authorities making an official investigation; or
- ii. make any voluntary payments, assume any obligation or incur any expense without **our** permission, except for emergency first aid to **others** or for protection of the **aircraft** from further loss.

7. Changing the Policy

If **you** wish to change anything in **your** policy, **you** or **your** representative should contact **us** through **our Aviation Managers**, but no change occurs until **you** or **your** representative is notified in writing by **our Aviation Managers** of **our** agreement to change the policy.

8. Canceling the Policy

You may cancel the policy at any time by telling **us** in writing and in advance, through **our Aviation Managers**, of the date **you** want the coverage to end. If **you** cancel the policy, **we** will refund 90% of the unearned premium **you** have paid.

We or **our Aviation Managers** may cancel this policy at any time by mailing or delivering a notice of cancellation to **you** at the address shown in Item 2 of the Coverage Identification Page at least:

- a. 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if **we** cancel for any other reason.

Proof of mailing or delivery of the notice is sufficient proof of notice. **We** will compute the premium earned by **us** based on the percentage of the original policy period that **we** provided coverage.

We will return to **you** any premium that **you** have paid that **we** have not earned, but making the refund is not a condition of cancellation.

However, if **we** pay or have paid the **agreed value** of the **aircraft**, less any applicable deductible under the Aircraft Physical Damage coverage, **we** are entitled to the total Aircraft Physical Damage premium shown on the Coverage Identification Page for the **aircraft** for which **we** made or make payment. **You** agree to pay any premium that may be due or permit **us** to deduct such premium from **our** loss payment.

9. Other Coverage

If there is other coverage protecting **you** or **someone we protect** for an **accident** or **occurrence** covered by this policy, **we** will pay only the percentage portion that the applicable limit of coverage of this policy bears to the total of the applicable limits of coverage for all policies.

If there is an **accident** or **occurrence** covered by **your** policy involving the “Temporary Use of Substitute Aircraft” or “Use of Another Aircraft”, **your** policy will be excess over any other policy protecting **you**.

If there is other insurance covering the **accident** or **occurrence** issued through **our Aviation Managers**, **we** will not pay more than the limits of coverage of the policy having the greatest limits.

10. Transfer of Interest in **Your** Policy

Neither **you** nor **someone we protect** can transfer an interest in this policy without **our** written consent through **our Aviation Managers**. If **you** die during the policy period, **your** legal representative will have all of **your** rights and duties under the policy while settling **your** estate if **we** are notified through **our Aviation Managers** within 60 days of **your** death.

11. **Our** Right of Recovery (Except PART FOUR – Medical Expense)

If **we** make any payment, **we** will take over **your** right to recover the payment from **anyone** who is responsible. **You** and **someone we protect** must do everything necessary to transfer this right of recovery to **us**, including allowing suit to be brought in **your** name or in the name of **someone we protect**. **You** and **someone we protect** must do nothing that will interfere with, limit or waive **our** right to recover.

12. State Statutes

Any statement or provision of this policy which conflicts with the laws of the state shown in Item 4 of the Coverage Identification Page is hereby amended by **us** to conform to the laws of such state.

13. Legal Action Against **Us**

No legal action shall be brought against **us** until the policy provisions have been complied with fully. No one shall have the right to:

- a. join **us** as a party to any legal action brought against **you** or **someone we protect**; or
- b. bring **us** into any legal action to determine **your** liability or the liability of **someone we protect**.

14. Concealment or Misrepresentation

We do not provide coverage for **you** or **someone we protect** if **you** or **someone we protect** has concealed or misrepresented any material fact or circumstance relating to the policy either before or after an **accident** or **occurrence**.

15. Inspection and Audit

We will have the right, but shall have no obligation, to inspect the **aircraft** and records during and up to 1 year after the policy period.

Part Two. AIRCRAFT PHYSICAL DAMAGE COVERAGE

Review Item 5 of **your** Coverage Identification Page to confirm the Aircraft Physical Damage coverage that has been issued to **you**. Please note also the **agreed value** of the **aircraft** and the amount for which **you** are responsible (deductible). This coverage is for **your** benefit and not for the benefit of **anyone** else in possession of the **aircraft**.

1. What **We** Cover

- a. Coverage F covers direct physical loss of or damage to the **aircraft** caused by an **accident** while the **aircraft** is not **in motion**; and
- b. Coverage G covers direct physical loss of or damage to the **aircraft** caused by an **accident** while the **aircraft** is **in motion**.

2. What **You** Must Pay or Bear (Deductible)

When **we** pay for loss of or damage to the **aircraft**, **you** must first pay or bear one of the following amounts unless no deductible applies:

- a. **Not In Motion** Deductible. The amount shown in Item 5F of **your** Coverage Identification Page must be paid or borne by **you** when loss or damage occurs under Coverage F. **We** will not apply a deductible amount if the loss or damage results from a fire caused by a combustion source external to the **aircraft**, lightning, explosion, theft or vandalism
- b. **In Motion** Deductible. The amount shown in Item 5G of **your** Coverage Identification Page must be paid or borne by **you** when loss or damage occurs under Coverage G.

3. What **We** Will Pay (Less Deductible)

- a. **Destroyed Aircraft**. If the cost of repair when added to the value of the **aircraft** after it is damaged and prior to repairs equals or exceeds the **agreed value**, it is a destroyed **aircraft**.

If the **aircraft** is destroyed, **we** will pay the **agreed value** of the **aircraft**, less the applicable deductible. **We** will be entitled to ownership of the **aircraft** upon payment, free and clear of any encumbrances on the **aircraft**.

- b. **Damaged Aircraft**. If the **aircraft** is damaged and not destroyed, **we** will pay the reasonable cost of repair after the **aircraft** has been repaired, but **we** will not pay more than the **agreed value**, less the applicable deductible.

If the **aircraft** is damaged by hail, **we** will pay the reasonable cost of repair of the hail damage that affects the airworthiness of the **aircraft** after the **aircraft** has been repaired. **We** will pay an amount not exceeding 10% of the **agreed value** for hail damage that does not affect the airworthiness of the **aircraft**, less the applicable deductible. Hail damage that does not result in an immediate grounding of the **aircraft** will be deemed to be damage not affecting the airworthiness of the **aircraft**.

Cost of repair includes necessary labor at straight time rates, parts and materials of similar kind and quality and the least expensive transportation charges necessary to repair the **aircraft** and return it to the place where the damage occurred or its home airport, whichever is nearer. If **you** are authorized by the **FAA** to perform, and **you** elect to perform, **your** own repairs, **you** agree to supply materials, parts and labor at **your** cost, excluding overtime payments. If **you** incur a labor cost for work performed by others, **we** agree to increase the allowance for **your** labor costs by 50% to help **you** defray **your** cost of overhead and supervision.

4. What **We** Will Not Pay

We will not pay for physical loss of or damage to the **aircraft**:

- Pilots and Use*
 - a. Unless the requirements regarding Pilots in Item 9 of the Coverage Identification Page and Use (Item 10) are met;
- Wear and Tear and Mechanical Breakdown*
 - b. Caused by wear or tear, deterioration, freezing, mechanical or electrical breakdown or failure, including any loss or damage to a component or system of the **aircraft** that is caused in whole or in part by a defective product or the negligence of any person or organization in repairing or installing such product. **We** will, however, pay for direct physical damage to other systems of the **aircraft** that results from these causes. For the purpose of this provision, damage that results from the breakdown, failure or malfunction of any internal or external engine component, or any accessory, component or part attached to the engine is a breakdown or failure of the entire engine;
- Tires*
 - c. Tires, unless caused by theft or vandalism, or the loss or damage is the result of other loss or damage **we** cover;
- Seaplane-Amphibian*
 - d. If it is equipped for water takeoffs and landings unless the **aircraft** is identified as a seaplane or amphibian in Item 5 of the Coverage Identification Page;
- Undisclosed Ownership and Other Interests*
 - e. If **your** interest in the **aircraft** is subject to any liens, mortgages, lease or ownership interest claims of others unless all interests of **others** are identified in either Item 1 or 11 of the Coverage Identification Page or in an Endorsement;
- War-Confiscation*
 - f. Caused by terrorist activities or arrest, restraint, seizure, confiscation, detention by or at the direction of any government; or caused by declared or undeclared war;
- Radiation*
 - g. Directly or indirectly caused by or arising out of ionizing radiation or contamination by radioactivity from any source; or

- Embezzlement, Conversion or Secretion*
 - h. If anyone to whom **you** relinquish possession of the **aircraft** embezzles, converts or secretes the **aircraft**.

We also will not pay for depreciation, loss of use, loss of profits, loss of guaranty or warranty, or any other economic or consequential damage of any kind.

5. What **You** Must Do

If the **aircraft** is damaged, **you** must:

- Protect the Aircraft*
 - a. Do all **you** can to protect the **aircraft** from further loss, and **we** will pay **you** for all reasonable expenses incurred by **you** in protecting it;
- Proof of Loss*
 - b. Give **us** a sworn Proof of Loss statement within 90 days of the loss;
- Show Us the Physical Damage*
 - c. Show **us** the physical damage to the **aircraft** before repair or disposition;
- Show Us the Records*
 - d. Show **us** all records **you** have that would prove the amount of loss.

6. When **We** Will Pay

We will pay for loss of or damage to the **aircraft** covered by **your** policy:

- Damaged Aircraft*
 - a. within 30 days after **you** have given **us** a sworn Proof of Loss statement and **you** and **we** agree on the amount; or
- Destroyed Aircraft*
 - b. within 30 days after **you** have given **us** a sworn Proof of Loss statement and **you** have delivered the **aircraft** log books, airworthiness certificate and a bill of sale transferring clear title to the **aircraft**.

7. Theft

If the **aircraft** or any part of it is stolen and recovered before **we** have paid for it, **we** may return it to **you** along with payment for any physical damage to it.

8. Disappearance

We will consider **your aircraft** to be lost **in flight** if it disappears and it cannot be located within 60 days.

9. Reinstatement of Coverage

If **your aircraft** is damaged, the amount of coverage for the **aircraft** will be reduced by the amount of the damage. The coverage will be automatically increased, at no additional premium, by the cost of the repairs completed until the **agreed value** has been restored or the policy expires. If, however, **we** pay as much as the **agreed value**, less the applicable deductible, **we** are entitled to the total Aircraft Physical Damage premium for the **aircraft** on which **we** made or make the payment.

Part Three. LIABILITY TO OTHERS

Review Item 6 of **your** Coverage Identification Page to confirm the particular liability coverage and limits issued to **you**.

1. What **We** Cover

We will pay for the damages that **you**, or **someone we protect**, are legally required to pay for **bodily injury** or **property damage** to **others** caused by an **occurrence** during the policy period.

- a. Coverage A covers **bodily injury** to persons other than **passengers** in the **aircraft**. The most **we** will pay for **bodily injury** to any one person is shown under Item 6A opposite "each person." The most **we** will pay for **bodily injury** to all persons is shown in Item 6A opposite "each occurrence." **We** will not pay for **bodily injury** to **passengers** under Coverage A.
- b. Coverage B covers **bodily injury** to **passengers** in the **aircraft**. The most **we** will pay for **bodily injury** to any one **passenger** is shown under Item 6B opposite "each person." The most **we** will pay for **bodily injury** to all **passengers** is shown in Item 6B opposite "each occurrence." **We** will not pay for **bodily injury** to persons other than **passengers** under Coverage B.
- c. Coverage C covers **property damage**. The most **we** will pay for **property damage** is shown in Item 6C opposite "each occurrence."
- d. Coverage D covers **bodily injury and property damage** in a combined limit of liability for each **occurrence**. Where the word "**IN**cluding" is shown in Item 6D, the most **we** will pay for **bodily injury** to all **passengers** and all **others** and **property damage** is shown under Item 6D opposite "each occurrence." Where the word "**EX**cluding" is shown in Item 6D, the most **we** will pay for **bodily injury** to all persons and **property damage** is shown under Item 6D opposite "each occurrence," but **we** will not pay for **bodily injury** to **passengers**.
- e. Coverage DL covers **bodily injury** to **passengers** and **others** and **property damage** in a combined single limit of liability for each **occurrence** which includes a lower limit of coverage for each **passenger**. The most **we** will pay for **bodily injury** to each **passenger** is shown in Item 6DL opposite "each person." The most **we** will pay for all **bodily injury** and **property damage** is shown in Item 6DL opposite "each **occurrence**."

2. Who Is Protected (**You** and **Someone We Protect**)

Except for those entities and persons described in Paragraph 3 below, **your bodily injury and property damage** liability coverage protects **you** and **someone we protect**. The term **someone we protect** means any organization or person **you** permit to operate the **aircraft**. The term **someone we protect** also includes the following:

- a. any person riding in the **aircraft** and any person or organization legally responsible for the use of the **aircraft** provided such use is with **your** express permission; and

- b. any employee while acting within the scope of his or her employment by **you** or **someone we protect**. Provided, however, no employee is **someone we protect** with respect to:
 - (i) **Bodily injury** to a co-employee while in the course or scope of his or her employment; or
 - (ii) **Property damage** to property owned, occupied or rented by, or loaned to that employee or to any of **your** other employees or the employees of **someone we protect**.

If **instruction and rental, charter/air taxi** or other uses involving a charge made to **others** are permitted by **your** Policy, any person who receives compensation for providing flight instruction or pilot services (including flight checkouts, flight reviews, practical tests for license or aircraft rating purposes, or other pilot services permitted by **your** policy) in the **aircraft** for **your** benefit or on **your** behalf shall be considered to be **your** employee acting within the course and scope of employment with respect to an **occurrence** that arises out of such activities, regardless of whether **you** deem that person to be **your** employee or an independent contractor for any other purposes under any state or federal employment-related ordinance, statute or regulation.

Subject to the limitations of Paragraph 4 below, **you** and **someone we protect** are protected separately, but the limits of coverage shown in Item 6 of the Coverage Identification Page do not increase regardless of (a) the number of the entities or persons protected, or (b) the number of **aircraft** involved in the **occurrence**.

3. Who Is Not Protected

Your bodily injury and property damage coverage does not protect:

- a. *Other Aviation Business Activities*
Any persons or organizations (other than **you** and your employees as defined above), or employees or agents thereof, that make, sell, rent, repair or service aircraft or components, operate an airport facility, or provide instruction, pilot or flight service, where an **occurrence** arises out of any of these activities; and
- b. *Renter Pilots*
A **renter pilot** with respect to any **occurrence** arising out of the operation of the **aircraft** by a **renter pilot**.

4. What Is Not Covered

We do not cover any:

- a. *Pilots and Use*
Bodily injury or **property damage** unless the requirements of the Coverage Identification Page regarding Pilots (Item 9) and Use (Item 10) are met;

- b. *Bodily Injury to Employees*
Bodily injury to any employee while acting in the course and scope of employment by **you** or by **someone we protect** for any claim against **you**, against **someone we protect**, or against a fellow employee. For purposes of this provision, the term "employee" means any person who receives compensation for services performed for **you** or **someone we protect** who would be deemed an "employee" for worker's compensation or unemployment benefits compensation purposes under applicable state law. The term "employee" also includes any person defined by the policy to be an employee in Paragraph 2 of this Part;
- c. *Property*
Property damage to property which **you** or **someone we protect** owns, has charge of, or transports in the **aircraft**;
- d. *Intentional Acts*
Bodily injury or **property damage** that is intentionally caused by **you** or by **someone we protect** unless done while **in flight** to prevent dangerous interference with the operation of the **aircraft**;
- Injury to You*
- e. **Bodily injury** sustained by **you** or damages claimed as a consequence of such **bodily injury**.
- Student Pilots*
- f. **Property damage** or **bodily injury** if the **aircraft** is being operated **in flight** by a **Student Pilot** with **passengers** unless a **passenger** is a pilot acting as pilot in command with the minimum requirements stated in Item 9 of **your** Coverage Identification Page;
- g. *Assumed Liability*
Bodily injury or **property damage** that **you** or **someone we protect** has agreed to assume;
- h. *Ownership and Other Interests*
Bodily injury or **property damage** liability if **you** lease, sell or mortgage all or some of **your** interest in the **aircraft** unless all interests of **others** are stated in Item 1 or Item 11 of the Coverage Identification Page or in an Endorsement;
- i. *Radiation*
Bodily injury or **property damage** that is directly or indirectly caused by or arises out of ionizing radiation or contamination by radioactivity from any source; or
- j. *Noise, Pollution, Electrical or Other Interference*
Bodily injury or **property damage** that is directly or indirectly caused by or arises out of:
- (1) Noise, vibration or sonic boom;
 - (2) Pollution and/or contamination of any kind;
 - (3) Electrical and/or magnetic interference; or
 - (4) Interference with the use of property;
- unless caused by or resulting from an **occurrence**.

Any **bodily injury** or **property damage** arising out of an **occurrence** that is excluded from coverage by the provisions of this Paragraph 4 as to any person or organization defined by the policy as **you** or **someone we protect** is also excluded from coverage as to all persons or organizations defined by the policy as **you** or **someone we protect**.

5. Additional Protection

We also provide the following additional protection with each coverage under PART THREE as long as **we** have not paid, offered to pay, or tendered the limits of coverage that **you** have purchased.

We will:

- a. *Defend Claims*
 Defend at **our** expense with attorneys **we** choose, any claim or legal action against **you** or **someone we protect** with respect to any claims for **bodily injury** or **property damage** resulting from an **occurrence we** cover. **We** may investigate, negotiate, or settle any claim or legal action as **we** elect;
- b. *Pay Expenses*
 Pay the expenses, and court costs incurred, claims or legal actions **we** defend;
- c. *Reimburse Expenses*
 Reimburse **you** and **someone we protect** for all reasonable expenses incurred at **our** request, but **we** will not pay for loss of wages or earnings;
- d. *Pay Interest*
 Pay post judgment interest on the part of a judgment against **you** or **someone we protect** that **we** are obligated to pay until **we** have made payment or tendered or deposited it in court;
- e. *Pay Costs of Bonds*
 Pay premiums on bonds required to release attachments and to appeal from judgments **we** elect to appeal, but **we** will not pay for bonds covering any aggregate amount more than the applicable limit of coverage; and
- f. *Comply with Financial Responsibility Laws*
 Comply with the provisions of any aircraft financial responsibility statute if **we** certify **your** policy as proof of **your** future financial responsibility under that statute. **We** will not, however, pay more than the limits of coverage shown in Item 6 of the Coverage Identification Page. **You** agree to reimburse **us** for any amount **we** have to pay in complying with the statute that **we** would not otherwise have had to pay.

Part Four. MEDICAL EXPENSE

Review Item 6E of **your** Coverage Identification Page to confirm the Medical Expense coverage and limits issued to **you**.

1. What **We** Will Pay

We will pay the reasonable and necessary medical expense incurred within one year for injuries to **you** and any **passenger** caused by an **occurrence** while the **aircraft** was operated by **you** or **someone we protect**. Medical expense includes the cost of medical, surgical, dental, hospital, professional nursing, ambulance or funeral services. The most **we** will pay for each person's medical expense is shown under Item 6E opposite "each person." The most **we** will pay for all medical expense is shown under Item 6E opposite "each occurrence."

2. Whom **We** Will Pay

We will pay each injured person directly, the person responsible for payment, or the person or organization that provided the service.

3. What **We** Will Not Pay

We will not pay any medical expense to the extent payment is required under any worker's compensation or disability benefits law or similar law.

4. Effect of Payment

We are not admitting that **you** have any legal liability or responsibility by making medical expense payments.

5. Proof of Claim

The injured person or someone acting for the person must give **us** written proof of the medical expense and must help **us** obtain the medical records and reports **we** need. If **we** ask, the injured person must submit to an examination by any doctor **we** select.

6. Legal Action for Medical Expenses

A legal action against **us** for medical expenses cannot be brought unless **you** or **someone we protect** have done everything that **you** or **someone we protect** is required to do and at least 30 days has passed since proof of the claim has been given to **us**.

Part Five. SPECIAL PROVISIONS AND CONDITIONS

These Special Provisions and Conditions do not apply unless Item 10 of the Coverage Identification Page states that the use of the **aircraft** is limited to **pleasure and business**.

1. Newly Acquired Aircraft

If **you** notify **us** during the policy period and within 30 days after **you** acquire ownership of another **aircraft**, and pay the additional premium, **we** will extend the coverage of this policy to that **aircraft** if **we** insure all of the **aircraft you** own.

2. Temporary Use of Substitute Aircraft

If **you** are unable to fly the **aircraft** because of its breakdown, repair, servicing, loss or destruction, **we** will extend the coverage of this policy to **your** use of a substitute aircraft.

3. Use of Another Aircraft

If **you** are one individual, or one individual and spouse, and use another aircraft not owned in whole or in part by **you**, or furnished for **your** regular use, **we** will extend the coverage of this policy to **your** use of another aircraft.

4. What Coverage We Will Provide

The coverage provided under this PART FIVE will be:

- a. The same Liability to Others (PART THREE) coverage and Medical Expense (PART FOUR) coverage **we** provide for an **aircraft** with the greatest seating capacity as shown on **your** Coverage Identification Page; and
- b. On Newly Acquired Aircraft, the same Aircraft Physical Damage (PART TWO) coverage and deductible amounts as **we** provide on similar category and class **aircraft** with the highest **agreed value** shown on **your** Coverage Identification Page. Subject to the foregoing coverage limit, the maximum **we** will pay for physical damage or loss is the amount **you** paid for the **aircraft**, plus the cost of any repairs or additions **you** made; or in the case of a trade-in, the fair market value of the **aircraft** plus the cost of any repairs or additions **you** made.

5. What **We** Will Not Cover

In addition to those persons and things which **we** will not cover, protect or pay in other parts of **your** policy, **we** will not provide coverage for Temporary Use of Substitute Aircraft, Use of Another Aircraft or Newly Acquired Aircraft:

- a. Unless the requirements of the Coverage Identification Page regarding Pilots (Item 9) and Use (Item 10) are met;
- b. Unless it is licensed under a standard airworthiness certificate issued by the **FAA**;

- c. If it is a multiengine aircraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a multiengine aircraft;
- d. If it is a turbine powered aircraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a turbine powered aircraft;
- e. If it is a Rotorcraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a Rotorcraft; or
- f. If it is a seaplane or amphibian unless an **aircraft** in Item 5 on the Coverage Identification Page is a seaplane or amphibian.

VALIDATION

Your policy is comprised of the Coverage Identification Page, Parts One through Five and any Endorsements **we** issue. The signature of **our Aviation Managers** and the countersignature by an authorized representative on the Coverage Identification Page along with the signatures below of **our** president and secretary validate **your** policy.

Secretary

Cecil R. Wise

President

Brookland Franklin Davis



HALLMARK INSURANCE COMPANY

777 Main Street, Suite 1000

Fort Worth, Texas 76102

(800) 486-5616

Coverage Identification Page

POLICY NO.

PRIOR POLICY NO.

Item YOUR AGENT'S NAME AND ADDRESS:

1. NAMED
INSURED:

2. YOUR
ADDRESS:

3. POLICY PERIOD: 12:01 A.M. STANDARD TIME AT YOUR ADDRESS FROM: TO 12:01 A.M. STANDARD TIME

4. LOCATION OF AIRCRAFT: The Aircraft will be based principally at the following airport:

5. DESCRIPTION OF AIRCRAFT AND AIRCRAFT PHYSICAL DAMAGE COVERAGE: You have told us that each of the aircraft below (1) has an FAA Standard Airworthiness Certificate unless noted below*; and (2) is solely and unconditionally owned by you unless noted differently in Item 1 or endorsements we issue.

FAA Registration Number	AIRCRAFT YEAR, MAKE & MODEL *(Include description if not an FAA Standard certificated landplane)	TOTAL SEATS	AIRCRAFT PHYSICAL DAMAGE COVERAGE (If no amount is shown, no coverage is provided)		
			AGREED VALUE	F. Not in Motion DEDUCTIBLE	G. In Motion DEDUCTIBLE

6. LIABILITY AND MEDICAL PAYMENTS COVERAGE AND LIMITS OF COVERAGE: Subject to the limitations and conditions described in your policy, the most we will pay under each coverage we provide is shown below for each aircraft. Where no amount is shown, no coverage is provided by your policy.

FAA Registration Number	LIABILITY TO OTHERS	A.	B.	C.	D.	DL.	E.
		Bodily Injury Excluding Passengers	Passenger Bodily Injury	Property Damage	Single Limit Bodily Injury Property Damage including Pass.	Single Limit Bodily Injury Property Damage Limited Pass.	Medical Expense
	Each Person Each Occurrence						

7. PREMIUMS: Your cost for each coverage we provide is shown below. Where no amount is shown, no coverage is provided

COV. A	COV. B	COV. C	COV. D	COV. DL	COV. E	COV. F	COV. G	TOTAL FOR AIRCRAFT
								\$0

8. ENDORSEMENTS & FORMS ATTACHED WHEN POLICY ISSUED

ENDT NOS: FORMS:

COVERAGE ID CONTINUATION PAGE(S) ENDT PREMS. ENDT PREMS.

TOTAL POLICY PREMIUM \$0

9. REQUIREMENTS FOR THE PILOT FLYING THE AIRCRAFT: The Aircraft must be operated in flight only by a person having the minimum qualifications shown below. The pilot must have a current and proper (1) medical certificate, (2) flight review and (3) pilot certificate with necessary ratings, each as required by the FAA for each flight. THERE IS NO COVERAGE IF THE PILOT DOES NOT MEET THESE REQUIREMENTS.

10. THE USE OF THE AIRCRAFT: The aircraft will be used for your pleasure and business related purposes where no charge is made for such use and also may be used for Other Uses described below: Other Uses:

11. ADDITIONAL INTERESTS: Payment for Aircraft Physical Damage or Loss under Coverage F or G will be made to you and the following lienholder:

LIENHOLDER INFORMATION		Lienholder	Loan
Name		Interest Cov.	Balance
Address			

Date Countersigned: _____

Date Issued: _____

Authorized Representative

AEROSPACE INSURANCE MANAGERS, INC.
Aviation Managers

**AIRPORT
2000**

Broad Form
***Airport Liability
Insurance Policy***

Hallmark Insurance Company

777 Main Street Suite 1000 Fort Worth, Texas 76102

Form AP2000H (02/2008)

Broad Form Airport Liability Insurance Policy

The provisions of your policy are set forth in detail in the Coverage Identification Page, Parts I through V and any Endorsements we issue. Together, these comprise your policy.

Be sure to review your Coverage Identification Page to confirm the coverage and limit of coverage issued to you. Then read each Part of the policy and each Endorsement we issued. This will enable you to better understand your policy.

This Policy is a legal contract between you and the Company; therefore, **IT IS IMPORTANT THAT YOU READ YOUR POLICY CAREFULLY.**

The next page provides you with a brief index to the important features of your policy.

ISSUED THROUGH



AEROSPACE INSURANCE MANAGERS, INC.

14990 Landmark Blvd. Suite 300
Dallas, Texas 75254

Index to Policy Provisions

Page

PART I. DEFINITION OF TERMS USED IN THE POLICY	1
PART II. INSURING AGREEMENTS	5
Coverage A. Bodily Injury and Property Damage Liability	5
Hazard Division 1 – Airport Operations.....	5
Hazard Division 2 – Products and Completed Operations	5
Hazard Division 3 – Independent Contractors	5
Hazard Division 4 – Contractual Liability.....	5
Hazard Division 5 – Fire Legal Liability	5
Coverage B. Hangarkeeper’s Legal Liability	6
Coverage C. Personal Injury Liability	6
Coverage D. Advertising Injury Liability	6
PART III. DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS	6
PART IV. EXCLUSIONS	7
PART V. CONDITIONS	11
1. Policy Period and Territory	11
2. Inspection and Audit.....	11
3. Your Duties in the Event of an Occurrence	12
4. Limit of Coverage.....	12
5. Deductibles.....	13
6. Separate Insureds.....	13
7. Action Against Us.....	13
8. Our Right to Recover from Others.....	14
9. Other Insurance	14
10. Changes to Your Policy.....	15
11. Assignment	15
12. Sole Agent.....	15
13. Fraud or Misrepresentation	15
14. Unintentional Errors and Omissions	15
15. Cancellation and Non-renewal of this Policy.....	15
16. Knowledge of Occurrence	16
17. Inadvertent Failure to Report.....	16
Signature and Attestation.....	16

Policy Provisions

We agree with **you**, in consideration of the payment of the premium, to provide the coverage specified in the Coverage Identification Page, subject to the applicable limits of coverage, exclusions, conditions and other terms of this Policy.

PART I.

DEFINITION OF TERMS USED IN THE POLICY

The following words and phrases when appearing in bold face print have special meaning throughout the policy:

- Advertising injury** means one or more of the following offenses committed during the policy period:
 - Oral or written publication or broadcast of material that:
 - slanders or libels a person or organization
 - disparages, ridicules or defames a person or organization's goods, products or services, or
 - Oral or written publication or broadcast of material that violates a person's right of privacy, or
 - Misappropriation of advertising ideas or style of doing business, or
 - Infringement of copyright, trademark, title or slogan, or
 - Unfair competition
- Aircraft** means any aircraft including the airframe, landing gear, propulsion system (including engine(s), accessories and propeller(s) or rotor(s)), flight and engine instruments, avionics, electrical system, flight control system, fuel system, and any hydraulic and pressurization system. Parts usually mounted or attached to the aircraft are included while temporarily removed so long as they are not replaced by other parts. Log books, documents or other records related to an aircraft are not a part of the aircraft.
- Aircraft traffic control services** means a service provided by an **aircraft traffic control tower for aircraft** operating on or in the vicinity of an **airport**.
- Aircraft traffic control tower** means a terminal facility that uses radio communications, visual signaling and other devices to provide for safe, orderly and expeditious flow of traffic to **aircraft** operating in the vicinity of the **airport** or on the ground and/or authorizes **aircraft** to taxi, take off or land at the **airport** controlled by the tower or to transit the **airport** traffic area.
- Airport** means the **airport** and/or premises designated in Item 5 of the Coverage Identification Page. This includes the ways and means immediately adjoining the designated **airport(s)**. The term also includes the temporary or incidental use by **you** of any other location which is not owned, rented or occupied by **you** provided such use arises out of **your** ownership, maintenance, operation or use of the **airport** designated in Item 5.

The term also includes any other **airport** and/or premises **you** acquire during the policy period provided **you** give **us** or our **Aviation Managers** written notice of such acquisition within thirty (30) days of such acquisition and pay any additional premium **we** may charge to provide coverage for such additional location(s).
- Anyone** or **others** mean any person or organization other than **you** or **someone we protect**.

7. **Auto** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. However, the term does not include **mobile equipment**.
8. **Aviation Managers** means Aerospace Insurance Managers, Inc. which manages **our** aviation insurance business for **us**.
9. **Bodily Injury** means physical injury to a person, including sickness, disease (including mental anguish) or death resulting from such physical injury.
10. **Employee** means any person while acting within the scope of employment, direction or authorization given by **you** who receives compensation from **you** to provide airport line services, **aircraft** repair or maintenance services as a mechanic, flight instruction services, pilot services or other ground or flight services related to and in conjunction with **your** airport operations where an **occurrence** arises out of these activities.

This definition will apply whether **you** deem the person providing such services to be an **employee** or an independent contractor, unless such person is regularly employed, and more than 50% of such person's current compensation from aviation-related services is paid, by persons or organizations other than **you**.

11. **Federal Aviation Administration (FAA)** means the authority of the United States of America having jurisdiction over civil aviation or its counterpart in another country.
12. **In flight** means when movement of the **aircraft** (other than a rotorcraft) begins for takeoff until completion of the landing run. A rotorcraft is **in flight** when any engine in the **aircraft** is being started or is operating or when the **aircraft** is off any supporting surface.
13. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:
 - A. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - B. Vehicles maintained for use solely on or next to the airport;
 - C. Vehicles that travel on crawler treads;
 - D. Vehicles, whether self-propelled or not maintained primarily to provide mobility to permanently mounted:
 - (i) power cranes, shovels, loaders, diggers or drills; and
 - (ii) road construction or resurfacing equipment such as graders, scrapers and rollers;
 - E. Vehicles not described in A, B, C or D above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (i) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (ii) cherry pickers and similar devices used to raise or lower workers;

- F. Vehicles not described in A, B, C or D above that are maintained primarily for purposes other than the transportation of persons or cargo. However, regardless of paragraphs A through F, above, the following are considered **autos** and not **mobile equipment**:

Police vehicles, ambulances or self-propelled vehicles with the following types of permanently attached equipment:

 - (i) equipment designed primarily for snow removal, street cleaning or road maintenance (but not construction or resurfacing equipment);
 - (ii) cherry pickers and similar devices mounted on an automobile or truck chassis and used to raise or lower workers; and
 - (iii) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
14. **Occurrence** means a sudden event or repeated exposure to conditions, neither expected nor intended by **you** or **someone we protect**, that causes **bodily injury** or **property damage** to **others** during the policy period. **Bodily injury** or **property damage** that results from the use of reasonable force to protect persons or property will be deemed not expected or intended by **you** or **someone we protect**. All **bodily injury** or **property damage** resulting from the same general conditions will be considered caused by one **occurrence**. With respect to Coverage C and D, "**Personal Injury**" or "**Advertising Injury**," the term **occurrence** will apply to an act or series of acts committed during the policy period that constitutes an offense to a person or organization. All similar or related offenses against the same person or organization will be deemed to arise out of one occurrence.
15. **Personal Injury** means one or more of the following offenses committed during the policy period:
 - A. False arrest, restraint, detention or imprisonment;
 - B. Malicious prosecution;
 - C. Discrimination based upon race, color, religion, sex, age or national origin, but not as a result of any employment related discrimination,
 - D. Wrongful entry, eviction or other invasion of the right or privacy;
 - E. Inadvertent discrimination with respect to withholding or refusal of transportation;
 - F. The publication or utterance of a libel, slander, ridicule, or of other defamatory or disparaging material in violation of **anyone else's** right of privacy, excluding any offense arising out of your advertising activities;
 - G. Fright, shock, mental anguish, emotional upset and humiliation, but not as a result of any offense related to the employment, past employment or future employment of any person(s) by **you** or **someone we protect**.

The term **personal injury** does not include **bodily injury**.
16. **Property damage** means physical injury or damage to or destruction of tangible property.
17. **Someone we protect** means any person or organization we protect by the policy other than **you**. It includes:
 - A. any of **your** executive officers, directors, shareholders, managers or members while acting within the scope of his or her duties as such, if **you** are a corporation or limited liability organization; or

- B. **your** spouse, if you are a proprietorship, but only with respect to his or her liability arising out of **your** business operations; or
 - C. any of **your** partners or joint venturers, and their respective spouses, if **you** are a partnership or joint venture, but only with respect to liability arising out of **your** business operations; or
 - D. any of **your employees** or those defined as **someone we protect** while acting within the scope of their employment by **you** or **someone we protect**. Provided, however, no **employee** is **someone we protect** with respect to:
 - (i) **Bodily injury** or **personal injury** to a co-**employee** while in the course or scope of his or her employment, or
 - (ii) **Property damage** to property owned, occupied or rented by, or loaned to that **employee** or to any of **your other employees**.
18. **We, us** or **our** means the insurance company named on the Coverage Identification Page.
19. **You** and **your** mean the person(s) or organization(s) named in Item 1 of the Coverage Identification Page under the heading "Named Insured," and any affiliated company. An affiliated company is any business organization owned in whole or in part by the person(s) or organizations(s) named in Item 1. of the Coverage Identification Page.

PART II. INSURING AGREEMENTS

Coverage A. Bodily Injury and Property Damage Liability

We agree to pay on **your** behalf all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** caused by an **occurrence** arising out of Hazard Divisions 1 through 5, as stated in **your** Coverage Identification Page and described below:

Hazard Division 1 – Airport Operations

The ownership, maintenance, operation or use of the **airport** and all operations necessary thereto, excluding liability arising out of any other Hazard Division.

Hazard Division 2 – Products And Completed Operations

1. Goods or products manufactured, sold, handled or distributed by **you** in connection with the ownership, maintenance, operation or use of the **airport** if the **occurrence** happens after possession of the goods or products has been relinquished by **you to others**; and
2. Service operations performed by **you** in connection with the ownership, maintenance, operation or use of the **airport** if the **occurrence** happens after the services have been completed or abandoned. Service operations will not be deemed incomplete because they are improperly or defectively performed or because further operations may be required pursuant to a service or maintenance agreement.

We only provide coverage under Hazard Division 2 for liability arising out of goods or products or service operations that are identified as covered classes in a "Hazard Description Schedule" attached to **your** policy, excluding liability arising out of any other Hazard Division.

Hazard Division 3 – Independent Contractors

Ground operations at the **airport** performed by contractors for **you** or **someone we protect**. This includes any acts or omissions by **you** in connection with the general supervision of such operations, excluding liability arising out of any other Hazard Division.

Hazard Division 4 – Contractual Liability

Liability expressly assumed by **you** or **someone we protect** under any written contract or agreement that arises out of the ownership, maintenance or use of the **airport**. **Your** policy applies only to contractual liability under agreements or contracts that are identified as covered agreements in a "Hazard Description Schedule" attached to **your** policy. Contractual liability will not be construed to include liability under any warranty of fitness, quality or merchantability of **your** products, any warranty that work performed by **you** or on **your** behalf will be performed in a workmanlike manner, or any liability that would apply to **you** or **someone we protect** without the contract or agreement, excluding liability arising out of any other Hazard Division.

Hazard Division 5 – Fire Legal Liability

Liability for **property damage** to structures or portions thereof, that are not owned in whole or in part by **you**, on the **airport** leased or rented to or occupied by **you**, including any fixtures and improvements permanently attached thereof, if such **property damage** arises out of fire or explosion, excluding liability arising out of any other Hazard Division.

Coverage B. Hangarkeeper's Liability

We agree to pay on your behalf all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **property damage to aircraft** which are the property of **others** and in **your** care, custody or control as a bailee, but only while the **aircraft** is not **in flight**.

Coverage C. Personal Injury Liability

We agree to pay on **your** behalf all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **personal injury** committed during the policy period that arises directly or indirectly out of **your** operations at the **airport**.

Coverage D. Advertising Injury Liability

We agree to pay on **your** behalf all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **advertising injury** committed during the policy period that arises directly or indirectly out of **your** operations at the **airport**.

PART III.

DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS

We have the right and duty to defend any suit against **you** or **someone we protect** seeking damages because of **bodily injury, personal injury, advertising injury, or property damage** covered by this policy, even if any of the allegations of the suit are groundless, false or fraudulent. We will have no obligation to defend any suit or claims not covered by the policy. We may make any investigation and settlement of any claim or suit as **we** deem expedient. We will not be obligated to pay any expenses, claims or judgments or to defend any suit after the applicable limit of coverage has been exhausted by the payment of judgments or settlements.

We will pay, in addition to the applicable limit of coverage:

1. All of **our** expenses, and all costs taxed against **you** or **someone we protect** in any suit **we** are required to defend including:
 - A. Any prejudgment interest awarded against **you** or **someone we protect** on that part of the judgment **we** are required to pay under the terms of this policy;
 - B. All interest on the amount of any judgment that **we** are required to pay under the terms of this policy which accrues after the entry of the judgment and before **we** have paid, tendered or deposited the amount in court;
 - C. Any costs for arbitration alleging damages covered by this policy to which **you** or **someone we protect** must submit;
2. Premiums on bonds to release attachments in any suit defended by **us** for any amount not exceeding the applicable limit of coverage. However, **we** have no obligation to furnish any such bonds;
3. Premiums on appeal bonds required on any judgment **we** elect to appeal for any amount not exceeding the applicable limit of coverage, but **we** have no obligation to furnish any such bonds;
4. Expenses incurred by **you** or **someone we protect** for first aid, medical and surgical relief because of **bodily injury** at the time of an **occurrence**;

5. All reasonable expenses incurred by **you** or **someone we protect** at **our** request, including the loss of **your** or **someone we protect's** earnings, wages or salaries, or any **employee** thereof, not to exceed \$100 per day except to the extent as may be required otherwise under applicable state law;
6. All other expenses incurred by **you** or **someone we protect** that have been approved in advance by **us**.

We will also notify **you** of any offer to compromise or settle a claim made or suit brought against **you** or **someone we protect** under this policy. We will also notify **you** of the settlement of any claim made or suit brought against **you** or **someone we protect**. All such notices will be provided to **you** within any time limits required under applicable state law.

PART IV.

EXCLUSIONS

This policy does not apply to:

1. **Bodily injury** or **property damage** caused directly or indirectly by, happening through or as a consequence of:
 - A. any type of noise or vibration whatsoever (whether or not audible) including sonic boom and any phenomena associated therewith;
 - B. pollutants, contaminants or waste of any kind or type whatsoever. "Pollutants" or "contaminants" include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, such as smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes materials to be recycled, reconditioned or reclaimed;
 - C. asbestos, exposure to asbestos, or any products containing asbestos;
 - D. any type of electrical and/or electromagnetic interference whatsoever;
 - E. any type of interference with the quiet enjoyment of or any other use of any property whatsoever.

However, Exclusion 1 above does not apply to any **occurrence** caused by or resulting in a crash, fire, explosion or collision or an **in flight** emergency causing abnormal **aircraft** operation; nor does 1.B above apply to an **occurrence** arising out of the contamination of goods or products covered under Hazard Division 2 of this policy.

Nothing contained in this section overrides any radioactive contamination or any other exclusion clause attached to or forming part of this policy.

2. Any claim, loss, damage, cost or expense arising out of any direction or request that **you** or **someone we protect** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, contaminants or waste, including any type of asbestos or asbestos-related products.
3. Assault and battery if committed by or at the direction of **you** or **someone we protect**. However, this exclusion does not apply if the assault and battery is committed for the purpose of preventing or eliminating danger in the operation of the **airport** or an **aircraft**, or for the purpose of preventing **bodily injury** or **property damage** covered by this policy.

4. **Bodily injury to you or someone we protect.** However, this exclusion does not apply to liability assumed in a contract covered under Hazard Division 4 - "Contractual Liability."
5. **Bodily injury or property damage** arising out of the manufacture, distribution, sale or service of alcoholic beverages by **you or someone we protect.**
6. **Property damage** to any property owned by, leased or rented to or occupied by **you or someone we protect** except with respect to liability under Coverage A, Hazard Division 5, "Fire Legal Liability."
7. **Property damage** to any property in **your** care, custody or control, or in the care, custody or control of **someone we protect**, for the purposes of sale, storage, safekeeping or for the purpose having operations performed on such property. However, this exclusion does not apply to any **aircraft** covered under Coverage B, "Hangarkeeper's Liability."
8. Except with respect to **aircraft** covered under Coverage B, "Hangarkeeper's Liability," or liability under a written sidetrack agreement or arising out of the use of elevators or escalators, **property damage** to:
 - A. Tools or equipment while being used by **you or someone we protect** in performing operations;
 - B. Property in the custody of **you or someone we protect** which is to be installed, erected or used in construction by **you or someone we protect**;
 - C. That particular part of any property not on the **airport**:
 - (i) upon which operations are being performed by or on behalf of **you or someone we protect** at the time of the **property damage** arising out of such operations, or
 - (ii) out of which any **property damage** arises, or
 - (iii) the restoration, repair or replacement of which has been made or is necessary because of faulty workmanship by or on behalf of **you or someone we protect.**
9. **Bodily injury or property damage** arising out of the operation, maintenance, use, loading or unloading of any **aircraft** by or on behalf of **you or someone we protect.** This exclusion does not apply to any **aircraft** not owned or leased by **you or someone we protect** when such control is solely ground traffic control over the ground movement of such **aircraft.** This exclusion also does not apply to **property damage** to an **aircraft** covered under Coverage B, "Hangarkeeper's Liability."
10. **Bodily injury or property damage** caused by or arising out of:
 - A. Any **auto** owned or operated by or on behalf of **you or someone we protect** while off the **airport** unless responding to any **aircraft** or aviation emergency; or
 - B. Any ships, vessels, craft or boats owned, chartered, used or operated by or on account of **you or someone we protect**, unless the **occurrence** happens on the **airport** or unless responding to any **aircraft** or aviation emergency. However, this exclusion does not apply to watercraft under 26 feet in length that are used in connection with the **airport** and are not owned by **you or someone we protect**; or
- C. The conduct of any air meet, contest or similar outdoor exhibition permitted, sponsored or participated in by **you or someone we protect**, but this exclusion does not apply to the static ground display of **aircraft**; or
- D. **Aircraft traffic control services** by an **aircraft traffic control tower** unless solely operated by the **FAA** or United States Military or an entity, other than you or **someone we protect**, under contract directly with the **FAA** or United States Military to provide **aircraft traffic control services**; or
- E. The ownership, maintenance or use of:
 - (i) grandstands, bleachers or observation platforms other than observation decks or promenades which are part of permanent structures on the **airport**, or
 - (ii) swimming pools, or
 - (iii) lodging accommodations for the general public, or
 - (iv) any type of school other than schools operated by **you** which are incidental to **your airport** operations.
- F. Restaurants operated by **you, someone we protect** or by **others** trading under **your** name, caused by goods or products manufactured, sold, handled or distributed by **you** or by others trading under **your** name after possession of such goods or products has been relinquished to **others**;
11. Damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of **your** products or work completed by or for **you** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
12. **Bodily injury or property damage** resulting from:
 - A. A delay in or lack of performance by **you** or on **your** behalf of any contract or agreement, or
 - B. The failure of **your** products or work completed by or for **you** to perform the function or serve the purpose intended by **you**, including a mistake or deficiency in any design, formula, plan, specification, advertising material or printed instruction prepared or developed by **you or someone we protect**;

But this exclusion does not apply to **bodily injury or property damage** resulting from the actual malfunctioning or failure of such products or work;
13. Under Coverage A, Hazard Division 4 - "Contractual Liability":
 - A. If **you or someone we protect**, or indemnitee thereof, is an architect, engineer or surveyor, to **bodily injury or property damage** arising out of any professional services performed by **you, someone we protect**, or indemnitee thereof;

- B. **Property damage** to:
- (i) property owned by, occupied by, leased by or rented to **you** or **someone we protect**;
 - (ii) property used by **you** or **someone we protect**;
 - (iii) property in the care, custody or control of **you** or **someone we protect** or as to which **you** or **someone we protect** is for any purpose exercising physical control.
14. Under Coverage A, Hazard Division 2 – “Products and Completed Operations”:
- A. **Property damage** to **your** products arising out of any such products or any part of such products; or
 - B. **Property damage** to work performed by **you** or on **your** behalf arising out of the work performed, or any portion thereof, or out of materials, parts or equipment furnished in connection with such work.
15. Under Coverage B, “Hangarkeeper’s Liability”:
- A. **Property damage** to robes, wearing apparel, personal effects or merchandise of any description, whether or not the **aircraft** in which they are contained is stolen or damaged;
 - B. **Property damage** to any **aircraft** owned by, hired by or loaned to **you** or **someone we protect**, or any family member thereof; or
 - C. **Property damage** to any material furnished by **you** or any work done by **you** out of which the **occurrence** arises;
16. Liability excluded by any attached “*War, Hijacking and Other Perils Exclusion Endorsement*” made a part of this policy;
17. Liability excluded by any attached “*Nuclear Incident Exclusion Endorsement*” made a part of this policy;
18. Under Coverage C, “Personal Injury Liability” or Coverage D, “Advertising Injury Liability,” liability for:
- A. Any injury if the first injurious publication or utterance of the same or similar material was made prior to the effective date of this policy;
 - B. Any injury if the publication or utterance was made by or at the direction of **you** or **someone we protect** with the knowledge of its false nature;
 - C. Any injury caused by breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - D. Any injury caused by the failure of goods, products or services to conform to the advertised quality or performance of such goods, products or services;
 - E. Any injury caused by the wrong description of the price of goods, products or services;
 - F. Any offense committed by **you** or **someone we protect**, or any indemnitee thereof, whose business is advertising, broadcasting, publishing or telecasting;

PART V. CONDITIONS

1. Policy Period And Territory

This policy applies only to **occurrences** that happen during the policy period anywhere in the world.

2. Inspection And Audit

We or **our** authorized representatives will be permitted, but not obligated, to inspect **your** property and operations at any reasonable time. Neither **our** right to make inspections nor the making thereof nor any report thereon constitutes an undertaking, on behalf of or for the benefit of **you** or others, to determine or warrant that such property or operations are safe or fit for any purpose.

We or **our** authorized representatives may examine or audit **your** books and records at any time during the policy period and extensions thereof, any time they are the subject of an open claim and, within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. Your Duties In The Event Of Occurrence, Claim Or Suit

A. In the event of an **occurrence**, written notice containing particulars sufficient to identify **you** or **someone we protect** and also any reasonably obtainable information with respect to the time, place, circumstances, and if known, the names and addresses of any injured persons or witnesses, will be given by or for **you** or **someone we protect** to **us** or **our** authorized representatives as soon as possible. **You** will promptly take, at **your** own expense, all reasonable steps to prevent other **bodily injury, property damage** or other injury from arising out of the same or similar conditions and such expense will not be recoverable under this policy.

B. If claim is made or suit is brought against **you** or **someone we protect**, **you** or **someone we protect** will promptly forward to **us** or **our** authorized representatives every demand, notice, summons or other process received by **you** or **someone we protect**, or by **your** or **someone we protect’s** representative.

C. **You** or **someone we protect** will cooperate with **us** and, upon **our** request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** or **someone we protect** for damages for which insurance is afforded under this policy. Neither **you** nor **someone we protect** will do anything after a loss to prejudice **our** right of recovery. **You** or **someone we protect** will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. **You** or **someone we protect** will not, except at **your** or their own cost, voluntarily make any payment, assume any obligation or liability or incur any expense other than first aid to **others** at the time of the **occurrence**.

However, **we** agree that **your** failure or the failure of **someone we protect** to promptly give **us** notice of an **occurrence**, claim made or suit brought against either **you** nor **someone we protect**, or to forward to **us** or **our** authorized representatives every demand, notice, summons or other process received by **you** or **someone we protect**, will not operate to invalidate the coverage provided by **your** policy so long as such failure does not cause material prejudice to **us** in the defense or other handling of such claim or suit.

4. **Limit Of Coverage**

Regardless of the coverage(s) provided by this policy, or the number of claims or claimants, or persons or organizations protected by this policy, the most **we** will pay with respect to all claims for loss or damage with respect to any one **occurrence** is the "Total Policy Coverage Limit" stated in the Coverage Identification Page as applicable to "each occurrence."

Coverage A. Bodily Injury and Property Damage Liability

Subject to the foregoing Total Policy Coverage Limit, the most **we** will pay with respect to all claims for loss or damage because of **bodily injury** and **property damage** as the result of any one **occurrence** is the limit of coverage stated in the Coverage Identification Page with respect to Coverage A, as applicable to "each occurrence."

Subject to the above provision respecting "each occurrence," the most **we** will pay with respect to all claims for loss or damage because of all **bodily injury** sustained by any one person as the result of any one **occurrence** during the policy period will not exceed any limit stated in the Coverage Identification Page for "each person."

Subject to the above provisions respecting "each occurrence" and "each person" the most **we** will pay with respect to all claims for loss or damage because of all **occurrences** occurring during any policy period with respect to Hazard Division 2, "Products and Completed Operations," will not exceed any limit stated in the Coverage Identification Page for "annual aggregate."

The limit of coverage for Coverage A is a part of and not in addition to the Total Policy Coverage Limit.

Coverage B. Hangarkeeper's Liability

The limit of coverage stated in the Coverage Identification Page with respect to Coverage B, as applicable to "each aircraft", is the most **we** will pay with respect to all claims for loss or damage because of **property damage** to any one **aircraft**.

Subject to the above provision respecting "each aircraft," the most **we** will pay with respect to all claims for loss or damage on account of all **property damage** to all **aircraft** in any one **occurrence** will not exceed the limit stated in Coverage Identification Page for "each occurrence."

The limit of coverage shown, if any, for Coverage B is a part of and not in addition to the Total Policy Coverage Limit.

Coverage C and D. Personal Injury Liability and Advertising Injury Liability

The limit of coverage stated in the Coverage Identification Page in respect of Coverage C and D as applicable to "each occurrence" is the most **we** will pay for all damages because of any one **occurrence** as defined for Coverage C and D.

Subject to the above provision respecting "each occurrence" the most **we** will pay for all damages on account of all **occurrences** occurring during any policy period of insurance will not exceed any limit stated in the Coverage Identification Page as "annual aggregate."

The limit of coverage shown, if any, for Coverage C and Coverage D is a part of and not in addition to the Total Policy Coverage Limit.

5. **Deductibles**

Coverage A, C and D.

Notwithstanding **our** limit of coverage shown in Item 6 of the Coverage Identification Page, and further described in Condition 5, **you** will be responsible for the payment of the amount specified in Item 7 of the Coverage Identification Page as the deductible amount for "each occurrence" and/or as "annual aggregate." **Our** obligation to make payment on behalf of **you** or **someone we protect** applies only to the sums in excess of the deductible amount. In no event will **you** be required to pay more than the amount specified in Item 7 of the Coverage Identification Page as "annual aggregate" (if shown) with respect to all losses arising during any policy period of insurance.

We may pay part or all of any deductible amount to effect settlement of any claim and upon notification of the action taken, **you** agree to promptly reimburse **us** for that part of any deductible amount paid by **us**.

All the terms of this policy, including those with respect to notice of **occurrence** and our right to investigate, negotiate or settle any claim or suit, apply regardless of the application of any deductible amount.

Coverage B. Hangarkeeper's Liability

Notwithstanding **our** limit of coverage shown in Item 6 of the Coverage Identification Page for Coverage B, "Hangarkeeper's Liability," if any, **you** will be responsible for the payment of the amount specified in Item 6 of the Coverage Identification Page as the deductible amount for "each occurrence." **Our** obligation to make payment on behalf of **you** or **someone we protect** applies only to the sums in excess of the deductible amount.

We may pay part or all of any deductible amount to effect settlement of any claim and upon notification of the action taken, **you** agree to promptly reimburse **us** for that part of any deductible amount paid by **us**.

6. **Separate Insureds**

The insurance provided by this policy applies separately to **you** and to **someone we protect** against whom any claim is made or suit is brought but, regardless of the number of persons or organizations protected by this policy, claims or claimants, the applicable limit of coverage will not increase.

7. **Action Against Us**

No suit or action on this policy against **us** for recovery of any loss or claim will be sustained in a court of law or equity unless **you** or **someone we protect** has fully complied with all the terms of this policy, nor until the amount of **your** or **someone we protect's** obligation to pay has been finally determined either by judgment after actual trial or by a written agreement between **you** or **someone we protect**, the claimant and **us**.

Any person or organization or their legal representative who has secured such judgment or written agreement will be entitled to recover under this policy to the extent of the insurance afforded. Nothing contained in this policy will give any person or organization any right to join **us** as co-defendant nor will **we** be impleaded by **you** or **someone we protect** or any legal representative thereof in any action to determine **your** or **someone we protect's** liability.

Death, bankruptcy or insolvency of **you** or **someone we protect**, or of **your** or **someone we protect's** estate, will not relieve **us** of any of **our** obligations under this policy.

8. **Our Right To Recover From Others**

If **we** make any payment under this policy for any expense, loss, damage or liability, **we** will be subrogated to all the rights and remedies that **you** or **someone we protect** may have against any party as respects such payment and, at **our** own expense, **we** will be entitled to sue in **your** name or the name of **someone we protect**. **You** or **someone we protect** will give **us** any assistance **we** may reasonably require to secure these rights and remedies. At **our** request, **you** or **someone we protect** agree to execute any documents necessary to enable **us** to bring suit in **your** name or the name of **someone we protect**. **You** or **someone we protect** agree to do nothing after a loss to harm **our** right of recovery.

9. **Other Insurance**

With respect to liability arising under Coverage A, "Bodily Injury and Property Damage Liability," for newly acquired **airport(s)** and/or premises not designated in the Coverage Identification Page, the insurance coverage provided by this policy is excess insurance over any valid and collectible insurance available to **you** or **someone we protect**, including any formal self insurance program, until such **airport(s)** and/or premises are designated in an endorsement to the policy.

With respect to construction projects which are the subject of specific contractor's liability insurance for **your** benefit or the benefit of **someone we protect**, and liability arising from the use of **autos**, the insurance provided by this policy is excess insurance over any valid and collectible insurance available to **you** or **someone we protect**, including any formal self insurance program.

Otherwise, the insurance provided by this policy is primary insurance unless it is stated to apply in excess or contingent upon the absence of other insurance. When this insurance is primary and **you** or **someone we protect** has other insurance that is stated to be applicable to a loss on an excess or contingent basis, the amount **we** will pay under this policy will not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to a loss on the same basis, whether primary, excess or contingent, **we** will not pay under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

A. **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, **we** will not pay for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest limit of coverage under any one policy or the full amount of the loss is paid. With respect to any amount of loss not so paid, the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each insurer has paid its limit in full or the full amount of the loss has been paid.

B. **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, **we** will not pay for a greater proportion of such loss than the applicable limit of coverage under this policy for such loss bears to the applicable limit of coverage under all such other valid and collectible insurance against such loss.

10. **Changes To Your Policy**

Notice to any agent or knowledge possessed by any agent or by any other person will not effect a waiver or change in any part of this policy or estop **us** from asserting any rights under the terms of this policy; nor will the terms of this policy be waived or changed, except by written endorsement issued by **our Aviation Managers**.

11. **Assignment**

Assignment of interest under this policy will not bind **us** until **our** consent is endorsed onto this policy.

12. **Sole Agent**

For the purpose of issuing notices, reports or instructions, for the cancellation of this policy, altering this policy, agreeing upon settlement of losses, receiving or receipting payment of claims, or for making premium adjustments, the first named insured shown in the Coverage Identification Page is the sole and irrevocable agent of each person or organization covered by this policy.

13. **Fraud Or Misrepresentation**

This policy will be void if **you** or **someone we protect** has deliberately concealed or misrepresented any material fact or circumstance in obtaining this insurance, or in the case of any fraud, attempted fraud or false swearing by **you** or **someone we protect** touching any material matter relating to this insurance after a loss.

14. **Unintentional Errors And Omissions**

Your failure to disclose all hazards existing as of the inception date of the policy, or improper, or inaccurate, or wrong descriptions of premises, products, contracts or other information will not invalidate or in any way affect the coverage afforded by this policy provided such failure, error or omission is not intentional and once discovered, **you** notify **us** or **our Aviation Managers** as soon as possible.

15. **Cancellation And Non-Renewal Of This Policy**

Cancellation - This policy may be canceled by **you** by mailing prior written notice to **us** or **our Aviation Managers** stating when the cancellation will be effective. This policy may be canceled by **us** or **our Aviation Managers** by mailing to the first named insured at the first address shown in Item 1 of the Coverage Identification Page stating when, not less than thirty (30) days thereafter, the cancellation will be effective. However, only ten (10) days prior notice will be provided if the cancellation is for non-payment of any premium due. The effective date and hour of cancellation stated in the notice will become the end of the policy period.

If **you** cancel the policy, **we** will refund 90% of the unearned premium **you** have paid. If **we** cancel, unearned premium will be computed on a pro-rata basis. Premium adjustment may be made either at the time cancellation becomes effective or shortly thereafter, but the payment or tender of unearned premium by **us** is not a condition required for the cancellation to be effective.

Non-renewal or Material Change – We or our Aviation Managers will mail written notice to the first named insured at least forty-five (45) days prior to the expiration date of this policy in the event **we** decide not to renew this policy or forty-five (45) days prior to any material change in any policy condition or limit of coverage.

The proof of mailing or delivering notice of non-renewal, cancellation or change by **us** or **our Aviation Managers** to the first named insured shown on the Coverage Identification Page will be sufficient proof of notice to all persons or organizations covered by this policy.

16. **Knowledge Of Occurrence**

It is agreed that knowledge of an **occurrence** by an agent, servant or **employee** of **yours** or **someone we protect** will not in itself constitute knowledge by **you** or **someone we protect** unless such notice has been received by **your** insurance administrator.

17. **Inadvertent Failure To Report**

Notwithstanding any other provisions of this policy, inadvertent errors or omissions and/or failure in furnishing information, notification or reports required will not prejudice the coverage afforded by this policy provided **you** notify **us** once the error or omission is discovered.

Your policy is comprised of the Coverage Identification Page, Parts One through Five and any Endorsements **we** issue. The signature of **our Aviation Managers** and the countersignature by an authorized representative on the Coverage Identification Page along with the signatures below of **our** president and secretary validate **your** policy.

Secretary
Cecil R. Wise

President
Brookland Franklin Davis



HALLMARK INSURANCE COMPANY
777 Main Street, Suite 1000
Fort Worth, Texas 76102
(800) 486-5616

Coverage Identification Page



POLICY NUMBER:

PRIOR POLICY NO.

Item 1. NAMED INSURED:

Item 2. ADDRESS:

Item 3. POLICY PERIOD: 12:01 A.M. Standard time at your address from: _____ To 12:01 AM Standard time _____

Item 4. YOUR BUSINESS:

Item 5. LOCATION OF AIRPORT(S): This policy applies only to losses arising out of your operations at the following location(s):

This policy will also apply to any other airport or heliport that you acquire or become responsible for during the policy period provided that you advise us or our Aviation Managers within thirty (30) days of any new acquisition. We may request additional information or charge an additional premium for any new acquisition.

Item 6. COVERAGE DESCRIPTION AND LIMIT OF COVERAGE. This policy provides only the coverage for which a Limit of Coverage is shown below:

TOTAL POLICY COVERAGE LIMIT	LIMIT OF COVERAGE	PREMIUM
		Each Occurrence
COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY	Each Occurrence	
Hazard Division 1. Airport Operations	Each Occurrence Each Person	
Hazard Division 2. Products and Completed Operations	Each Occurrence Each Person Annual Aggregate	
Hazard Division 3. Independent Contractors	Each Occurrence	
Hazard Division 4. Contractual Liability	Each Occurrence	
Hazard Division 5. Fire Legal Liability	Each Occurrence	
COVERAGE B. HANGARKEEPER'S LIABILITY	Each Aircraft Each Occurrence	
Hangarkeeper's Deductible: _____ Each Occurrence		
COVERAGE C. PERSONAL INJURY LIABILITY	Each Occurrence Annual Aggregate	
COVERAGE D. ADVERTISING INJURY LIABILITY	Each Occurrence Annual Aggregate	

Item 7. DEDUCTIBLE (Other than Hangarkeepers Liability)

_____ each occurrence subject to a maximum of:
 _____ in the aggregate during the policy period.

Endorsement Premiums

Item 8. TOTAL ADVANCE PREMIUM
for the Policy Period is:

Item 9. FORMS ATTACHED AT INCEPTION:

COUNTERSIGNED:

AEROSPACE INSURANCE MANAGERS, INC.

Authorized Representative

Aviation Managers

SERFF Tracking Number: *AERO-125613286* *State:* *Arkansas*
Filing Company: *HallmarkInsurance Company* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *AV AR 99-04-08-003*
TOI: *22.0 Aircraft* *Sub-TOI:* *22.0000 Aircraft*
Product Name: *Aviation Insurance*
Project Name/Number: *Hallmark - Name Change/AV AR 99-04-08-003*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: AERO-125613286 State: Arkansas
Filing Company: HallmarkInsurance Company State Tracking Number: EFT \$50
Company Tracking Number: AV AR 99-04-08-003
TOI: 22.0 Aircraft Sub-TOI: 22.0000 Aircraft
Product Name: Aviation Insurance
Project Name/Number: Hallmark - Name Change/AV AR 99-04-08-003

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 05/12/2008

Comments:

Attachment:

AV AR 99-04-08-003.pdf

Satisfied -Name: SUPPORTING DOCUMENTS **Review Status:** Approved 05/12/2008

Comments:

Attachments:

HIC Filing Authorization Ltr.pdf

AV Name Change Form Filing Memo.pdf

Satisfied -Name: supporting docs 2 **Review Status:** Approved 05/12/2008

Comments:

The revised Broad Form Airport Liability Insurance Policy comparison is attached to this section.

Attachments:

GA100H (2-2008) R.pdf

GA 170 AR 04-05.pdf

AP2010 AR _06-05_.pdf

AP2000H (02-2008) R.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only
	a. Date the filing is received:
	b. Analyst:
	c. Disposition:
	d. Date of disposition of the filing:
	e. Effective date of filing:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

3. Group Name	Group NAIC #
Hallmark Financial Group	3478

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Hallmark Insurance Company	Arizona	34037		

5. Company Tracking Number	AV AR 99-04-08-003
-----------------------------------	---------------------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Thomas A. Murphy Aerospace Ins. Managers, Inc. 14990 Landmark Blvd. Suite 300 Dallas, Texas 75254	Compliance Officer	972-852-1200	972-852-12012	tmurphy@aerospaceim.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Thomas A. Murphy

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Aircraft ASL 22
10. Sub-Type of Insurance (Sub-TOI)	Aircraft & Airport Liability
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: May 15, 2008 Renewal: May 15, 2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	None
17. Reference Organization # & Title	None

18. Company's Date of Filing	April 30, 2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	AV AR 99-04-08-003
--	---------------------------

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
--

The Aircraft Insurance Policy and the Airport Liability Insurance Policy were initially filed and approved for use by Phoenix Indemnity Insurance Company. Recently, Phoenix Indemnity Insurance Company changed its name to Hallmark Insurance Company. The name change prompted this form filing of the following forms that displayed the company's name.

1. The Aircraft insurance Policy GA100 P (01/2006) as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Aircraft insurance Policy GA100 H (02/2008) displaying the Hallmark Insurance Company's name. There are other minor changes made to the Aircraft insurance Policy GA100 H (02/2008), see Page 1 of the Policy comparison marked in red with items underlined that are new and strikethrough for items that are deleted. These changes do not broaden or restrict coverage of the Policy
2. The Coverage Indemnification Page GA102 P (1/06), as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Coverage Indemnification Page GA102 H (02/08) displaying the Hallmark Insurance Company's name. There are no other changes made to the Coverage Indemnification Page GA102 H (02/08).
3. The Airport Liability Insurance Policy AP2000 P (01/2006), as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Airport Liability Insurance Policy AP 2000 H (02/2008) displaying the Hallmark Insurance Company's name. There are some changes made to the Airport Liability Insurance Policy AP 2000 H (02/2008). See the Policy Comparison marked in red with items underlined that are new and strikethrough for items that are deleted.—The changes do not broaden or restrict the Policy Coverage.
4. The Coverage Indemnification Page AP2001 P (01/06), as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Coverage Indemnification Page AP 2001 H (02/08) displaying the Hallmark Insurance Company's name. There are no other changes made to the Coverage Indemnification Page AP 2001 H (02/08).
5. The Aircraft Insurance Policy & the Airport Liability Insurance Policy have individually filed and approved State Amendatory Forms that amend the cancellation provisions and other Policy provisions to bring the Policies into compliance with the individual state requirements. Copies of the State Amendatory Forms are included in the Supplementary Documents section of the filing.

There are no other changes to the Aircraft Insurance Policy & the Airport Liability Insurance Policy at this time.

22. Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #		AV AR 99-04-08-003		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)		None		
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Aircraft Insurance Policy	GA100 H (02/2008)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	GA100 P (01/2006)	AC AR99-06-001 AR-PC-06-019939
02	Coverage Indemnification Page	GA102 H (02/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	GA102 P (1/06)	AC AR 99-06-001 AR-PC-06-019939
03	Airport Liability Insurance Policy	AP 2000 H (02/2008)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AP2000 P (01/2006)	AP AR 99-06-001 AR-PC-06-019969
04	Coverage Indemnification Page	AP 2001 H (02/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AP2001 P (01/06)	AP AR 99-06-001 AR-PC-06-019969
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

Hallmark Insurance Company

April 22, 2008

RE: *Designation of Filing Authority for Hallmark Insurance Company
Aviation Insurance Programs*

Dear Commissioner:

Aerospace Insurance Managers, Inc. ("Aerospace") is authorized by the Hallmark Insurance Company to submit filings on its behalf for a new or revised aviation programs.

The names and titles of the staff at Aerospace authorized to act on behalf of the Hallmark Insurance Company with respect to the aviation programs shown below. We presume that this letter constitutes sufficient notice to you of our designation of Aerospace Insurance Managers, Inc. as an authorized filer. Please do not hesitate to contact me with any questions.

Aerospace staff authorized to act on our behalf are as follows:

Thomas A. Murphy, Compliance Officer
Christopher A. Smith, Underwriter

Sincerely,



Christopher C. Jones
Vice President

A Subsidiary of Hallmark Financial Services, Inc.

777 Main Street, Suite 1000 Fort Worth, Texas 76102

◆ 972-934-2400 ◆ 972-788-0520

HALLMARK INSURANCE COMPANY

AIRCRAFT INSURANCE POLICY AIRPORT LIABILITY INSURANCE POLICY POLICY NAME CHANGE FILING FILING MEMORANDUM

The Aircraft Insurance Policy and the Airport Liability Insurance Policy were initially filed and approved for use by Phoenix Indemnity Insurance Company. Recently, Phoenix Indemnity Insurance Company changed its name to Hallmark Insurance Company. The name change prompted this form filing of the following forms that displayed the company's name.

1. The Aircraft insurance Policy GA100 P (01/2006) as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Aircraft insurance Policy GA100 H (02/2008) displaying the Hallmark Insurance Company's name. There are other minor changes made to the Aircraft insurance Policy GA100 H (02/2008), see Page 1 of the Policy comparison marked in red with items underlined that are new and ~~strikethrough for items that are deleted.~~. These changes do not broaden or restrict coverage of the Policy
2. The Coverage Indemnification Page GA102 P (1/06), as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Coverage Indemnification Page GA102 H (02/08) displaying the Hallmark Insurance Company's name. There are no other changes made to the Coverage Indemnification Page GA102 H (02/08).
3. The Airport Liability Insurance Policy AP2000 P (01/2006), as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Airport Liability Insurance Policy AP 2000 H (02/2008) displaying the Hallmark Insurance Company's name. There are some changes made to the Airport Liability Insurance Policy AP 2000 H (02/2008). See the Policy Comparison marked in red with items underlined that are new and ~~strikethrough for items that are deleted.~~—The changes do not broaden or restrict the Policy Coverage.
4. The Coverage Indemnification Page AP2001 P (01/06), as previously filed and approved, displayed the Phoenix Indemnity Insurance Company's name. Therefore, we are filing the Coverage Indemnification Page AP 2001 H (02/08) displaying the Hallmark Insurance Company's name. There are no other changes made to the Coverage Indemnification Page AP 2001 H (02/08).
5. The Aircraft Insurance Policy & the Airport Liability Insurance Policy have individually filed and approved State Amendatory Forms that amend the cancellation provisions and other Policy provisions to bring the Policies into compliance with the individual state requirements. Copies of the State Amendatory Forms are included in the Supplementary Documents section of the filing.

There are no other changes to the Aircraft Insurance Policy & the Airport Liability Insurance Policy at this time.



Aircraft Insurance Policy

Hallmark Insurance Company

777 Main Street Suite 1000 Fort Worth, Texas 76102

Form GA100H (02/2008)

This policy is written in language that is easier to understand than language previously used. The provisions of your policy are set forth in detail in the Coverage Identification Page, Parts One through Five and any Endorsements we issue. Together, these comprise your policy.

This policy may provide you with coverage for Aircraft Physical Damage, Liability to Others and medical Expense. Be sure to review your Coverage Identification Page to confirm the coverage and limits issued to you. Then read each Part of the Policy and each Endorsement we issued. This will enable you to better understand your policy.

This Policy is a legal contract between you and the Company; therefore, **IT IS IMPORTANT THAT YOU READ YOUR POLICY CAREFULLY.**

The next page provides you with a brief index to the important features of your policy.

WARNING

If you have an accident or occurrence in Mexico, you may be jailed and your aircraft impounded unless you have aircraft liability coverage issued by an insurance company licensed in Mexico or otherwise comply with the laws of Mexico.

As the Company is not licensed in Mexico, you must make certain you have the required coverage before you fly into Mexico!

ISSUED THROUGH



Aerospace Insurance Managers, Inc.

14990 Landmark Blvd., Suite 300, Dallas, Texas 75254

Where to Find

Coverage Identification Page

Your Insurance Company Name	Top Left
Your Policy Number	Top Left
Prior Policy Number	Top Right
Your Agent's Name and Address.....	Top Right
Named Insured	Item 1
Your Address	Item 2
Policy Period	Item 3
Location of Aircraft	Item 4
Description of Aircraft and Physical Damage Coverage	Item 5
Liability and Medical Payments Coverage and Limits of Coverage	Item 6
Premiums	Item 7
Forms and Endorsements Attached When the Policy is Issued	Item 8
Requirements for the Pilot Flying the Aircraft.....	Item 9
The Use of the Aircraft	Item 10
Additional Interests	Item 11
Signatures of an Authorized Representative and our Aviation Managers	Bottom

Part One. General Provisions and Conditions

1. Words and Phrases	Page 1
2. Our Obligations and Your Duties.....	3
3. Requirements for the Pilot Flying the Aircraft	3
4. The Use of the Aircraft.....	3
5. When and Where You Are Covered	3
6. If there is an Accident or Occurrence	3
7. Changing The Policy	4
8. Canceling The Policy.....	4
9. Other Coverage.....	4
10. Transfer of Interest in Your Policy.....	5
11. Our Right of Recovery	5
12. State Insurance Statutes	5
13. Legal Action Against Us.....	5
14. Concealment or Misrepresentation	5
15. Inspection and Audit	5

Part Two. Aircraft Physical Damage

1. What We Cover	Page 6
2. What You Must Pay or Bear (Deductible)	6
3. What We Will Pay (Less Deductible).....	6
4. What We Will Not Pay	7
5. What You Must Do	8
6. When We Will Pay	8
7. Theft.....	8
8. Disappearance	8
9. Reinstatement of Coverage	8

Part Three. Liability to Others

1. What We Cover	Page 9
2. Who Is Protected	9
3. Who Is Not Protected	10
4. What Is Not Covered.....	10
5. Additional Protection.....	12

Part Four. Medical Expense

1. What We Will Pay	Page 13
2. Whom We Will Pay	13
3. What We Will Not Pay	13
4. Effect of Payment	13
5. Proof of Claim	13
6. Legal Action for Medical Expenses.....	13

Part Five. Special Provisions and Conditions

1. Newly Acquired Aircraft.....	Page 14
2. Temporary Use of Substitute Aircraft.....	14
3. Use of Another Aircraft.....	14
4. What Coverage We Will Provide	14
5. What We Will Not Cover	14

Endorsements

Part One. GENERAL PROVISIONS AND CONDITIONS

Here are some matters **you** need to be aware of before **you** read the other Parts of **your** policy that explain **your** coverage.

1. Words and Phrases

The following words and phrases have special meaning throughout the policy:

- a. **You** and **your** mean the person(s) or organization(s) named in Item 1 of the Coverage Identification Page under the heading "Named Insured."
- b. **Someone we protect** means any person or organization we provide coverage to through this policy other than **you**.
- c. **Anyone** or **others** means any person or organization other than **you** or **someone we protect**.
- d. **We, us** or **our** means the insurance company named on the Coverage Identification Page.
- e. **Aviation Managers** means Aerospace Insurance Managers, Inc., which manages **our** aviation insurance business for **us**.
- f. **Aircraft** means the aircraft owned or leased by **you** which is shown in Item 5 of **your** Coverage Identification Page or qualifying under PART FIVE of **your** policy. It includes the airframe, landing gear system, engine (including propeller governor or other parts or accessories attached or mounted to the engine), propeller or rotor, flight and engine instruments, avionics, electrical system, flight control system, fuel system, and any hydraulic and pressurization system. Parts usually mounted or attached to the aircraft are included while temporarily removed so long as they are not replaced by other parts. Log books, documents, or other records related to an aircraft are not a part of the aircraft.
- g. **Agreed value** means the amount of money shown in Item 5 of the Coverage Identification Page. This is the amount **you** and **we** have agreed **your aircraft** is worth and the maximum amount of Aircraft Physical Damage coverage **we** provide.
- h. **In motion** means when any part of the **aircraft** is moving under the **aircraft's** ~~own~~electrical or engine power or the resulting momentum.
- i. **In flight** means when movement of the **aircraft** begins for takeoff until completion of the landing run. A rotorcraft is in flight when any engine in the aircraft is being started or is operating or when the aircraft is off any supporting surface.
- j. **Passenger** means any person who is in the **aircraft** or getting in or out of it. If more than one of the **aircraft** shown in Item 5 of **your** Coverage Identification Page is involved in one **occurrence**, every **person** who is in any of the **aircraft** is a **passenger**.
- k. **Bodily Injury** means physical injury to a person, including sickness, disease (including mental anguish) or death resulting from such physical injury.

- l. **Property damage** means damage to or destruction of tangible property, including any resulting loss of use of that property. It does not include damage to or destruction of the **aircraft** or any other property a **renter pilot, you** or **someone we protect** under **your** policy owns, has charge of, or transports in the **aircraft**.
- m. **Accident** means a sudden event during the policy period, neither expected nor intended by **you** or **someone we protect**, that involves the **aircraft** and causes physical damage to or loss of the **aircraft** during the policy period.
- n. **Occurrence** means a sudden event or repeated exposure to conditions, involving the **aircraft** during the policy period, neither expected nor intended by **you** or **someone we protect**, that causes **bodily injury** or **property damage** to **others** during the policy period. All **bodily injury** or **property damage** resulting from the same general conditions will be considered to be caused by one **occurrence**. If more than one of the **aircraft** shown in Item 5 of **your** Coverage Identification Page is involved in the same **occurrence**, all **bodily injury** or **property damage** resulting from the involvement of all of the **aircraft** will be considered to be caused by one **occurrence**.
- o. **Federal Aviation Administration (FAA)** means the authority of the United States of America having jurisdiction over civil aviation or its counterpart in another country.
- p. **Student Pilot** means any pilot holding a valid student pilot certificate issued by the **FAA** who is receiving flight instruction or operating the **aircraft** solo under the direct supervision and flight endorsement of a **FAA** Certified Flight Instructor.
- q. **Renter Pilot** means any person or organization who is renting the **aircraft** from **you**.
- r. **Pleasure and Business** means use of the **aircraft** by **you** or by **someone we protect** for personal and business-related purposes where no charge is made for such use. **You** or **someone we protect** may receive reimbursement for expenses incurred in operating the **aircraft** provided such reimbursement is limited to expenses allowable, if any, to a Private Pilot under Part 61 of the **FAA** regulations.
- s. **Instruction and/or Rental** means use of the **aircraft** by **you** for the instruction of, or rental to, **others** for their **pleasure and business** purposes. **You** or **someone we protect** may also use the **aircraft** for **pleasure and business** purposes.
- t. **Charter/Air Taxi** means use of the **aircraft** by **you** for transporting passengers or freight for hire, and use by **you** or **someone we protect** for **pleasure and business** purposes.
- u. **Commercial** means use of the **aircraft** by **you** for **instruction and/or rental** purposes, **charter/air taxi** purposes and by **you** or **someone we protect** for **pleasure and business** purposes.
- v. **Flying Club** means use of the **aircraft** by **your** members for their **pleasure and business** purposes. A member is any person having an ownership interest in the **aircraft** or the organization shown in Item 1 of the Coverage Identification Page. **You** may charge membership fees and dues and **you** may also charge the members fees for use of the **aircraft**.

2. **Our Obligations and Your Duties**

We agree to provide coverage to **you** and **someone we protect** if **you** pay the premium and comply fully with the policy requirements, but if **you** do not, or **someone we protect** does not, then **we** are not obligated either to **you** or to **someone we protect**. **We** have the right to deduct any premium or other monetary obligations owed to **us** from any payment **we** make.

3. Requirements for the Pilot Flying the **Aircraft**

You must make certain that the pilot operating the **aircraft in flight** meets the requirements shown in Item 9 of the Coverage Identification Page. There is no coverage under the policy for any **accident** or **occurrence** involving operation of the **aircraft in flight** if the pilot does not meet these requirements.

4. The Use of the **Aircraft**

You must make certain that the **aircraft** is used for the purposes stated in Item 10 of the Coverage Identification Page. There is no coverage under the policy if the **aircraft**:

- a. is used for any purpose not stated in Item 10 of the Coverage Identification Page;
- b. is used for any unlawful purpose;
- c. use requires a special permit or waiver from the **FAA**; or
- d. airworthiness certificate is not in full force and effect or has been converted to a restricted or experimental certificate unless stated in Item 5 of the Coverage Identification Page.

5. When and Where the Policy Provides Coverage

This policy provides coverage during the policy period shown in Item 3 of the Coverage Identification Page while the **aircraft** is within the United States (excluding Alaska and Hawaii), Canada, Mexico, or while en route between these territories.

6. If there is an **Accident** or **Occurrence**

- a. In the event of an **accident** or **occurrence**, **you** or **someone we protect** must:
 - i. promptly notify **us** or **our Aviation Managers** and describe how, when and where the **accident** or **occurrence** happened and give the names and addresses of witnesses, injured persons and all persons onboard the **aircraft**.
 - ii. cooperate with **us** in the investigation, settlement or defense of any claim;
 - iii. answer under oath questions asked by **us** or anyone **we** designate;
 - iv. promptly send **us** copies of any notices or legal papers received relating to the **accident** or **occurrence**;
 - v. help **us** in obtaining and giving evidence, attending hearings and trials, and getting witnesses to testify; and

- vi. promptly notify the police if **your aircraft** or any part of it is stolen or vandalized.

b. In the event of an **accident** or **occurrence**, **you** and **someone we protect** must not:

- i. make any statement about the **accident** or **occurrence** to **others** without **our** permission, except to government authorities making an official investigation; or
- ii. make any voluntary payments, assume any obligation or incur any expense without **our** permission, except for emergency first aid to **others** or for protection of the **aircraft** from further loss.

7. Changing the Policy

If **you** wish to change anything in **your** policy, **you** or **your** representative should contact **us** through **our Aviation Managers**, but no change occurs until **you** or **your** representative is notified in writing by **our Aviation Managers** of **our** agreement to change the policy.

8. Canceling the Policy

You may cancel the policy at any time by telling **us** in writing and in advance, through **our Aviation Managers**, of the date **you** want the coverage to end. If **you** cancel the policy, **we** will refund 90% of the unearned premium **you** have paid.

We or **our Aviation Managers** may cancel this policy at any time by mailing or delivering a notice of cancellation to **you** at the address shown in Item 2 of the Coverage Identification Page at least:

- a. 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if **we** cancel for any other reason.

Proof of mailing or delivery of the notice is sufficient proof of notice. **We** will compute the premium earned by **us** based on the percentage of the original policy period that **we** provided coverage.

We will return to **you** any premium that **you** have paid that **we** have not earned, but making the refund is not a condition of cancellation.

However, if **we** pay or have paid the **agreed value** of the **aircraft**, less any applicable deductible under the Aircraft Physical Damage coverage, **we** are entitled to the total Aircraft Physical Damage premium shown on the Coverage Identification Page for the **aircraft** for which **we** made or make payment. **You** agree to pay any premium that may be due or permit **us** to deduct such premium from **our** loss payment.

9. Other Coverage

If there is other coverage protecting **you** or **someone we protect** for an **accident** or **occurrence** covered by this policy, **we** will pay only the percentage portion that the applicable limit of coverage of this policy bears to the total of the applicable limits of coverage for all policies.

If there is an **accident** or **occurrence** covered by **your** policy involving the “Temporary Use of Substitute Aircraft” or “Use of Another Aircraft”, **your** policy will be excess over any other policy protecting **you**.

If there is other insurance covering the **accident** or **occurrence** issued through **our Aviation Managers**, **we** will not pay more than the limits of coverage of the policy having the greatest limits.

10. Transfer of Interest in **Your** Policy

Neither **you** nor **someone we protect** can transfer an interest in this policy without **our** written consent through **our Aviation Managers**. If **you** die during the policy period, **your** legal representative will have all of **your** rights and duties under the policy while settling **your** estate if **we** are notified through **our Aviation Managers** within 60 days of **your** death.

11. **Our** Right of Recovery (Except PART FOUR – Medical Expense)

If **we** make any payment, **we** will take over **your** right to recover the payment from **anyone** who is responsible. **You** and **someone we protect** must do everything necessary to transfer this right of recovery to **us**, including allowing suit to be brought in **your** name or in the name of **someone we protect**. **You** and **someone we protect** must do nothing that will interfere with, limit or waive **our** right to recover.

12. State Statutes

Any statement or provision of this policy which conflicts with the laws of the state shown in Item 4 of the Coverage Identification Page is hereby amended by **us** to conform to the laws of such state.

13. Legal Action Against **Us**

No legal action shall be brought against **us** until the policy provisions have been complied with fully. No one shall have the right to:

- a. join **us** as a party to any legal action brought against **you** or **someone we protect**; or
- b. bring **us** into any legal action to determine **your** liability or the liability of **someone we protect**.

14. Concealment or Misrepresentation

We do not provide coverage for **you** or **someone we protect** if **you** or **someone we protect** has concealed or misrepresented any material fact or circumstance relating to the policy either before or after an **accident** or **occurrence**.

15. Inspection and Audit

We will have the right, but shall have no obligation, to inspect the **aircraft** and records during and up to 1 year after the policy period.

Part Two. AIRCRAFT PHYSICAL DAMAGE COVERAGE

Review Item 5 of **your** Coverage Identification Page to confirm the Aircraft Physical Damage coverage that has been issued to **you**. Please note also the **agreed value** of the **aircraft** and the amount for which **you** are responsible (deductible). This coverage is for **your** benefit and not for the benefit of **anyone** else in possession of the **aircraft**.

1. What **We** Cover

- a. Coverage F covers direct physical loss of or damage to the **aircraft** caused by an **accident** while the **aircraft** is not **in motion**; and
- b. Coverage G covers direct physical loss of or damage to the **aircraft** caused by an **accident** while the **aircraft** is **in motion**.

2. What **You** Must Pay or Bear (Deductible)

When **we** pay for loss of or damage to the **aircraft**, **you** must first pay or bear one of the following amounts unless no deductible applies:

- a. **Not In Motion** Deductible. The amount shown in Item 5F of **your** Coverage Identification Page must be paid or borne by **you** when loss or damage occurs under Coverage F. **We** will not apply a deductible amount if the loss or damage results from a fire caused by a combustion source external to the **aircraft**, lightning, explosion, theft or vandalism
- b. **In Motion** Deductible. The amount shown in Item 5G of **your** Coverage Identification Page must be paid or borne by **you** when loss or damage occurs under Coverage G.

3. What **We** Will Pay (Less Deductible)

- a. **Destroyed Aircraft**. If the cost of repair when added to the value of the **aircraft** after it is damaged and prior to repairs equals or exceeds the **agreed value**, it is a destroyed **aircraft**.

If the **aircraft** is destroyed, **we** will pay the **agreed value** of the **aircraft**, less the applicable deductible. **We** will be entitled to ownership of the **aircraft** upon payment, free and clear of any encumbrances on the **aircraft**.

- b. **Damaged Aircraft**. If the **aircraft** is damaged and not destroyed, **we** will pay the reasonable cost of repair after the **aircraft** has been repaired, but **we** will not pay more than the **agreed value**, less the applicable deductible.

If the **aircraft** is damaged by hail, **we** will pay the reasonable cost of repair of the hail damage that affects the airworthiness of the **aircraft** after the **aircraft** has been repaired. **We** will pay an amount not exceeding 10% of the **agreed value** for hail damage that does not affect the airworthiness of the **aircraft**, less the applicable deductible. Hail damage that does not result in an immediate grounding of the **aircraft** will be deemed to be damage not affecting the airworthiness of the **aircraft**.

Cost of repair includes necessary labor at straight time rates, parts and materials of similar kind and quality and the least expensive transportation charges necessary to repair the **aircraft** and return it to the place where the damage occurred or its home airport, whichever is nearer. If **you** are authorized by the **FAA** to perform, and **you** elect to perform, **your** own repairs, **you** agree to supply materials, parts and labor at **your** cost, excluding overtime payments. If **you** incur a labor cost for work performed by others, **we** agree to increase the allowance for **your** labor costs by 50% to help **you** defray **your** cost of overhead and supervision.

4. What **We** Will Not Pay

We will not pay for physical loss of or damage to the **aircraft**:

- a. *Pilots and Use*
Unless the requirements regarding Pilots in Item 9 of the Coverage Identification Page and Use (Item 10) are met;
- b. *Wear and Tear and Mechanical Breakdown*
Caused by wear or tear, deterioration, freezing, mechanical or electrical breakdown or failure, including any loss or damage to a component or system of the **aircraft** that is caused in whole or in part by a defective product or the negligence of any person or organization in repairing or installing such product. **We** will, however, pay for direct physical damage to other systems of the **aircraft** that results from these causes. For the purpose of this provision, damage that results from the breakdown, failure or malfunction of any internal or external engine component, or any accessory, component or part attached to the engine is a breakdown or failure of the entire engine;
- c. *Tires*
Tires, unless caused by theft or vandalism, or the loss or damage is the result of other loss or damage **we** cover;
- d. *Seaplane-Amphibian*
If it is equipped for water takeoffs and landings unless the **aircraft** is identified as a seaplane or amphibian in Item 5 of the Coverage Identification Page;
- e. *Undisclosed Ownership and Other Interests*
If **your** interest in the **aircraft** is subject to any liens, mortgages, lease or ownership interest claims of others unless all interests of **others** are identified in either Item 1 or 11 of the Coverage Identification Page or in an Endorsement;
- f. *War-Confiscation*
Caused by terrorist activities or arrest, restraint, seizure, confiscation, detention by or at the direction of any government; or caused by declared or undeclared war;
- g. *Radiation*
Directly or indirectly caused by or arising out of ionizing radiation or contamination by radioactivity from any source; or

Embezzlement, Conversion or Secretion

- h. If anyone to whom **you** relinquish possession of the **aircraft** embezzles, converts or secretes the **aircraft**.

We also will not pay for depreciation, loss of use, loss of profits, loss of guaranty or warranty, or any other economic or consequential damage of any kind.

5. What **You** Must Do

If the **aircraft** is damaged, **you** must:

- a. *Protect the Aircraft*
Do all **you** can to protect the **aircraft** from further loss, and **we** will pay **you** for all reasonable expenses incurred by **you** in protecting it;
- b. *Proof of Loss*
Give **us** a sworn Proof of Loss statement within 90 days of the loss;
- c. *Show Us the Physical Damage*
Show **us** the physical damage to the **aircraft** before repair or disposition;
- d. *Show Us the Records*
Show **us** all records **you** have that would prove the amount of loss.

6. When **We** Will Pay

We will pay for loss of or damage to the **aircraft** covered by **your** policy:

- a. *Damaged Aircraft*
within 30 days after **you** have given **us** a sworn Proof of Loss statement and **you** and **we** agree on the amount; or
- b. *Destroyed Aircraft*
within 30 days after **you** have given **us** a sworn Proof of Loss statement and **you** have delivered the **aircraft** log books, airworthiness certificate and a bill of sale transferring clear title to the **aircraft**.

7. Theft

If the **aircraft** or any part of it is stolen and recovered before **we** have paid for it, **we** may return it to **you** along with payment for any physical damage to it.

8. Disappearance

We will consider **your aircraft** to be lost **in flight** if it disappears and it cannot be located within 60 days.

9. Reinstatement of Coverage

If **your aircraft** is damaged, the amount of coverage for the **aircraft** will be reduced by the amount of the damage. The coverage will be automatically increased, at no additional premium, by the cost of the repairs completed until the **agreed value** has been restored or the policy expires. If, however, **we** pay as much as the **agreed value**, less the applicable deductible, **we** are entitled to the total Aircraft Physical Damage premium for the **aircraft** on which **we** made or make the payment.

Part Three. LIABILITY TO OTHERS

Review Item 6 of **your** Coverage Identification Page to confirm the particular liability coverage and limits issued to **you**.

1. What **We** Cover

We will pay for the damages that **you**, or **someone we protect**, are legally required to pay for **bodily injury** or **property damage** to **others** caused by an **occurrence** during the policy period.

- a. Coverage A covers **bodily injury** to persons other than **passengers** in the **aircraft**. The most **we** will pay for **bodily injury** to any one person is shown under Item 6A opposite "each person." The most **we** will pay for **bodily injury** to all persons is shown in Item 6A opposite "each occurrence." **We** will not pay for **bodily injury** to **passengers** under Coverage A.
- b. Coverage B covers **bodily injury** to **passengers** in the **aircraft**. The most **we** will pay for **bodily injury** to any one **passenger** is shown under Item 6B opposite "each person." The most **we** will pay for **bodily injury** to all **passengers** is shown in Item 6B opposite "each occurrence." **We** will not pay for **bodily injury** to persons other than **passengers** under Coverage B.
- c. Coverage C covers **property damage**. The most **we** will pay for **property damage** is shown in Item 6C opposite "each occurrence."
- d. Coverage D covers **bodily injury and property damage** in a combined limit of liability for each **occurrence**. Where the word "INcluding" is shown in Item 6D, the most **we** will pay for **bodily injury** to all **passengers** and all **others** and **property damage** is shown under Item 6D opposite "each occurrence." Where the word "EXcluding" is shown in Item 6D, the most **we** will pay for **bodily injury** to all persons and **property damage** is shown under Item 6D opposite "each occurrence," but **we** will not pay for **bodily injury** to **passengers**.
- e. Coverage DL covers **bodily injury** to **passengers** and **others** and **property damage** in a combined single limit of liability for each **occurrence** which includes a lower limit of coverage for each **passenger**. The most **we** will pay for **bodily injury** to each **passenger** is shown in Item 6DL opposite "each person." The most **we** will pay for all **bodily injury** and **property damage** is shown in Item 6DL opposite "each **occurrence**."

2. Who Is Protected (**You** and **Someone We Protect**)

Except for those entities and persons described in Paragraph 3 below, **your** **bodily injury** and **property damage** liability coverage protects **you** and **someone we protect**. The term **someone we protect** means any organization or person **you** permit to operate the **aircraft**. The term **someone we protect** also includes the following:

- a. any person riding in the **aircraft** and any person or organization legally responsible for the use of the **aircraft** provided such use is with **your** express permission; and

- b. any employee while acting within the scope of his or her employment by **you** or **someone we protect**. Provided, however, no employee is **someone we protect** with respect to:
 - (i) **Bodily injury** to a co-employee while in the course or scope of his or her employment; or
 - (ii) **Property damage** to property owned, occupied or rented by, or loaned to that employee or to any of **your** other employees or the employees of **someone we protect**.

If **instruction and rental, charter/air taxi** or other uses involving a charge made to **others** are permitted by **your** Policy, any person who receives compensation for providing flight instruction or pilot services (including flight checkouts, flight reviews, practical tests for license or aircraft rating purposes, or other pilot services permitted by **your** policy) in the **aircraft** for **your** benefit or on **your** behalf shall be considered to be **your** employee acting within the course and scope of employment with respect to an **occurrence** that arises out of such activities, regardless of whether **you** deem that person to be **your** employee or an independent contractor for any other purposes under any state or federal employment-related ordinance, statute or regulation.

Subject to the limitations of Paragraph 4 below, **you** and **someone we protect** are protected separately, but the limits of coverage shown in Item 6 of the Coverage Identification Page do not increase regardless of (a) the number of the entities or persons protected, or (b) the number of **aircraft** involved in the **occurrence**.

3. Who Is Not Protected

Your **bodily injury** and **property damage** coverage does not protect:

- a. *Other Aviation Business Activities*
Any persons or organizations (other than **you** and your employees as defined above), or employees or agents thereof, that make, sell, rent, repair or service aircraft or components, operate an airport facility, or provide instruction, pilot or flight service, where an **occurrence** arises out of any of these activities; and
- b. *Renter Pilots*
A **renter pilot** with respect to any **occurrence** arising out of the operation of the **aircraft** by a **renter pilot**.

4. What Is Not Covered

We do not cover any:

- a. *Pilots and Use*
Bodily injury or **property damage** unless the requirements of the Coverage Identification Page regarding Pilots (Item 9) and Use (Item 10) are met;

- b. *Bodily Injury to Employees*
Bodily injury to any employee while acting in the course and scope of employment by **you** or by **someone we protect** for any claim against **you**, against **someone we protect**, or against a fellow employee. For purposes of this provision, the term "employee" means any person who receives compensation for services performed for **you** or **someone we protect** who would be deemed an "employee" for worker's compensation or unemployment benefits compensation purposes under applicable state law. The term "employee" also includes any person defined by the policy to be an employee in Paragraph 2 of this Part;
- c. *Property*
Property damage to property which **you** or **someone we protect** owns, has charge of, or transports in the **aircraft**;
- d. *Intentional Acts*
Bodily injury or **property damage** that is intentionally caused by **you** or by **someone we protect** unless done while **in flight** to prevent dangerous interference with the operation of the **aircraft**;
- e. *Injury to You*
Bodily injury sustained by **you** or damages claimed as a consequence of such **bodily injury**.
- f. *Student Pilots*
Property damage or **bodily injury** if the **aircraft** is being operated **in flight** by a **Student Pilot** with **passengers** unless a **passenger** is a pilot acting as pilot in command with the minimum requirements stated in Item 9 of **your** Coverage Identification Page;
- g. *Assumed Liability*
Bodily injury or **property damage** that **you** or **someone we protect** has agreed to assume;
- h. *Ownership and Other Interests*
Bodily injury or **property damage** liability if **you** lease, sell or mortgage all or some of **your** interest in the **aircraft** unless all interests of **others** are stated in Item 1 or Item 11 of the Coverage Identification Page or in an Endorsement;
- i. *Radiation*
Bodily injury or **property damage** that is directly or indirectly caused by or arises out of ionizing radiation or contamination by radioactivity from any source; or
- j. *Noise, Pollution, Electrical or Other Interference*
Bodily injury or **property damage** that is directly or indirectly caused by or arises out of:
 - (1) Noise, vibration or sonic boom;
 - (2) Pollution and/or contamination of any kind;
 - (3) Electrical and/or magnetic interference; or
 - (4) Interference with the use of property;
 unless caused by or resulting from an **occurrence**.

Any **bodily injury** or **property damage** arising out of an **occurrence** that is excluded from coverage by the provisions of this Paragraph 4 as to any person or organization defined by the policy as **you** or **someone we protect** is also excluded from coverage as to all persons or organizations defined by the policy as **you** or **someone we protect**.

5. Additional Protection

We also provide the following additional protection with each coverage under PART THREE as long as **we** have not paid, offered to pay, or tendered the limits of coverage that **you** have purchased.

We will:

- a. *Defend Claims*
Defend at **our** expense with attorneys **we** choose, any claim or legal action against **you** or **someone we protect** with respect to any claims for **bodily injury** or **property damage** resulting from an **occurrence we** cover. **We** may investigate, negotiate, or settle any claim or legal action as **we** elect;
- b. *Pay Expenses*
Pay the expenses, and court costs incurred, claims or legal actions **we** defend;
- c. *Reimburse Expenses*
Reimburse **you** and **someone we protect** for all reasonable expenses incurred at **our** request, but **we** will not pay for loss of wages or earnings;
- d. *Pay Interest*
Pay post judgment interest on the part of a judgment against **you** or **someone we protect** that **we** are obligated to pay until **we** have made payment or tendered or deposited it in court;
- e. *Pay Costs of Bonds*
Pay premiums on bonds required to release attachments and to appeal from judgments **we** elect to appeal, but **we** will not pay for bonds covering any aggregate amount more than the applicable limit of coverage; and
- f. *Comply with Financial Responsibility Laws*
Comply with the provisions of any aircraft financial responsibility statute if **we** certify **your** policy as proof of **your** future financial responsibility under that statute. **We** will not, however, pay more than the limits of coverage shown in Item 6 of the Coverage Identification Page. **You** agree to reimburse **us** for any amount **we** have to pay in complying with the statute that **we** would not otherwise have had to pay.

Part Four. MEDICAL EXPENSE

Review Item 6E of **your** Coverage Identification Page to confirm the Medical Expense coverage and limits issued to **you**.

1. What **We** Will Pay

We will pay the reasonable and necessary medical expense incurred within one year for injuries to **you** and any **passenger** caused by an **occurrence** while the **aircraft** was operated by **you** or **someone we protect**. Medical expense includes the cost of medical, surgical, dental, hospital, professional nursing, ambulance or funeral services. The most **we** will pay for each person's medical expense is shown under Item 6E opposite "each person." The most **we** will pay for all medical expense is shown under Item 6E opposite "each occurrence."

2. Whom **We** Will Pay

We will pay each injured person directly, the person responsible for payment, or the person or organization that provided the service.

3. What **We** Will Not Pay

We will not pay any medical expense to the extent payment is required under any worker's compensation or disability benefits law or similar law.

4. Effect of Payment

We are not admitting that **you** have any legal liability or responsibility by making medical expense payments.

5. Proof of Claim

The injured person or someone acting for the person must give **us** written proof of the medical expense and must help **us** obtain the medical records and reports **we** need. If **we** ask, the injured person must submit to an examination by any doctor **we** select.

6. Legal Action for Medical Expenses

A legal action against **us** for medical expenses cannot be brought unless **you** or **someone we protect** have done everything that **you** or **someone we protect** is required to do and at least 30 days has passed since proof of the claim has been given to **us**.

Part Five. SPECIAL PROVISIONS AND CONDITIONS

These Special Provisions and Conditions do not apply unless Item 10 of the Coverage Identification Page states that the use of the **aircraft** is limited to **pleasure and business**.

1. Newly Acquired Aircraft

If **you** notify **us** during the policy period and within 30 days after **you** acquire ownership of another **aircraft**, and pay the additional premium, **we** will extend the coverage of this policy to that **aircraft** if **we** insure all of the **aircraft you** own.

2. Temporary Use of Substitute Aircraft

If **you** are unable to fly the **aircraft** because of its breakdown, repair, servicing, loss or destruction, **we** will extend the coverage of this policy to **your** use of a substitute aircraft.

3. Use of Another Aircraft

If **you** are one individual, or one individual and spouse, and use another aircraft not owned in whole or in part by **you**, or furnished for **your** regular use, **we** will extend the coverage of this policy to **your** use of another aircraft.

4. What Coverage We Will Provide

The coverage provided under this PART FIVE will be:

- a. The same Liability to Others (PART THREE) coverage and Medical Expense (PART FOUR) coverage **we** provide for an **aircraft** with the greatest seating capacity as shown on **your** Coverage Identification Page; and
- b. On Newly Acquired Aircraft, the same Aircraft Physical Damage (PART TWO) coverage and deductible amounts as **we** provide on similar category and class **aircraft** with the highest **agreed value** shown on **your** Coverage Identification Page. Subject to the foregoing coverage limit, the maximum **we** will pay for physical damage or loss is the amount **you** paid for the **aircraft**, plus the cost of any repairs or additions **you** made; or in the case of a trade-in, the fair market value of the **aircraft** plus the cost of any repairs or additions **you** made.

5. What **We** Will Not Cover

In addition to those persons and things which **we** will not cover, protect or pay in other parts of **your** policy, **we** will not provide coverage for Temporary Use of Substitute Aircraft, Use of Another Aircraft or Newly Acquired Aircraft:

- a. Unless the requirements of the Coverage Identification Page regarding Pilots (Item 9) and Use (Item 10) are met;
- b. Unless it is licensed under a standard airworthiness certificate issued by the **FAA**;

- c. If it is a multiengine aircraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a multiengine aircraft;
- d. If it is a turbine powered aircraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a turbine powered aircraft;
- e. If it is a Rotorcraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a Rotorcraft; or
- f. If it is a seaplane or amphibian unless an **aircraft** in Item 5 on the Coverage Identification Page is a seaplane or amphibian.

VALIDATION

Your policy is comprised of the Coverage Identification Page, Parts One through Five and any Endorsements **we** issue. The signature of **our Aviation Managers** and the countersignature by an authorized representative on the Coverage Identification Page along with the signatures below of **our** president and secretary validate **your** policy.

Secretary
Cecil R. Wise

President
Brookland Franklin Davis



Arkansas Change Endorsement

This endorsement changes **Part One – GENERAL PROVISIONS AND CONDITIONS**, Paragraph 8, Canceling the Policy, to read as follows:

8. Cancellation or Nonrenewal of the Policy

Cancellation

You may cancel **your** policy at any time by telling **us** in writing in advance, through **our Aviation Managers**, of the date **you** want **your** coverage to end. If **you** cancel the policy, **we** will return 90% of the unearned premium **you** have paid.

We or **our Aviation Managers** can cancel this policy as follows:

- a. The policy can be canceled at any time for nonpayment of premium by mailing or delivering a notice of cancellation to the first Named Insured at least 10 days before the effective date of the cancellation; or
- b. If the policy has been in effect less than 60 days, it may be canceled at any time by mailing or delivering a notice of cancellation to the first Named Insured at least 20 days before the effective date of cancellation; or
- c. The cancellation of this policy that has been in force over (60) days or after the effective date of a renewal policy or an annual anniversary date unless the cancellation is based upon one of the following reasons:
 - (1) Non Payment of premium;
 - (2) Fraud or material misrepresentation made by **you** or with **your** knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy.
 - (3) Substantial change in any hazard insured against.
 - (4) Violation of any local fire, health, safety code which substantially increases any hazard insured against under the policy.
 - (5) Nonpayment of membership dues in those cases where **our** bylaws, agreements or **our** legal instruments require payment as a condition of the issuance and maintenance of the policy.
 - (6) A material violation of a material provision of the policy.

Cancellation of the policy shall only be effective when notice of cancellation is mailed or delivered by **us** to the first Named Insured, and to any leinholder or loss payee named in the policy, to the last known address as shown in Item 2 of **your** Coverage Identification Page, at least (20) days prior to the effective date of cancellation. However, where cancellation is for nonpayment of premium, at least (10) days' notice of cancellation accompanied by the reason for cancellation shall be given.

Proof of mailing or delivery of the notice is sufficient proof of notice. **We** will compute the premium earned by **us** based on the percentage of the original policy period that **we** provided coverage.

We will return to **you** any premium that **you** have paid that **we** have not earned, but making the refund is not a condition of cancellation.

However, if **we** pay or have paid the **agreed value** of the **aircraft**, less any applicable deductible under the Aircraft Physical Damage coverage, **we** are entitled to the total Aircraft Physical Damage premium shown on the Coverage Identification Page for the **aircraft** on which **we** made or make payment. **You** agree to pay any premium that may be due or permit **us** to deduct such premium from **our** loss payment.

Nonrenewal

If **we** decide not to renew this policy, **we** will mail to the first Named Insured shown in the Coverage Identification Page written notice of nonrenewal at least 60 days before:

- a. Its expiration date; or
- b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, **we** are not required to send this notice if nonrenewal is due to **your** failure to pay any premium required for renewal.

- c. **We** will mail our notice to the first Named Insured and to any leinholder or loss payee named in the policy to the last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

The following information is required only when the effective date of this endorsement is subsequent to the Policy effective date.

This endorsement is Endorsement No.
This endorsement is effective on
Attached to and forming a part of Policy No.
Issued to (First Named Insured):
Additional Premium:

Renewal Provisions

If **we** elect to renew this policy and the renewal is subject to any of the following:

- a. Increase in premium of (25%);
- b. Issued for a term of less than (12) months;
- c. Change in deductible;
- d. Reduction in limits of insurance; or
- e. Substantial reduction in coverage;

We will mail or deliver written notice of the change(s) to **you, your** agent, and any leinholder or loss payee at the last mailing address known to **us**, at least (30) days before the anniversary or expiration date of the policy. The notice will specifically state **our** intention to increase the premium by an amount equal to or greater than (25%) on any renewal of the existing policy

If renewal is subject to any condition described in (a) through (e) above, and **we** fail to provide notice 30 days before the anniversary or expiration date of this policy, The premium for the policy as extended in such circumstances shall be no more than the pro rata premium of the existing policy.

Arkansas Change Endorsement

This endorsement changes **PART V. CONDITIONS**, Paragraph 15, **Cancellation And Non-Renewal Of This Policy**, to read as follows:

15. Cancellation And Non-Renewal Of This Policy

Cancellation – This policy may be canceled by **you** by mailing prior written notice to **us** or **our Aviation Managers** stating when the cancellation will be effective.

This policy may be canceled by **us** or **our Aviation Managers**

- a. The policy can be canceled at any time for nonpayment of premium by mailing or delivering a notice of cancellation to the first Named Insured at least 10 days before the effective date of the cancellation; or
- b. If the policy has been in effect less than 60 days, it may be canceled at any time by mailing or delivering a notice of cancellation to the first Named Insured at least 30 days before the effective date of cancellation; or
- c. The cancellation of this policy that has been in force over (60) days or after the effective date of a renewal policy or an annual anniversary date unless the cancellation is based upon one of the following reasons:
 - (1) Non Payment of premium;
 - (2) Fraud or material misrepresentation made by **you** or with **your** knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy.
 - (3) Substantial change in any hazard insured against.
 - (4) Violation of any local fire, health, safety code which substantially increases any hazard insured against under the policy.
 - (5) Nonpayment of membership dues in those cases where **our** bylaws, agreements or **our** legal instruments require payment as a condition of the issuance and maintenance of the policy.
 - (6) A material violation of a material provision of the policy.

Cancellation of the policy shall only be effective when notice of cancellation is mailed or delivered by **us** to the first Named Insured, and to any leinholder or loss payee named in the policy, to the last known address as shown in Item 2 of **your** Coverage Identification Page, at least (30) days prior to the effective date of cancellation accompanied by the reason for cancellation shall be given. However, where cancellation is for nonpayment of premium, at least (10) days' notice of cancellation shall be given.

If **you** cancel the policy, **we** will refund 90% of the unearned premium **you** have paid. If **we** cancel, unearned premium will be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation becomes effective or shortly thereafter, but the payment or tender of unearned premium by **us** is not a condition required for the cancellation to be effective.

Non-renewal or Material Change – **We** or **our Aviation Managers** will mail written notice to **you, your** agent, and any leinholder or loss payee at least sixty (60) days prior to the expiration date of this policy in the event we decide not to renew this policy or sixty (60) days prior to any material change in any policy condition or limit of coverage. If **we** elect to renew this policy and the renewal is subject to any of the following:

- a. Its expiration date; or
- b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, **we** are not required to send this notice if nonrenewal is due to **your** failure to pay any premium required for renewal.

If renewal is subject to any condition described in (a) through (b) above, and **we** fail to provide notice 60 days before the anniversary or expiration date of this policy. The premium for the policy as extended in such circumstances shall be no more than the pro rata premium of the existing policy.

The proof of mailing or delivering notice of non-renewal, cancellation or change by **us** or **our Aviation Managers** to **you, your** agent, and any leinholder or loss payee shown on the Coverage Identification Page will be sufficient proof of notice to all persons or organizations covered by this policy.

The following information is required only when the effective date of this endorsement is subsequent to the Policy effective date.

This endorsement is Endorsement No.
This endorsement is effective on
Attached to and forming a part of Policy No.
Issued to (First Named Insured):
Additional Premium:

AIRPORT
2000

Broad Form
***Airport Liability
Insurance Policy***

Hallmark Insurance Company

777 Main Street Suite 1000 Fort Worth, Texas 76102

Form AP2000H (02/2008)

Broad Form Airport Liability **Insurance** Policy

The provisions of your policy are set forth in detail in the Coverage Identification Page, Parts I through V and any Endorsements we issue. Together, these comprise your policy.

Be sure to review your Coverage Identification Page to confirm the coverage and limit of coverage issued to you. Then read each Part of the policy and each Endorsement we issued. This will enable you to better understand your policy.

This Policy is a legal contract between you and the Company; therefore, **IT IS IMPORTANT THAT YOU READ YOUR POLICY CAREFULLY.**

The next page provides you with a brief index to the important features of your policy.

ISSUED THROUGH



AEROSPACE INSURANCE MANAGERS, INC.

14990 Landmark Blvd. Suite 300
Dallas, Texas 75254

Index to Policy Provisions

	Page
PART I. DEFINITION OF TERMS USED IN THE POLICY	1
PART II. INSURING AGREEMENTS	5
Coverage A. Bodily Injury and Property Damage Liability	5
Hazard Division 1 – Airport Operations.....	5
Hazard Division 2 – Products and Completed Operations	5
Hazard Division 3 – Independent Contractors	5
Hazard Division 4 – Contractual Liability.....	5
Hazard Division 5 – Fire Legal Liability	5
Coverage B. Hangarkeeper’s Legal Liability	6
Coverage C. Personal Injury Liability	6
Coverage D. Advertising Injury Liability	6
PART III. DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS	6
PART IV. EXCLUSIONS	7
PART V. CONDITIONS	11
1. Policy Period and Territory	11
2. Inspection and Audit.....	11
3. Your Duties in the Event of an Occurrence	12
4. Limit of Coverage.....	12
5. Deductibles.....	13
6. Separate Insureds.....	13
7. Action Against Us.....	13
8. Our Right to Recover from Others.....	14
9. Other Insurance	14
10. Changes to Your Policy.....	15
11. Assignment	15
12. Sole Agent.....	15
13. Fraud or Misrepresentation	15
14. Unintentional Errors and Omissions	15
15. Cancellation and Non-renewal of this Policy.....	15
16. Knowledge of Occurrence	16
17. Inadvertent Failure to Report.....	16
Signature and Attestation.....	16

Policy Provisions

We agree with **you**, in consideration of the payment of the premium, to provide the coverage specified in the Coverage Identification Page, subject to the applicable limits of coverage, exclusions, conditions and other terms of this Policy.

PART I.

DEFINITION OF TERMS USED IN THE POLICY

The following words and phrases when appearing in bold face print have special meaning throughout the policy:

- Advertising injury** means one or more of the following offenses committed during the policy period:
 - Oral or written publication or broadcast of material that:
 - slanders or libels a person or organization
 - disparages, ridicules or defames a person or organization's goods, products or services, or
 - Oral or written publication or broadcast of material that violates a person's right of privacy, or
 - Misappropriation of advertising ideas or style of doing business, or
 - Infringement of copyright, trademark, title or slogan, or
 - Unfair competition
- Aircraft** means any aircraft including the airframe, landing gear, propulsion system (including engine(s), accessories and propeller(s) or rotor(s)), flight and engine instruments, avionics, electrical system, flight control system, fuel system, and any hydraulic and pressurization system. Parts usually mounted or attached to the aircraft are included while temporarily removed so long as they are not replaced by other parts. Log books, documents or other records related to an aircraft are not a part of the aircraft.
- Aircraft traffic control services** means a service provided by an **aircraft traffic control tower for aircraft** operating on or in the vicinity of an **airport**.
- Aircraft traffic control tower** means a terminal facility that uses radio communications, visual signaling and other devices to provide for safe, orderly and expeditious flow of traffic to **aircraft** operating in the vicinity of the **airport** or on the ground and/or authorizes **aircraft** to taxi, take off or land at the **airport** controlled by the tower or to transit the **airport** traffic area.
- Airport** means the **airport** and/or premises designated in Item 5 of the Coverage Identification Page. This includes the ways and means immediately adjoining the designated **airport(s)**. The term also includes the temporary or incidental use by **you** of any other location which is not owned, rented or occupied by **you** provided such use arises out of **your** ownership, maintenance, operation or use of the **airport** designated in Item 5.

The term also includes any other **airport** and/or premises **you** acquire during the policy period provided **you** give **us** or our **Aviation Managers** written notice of such acquisition within thirty (30) days of such acquisition and pay any additional premium **we** may charge to provide coverage for such additional location(s).
- Anyone** or **others** mean any person or organization other than **you** or **someone we protect**.

7. **Auto** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. However, the term does not include **mobile equipment**.
8. **Aviation Managers** means Aerospace Insurance Managers, Inc. which manages **our** aviation insurance business for **us**.
9. **Bodily Injury** means physical injury to a person, including sickness, disease (including mental anguish) or death resulting from such physical injury.
10. **Employee** means any person while acting within the scope of employment, direction or authorization given by **you** who receives compensation from **you** to provide airport line services, **aircraft** repair or maintenance services as a mechanic, flight instruction services, pilot services or other ground or flight services related to and in conjunction with **your** airport operations where an **occurrence** arises out of these activities.

This definition will apply whether **you** deem the person providing such services to be an **employee** or an independent contractor, unless such person is regularly employed, and more than 50% of such person's current compensation from aviation-related services is paid, by persons or organizations other than **you**.

11. **Federal Aviation Administration (FAA)** means the authority of the United States of America having jurisdiction over civil aviation or its counterpart in another country.
12. **In flight** means when movement of the **aircraft** (other than a rotorcraft) begins for takeoff until completion of the landing run. A rotorcraft is **in flight** when any engine in the **aircraft** is being started or is operating or when the **aircraft** is off any supporting surface.
13. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:
 - A. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - B. Vehicles maintained for use solely on or next to the airport;
 - C. Vehicles that travel on crawler treads;
 - D. Vehicles, whether self-propelled or not maintained primarily to provide mobility to permanently mounted:
 - (i) power cranes, shovels, loaders, diggers or drills; and
 - (ii) road construction or resurfacing equipment such as graders, scrapers and rollers;
 - E. Vehicles not described in A, B, C or D above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (i) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (ii) cherry pickers and similar devices used to raise or lower workers;

- F. Vehicles not described in A, B, C or D above that are maintained primarily for purposes other than the transportation of persons or cargo. However, regardless of paragraphs A through F, above, the following are considered **autos** and not **mobile equipment**:

Police vehicles, ambulances or self-propelled vehicles with the following types of permanently attached equipment:

 - (i) equipment designed primarily for snow removal, street cleaning or road maintenance (but not construction or resurfacing equipment);
 - (ii) cherry pickers and similar devices mounted on an automobile or truck chassis and used to raise or lower workers; and
 - (iii) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
14. **Occurrence** means a sudden event or repeated exposure to conditions, neither expected nor intended by **you** or **someone we protect**, that causes **bodily injury** or **property damage** to **others** during the policy period. **Bodily injury** or **property damage** that results from the use of reasonable force to protect persons or property will be deemed not expected or intended by **you** or **someone we protect**. All **bodily injury** or **property damage** resulting from the same general conditions will be considered caused by one **occurrence**. With respect to Coverage C and D, "**Personal Injury**" or "**Advertising Injury**," the term **occurrence** will apply to an act or series of acts committed during the policy period that constitutes an offense to a person or organization. All similar or related offenses against the same person or organization will be deemed to arise out of one occurrence.
15. **Personal Injury** means one or more of the following offenses committed during the policy period:
 - A. False arrest, restraint, detention or imprisonment;
 - B. Malicious prosecution;
 - C. Discrimination based upon race, color, religion, sex, age or national origin, but not as a result of any employment related discrimination,
 - D. Wrongful entry, eviction or other invasion of the right or privacy;
 - E. Inadvertent discrimination with respect to withholding or refusal of transportation;
 - F. The publication or utterance of a libel, slander, ridicule, or of other defamatory or disparaging material in violation of **anyone else's** right of privacy, excluding any offense arising out of your advertising activities;
 - G. Fright, shock, mental anguish, emotional upset and humiliation, but not as a result of any offense related to the employment, past employment or future employment of any person(s) by **you** or **someone we protect**.

The term **personal injury** does not include **bodily injury**.

16. **Property damage** means physical injury or damage to or destruction of tangible property, ~~including any resulting loss of use of that property, or the loss of use of tangible property which has not been physically injured or destroyed but is caused by an occurrence.~~
17. **Someone we protect** means any person or organization we protect by the policy other than **you**. It includes:
 - A. any of **your** executive officers, directors, shareholders, managers or members while acting within the scope of his or her duties as such, if **you** are a corporation or limited liability organization; or

- B. **your** spouse, if you are a proprietorship, but only with respect to his or her liability arising out of **your** business operations; or
 - C. any of **your** partners or joint venturers, and their respective spouses, if **you** are a partnership or joint venture, but only with respect to liability arising out of **your** business operations; or
 - D. any of **your employees** or those defined as **someone we protect** while acting within the scope of their employment by **you** or **someone we protect**. Provided, however, no **employee** is **someone we protect** with respect to:
 - (i) **Bodily injury** or **personal injury** to a co-**employee** while in the course or scope of his or her employment, or
 - (ii) **Property damage** to property owned, occupied or rented by, or loaned to that **employee** or to any of **your** other **employees**.
18. **We, us** or **our** means the insurance company named on the Coverage Identification Page.
19. **You** and **your** mean the person(s) or organization(s) named in Item 1 of the Coverage Identification Page under the heading "Named Insured," and any affiliated company. An affiliated company is any business organization owned in whole or in part by the person(s) or organizations(s) named in Item 1. of the Coverage Identification Page.

PART II. INSURING AGREEMENTS

Coverage A. Bodily Injury and Property Damage Liability

We agree to pay on **your** behalf all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** caused by an **occurrence** arising out of Hazard Divisions 1 through 5, as stated in **your** Coverage Identification Page and described below:

Hazard Division 1 – Airport Operations

The ownership, maintenance, operation or use of the **airport** and all operations necessary thereto, excluding liability arising out of ~~any other Hazard Divisions 2 through 4.~~

Hazard Division 2 – Products And Completed Operations

1. Goods or products manufactured, sold, handled or distributed by **you** in connection with the ownership, maintenance, operation or use of the **airport** if the **occurrence** happens after possession of the goods or products has been relinquished by **you** to **others**; and
2. Service operations performed by **you** in connection with the ownership, maintenance, operation or use of the **airport** if the **occurrence** happens after the services have been completed or abandoned. Service operations will not be deemed incomplete because they are improperly or defectively performed or because further operations may be required pursuant to a service or maintenance agreement.

We only provide coverage under Hazard Division 2 for liability arising out of goods or products or service operations that are identified as covered classes in a "Hazard Description Schedule" attached to **your** policy, excluding liability arising out of ~~any other Hazard Division 4, Contractual Liability.~~

Hazard Division 3 – Independent Contractors

Ground operations at the **airport** performed by contractors for **you** or **someone we protect**. This includes any acts or omissions by **you** in connection with the general supervision of such operations, ~~excluding liability arising out of any other Hazard Division.~~

Hazard Division 4 – Contractual Liability

Liability expressly assumed by **you** or **someone we protect** under any written contract or agreement that arises out of the ownership, maintenance or use of the **airport**. **Your** policy applies only to contractual liability under agreements or contracts that are identified as covered agreements in a "Hazard Description Schedule" attached to **your** policy. Contractual liability will not be construed to include liability under any warranty of fitness, quality or merchantability of **your** products, any warranty that work performed by **you** or on **your** behalf will be performed in a workmanlike manner, or any liability that would apply to **you** or **someone we protect** without the contract or agreement, ~~excluding liability arising out of any other Hazard Division.~~

-Hazard Division 5 – Fire Legal Liability

Liability for **property damage** to structures or portions thereof, that are not owned in whole or in part by **you**, on the **airport** leased or rented to or occupied by **you**, including any fixtures and improvements permanently attached thereof, if such **property damage** arises out of fire or explosion, ~~excluding liability arising out of any other Hazard Division.~~

Coverage B. Hangarkeeper's Liability

We agree to pay on your behalf all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **property damage to aircraft** which are the property of **others** and in **your** care, custody or control as a bailee, but only while the **aircraft** is not **in flight**.

Coverage C. Personal Injury Liability

We agree to pay on **your** behalf all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **personal injury** committed during the policy period that arises directly or indirectly out of **your** operations at the **airport**.

Coverage D. Advertising Injury Liability

We agree to pay on **your** behalf all sums which **you** or **someone we protect** becomes legally obligated to pay as damages because of **advertising injury** committed during the policy period that arises directly or indirectly out of **your** operations at the **airport**.

PART III.

DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS

We have the right and duty to defend any suit against **you** or **someone we protect** seeking damages because of **bodily injury, personal injury, advertising injury, or property damage** covered by this policy, even if any of the allegations of the suit are groundless, false or fraudulent. We will have no obligation to defend any suit or claims not covered by the policy. We may make any investigation and settlement of any claim or suit as **we** deem expedient. We will not be obligated to pay any expenses, claims or judgments or to defend any suit after the applicable limit of coverage has been exhausted by the payment of judgments or settlements.

We will pay, in addition to the applicable limit of coverage:

1. All of **our** expenses, and all costs taxed against **you** or **someone we protect** in any suit **we** are required to defend including:
 - A. Any prejudgment interest awarded against **you** or **someone we protect** on that part of the judgment **we** are required to pay under the terms of this policy;
 - B. All interest on the amount of any judgment that **we** are required to pay under the terms of this policy which accrues after the entry of the judgment and before **we** have paid, tendered or deposited the amount in court;
 - C. Any costs for arbitration alleging damages covered by this policy to which **you** or **someone we protect** must submit;
2. Premiums on bonds to release attachments in any suit defended by **us** for any amount not exceeding the applicable limit of coverage. However, **we** have no obligation to furnish any such bonds;
3. Premiums on appeal bonds required on any judgment **we** elect to appeal for any amount not exceeding the applicable limit of coverage, but **we** have no obligation to furnish any such bonds;
4. Expenses incurred by **you** or **someone we protect** for first aid, medical and surgical relief because of **bodily injury** at the time of an **occurrence**;

5. All reasonable expenses incurred by **you** or **someone we protect** at **our** request, including the loss of **your** or **someone we protect's** earnings, wages or salaries, or any **employee** thereof, not to exceed \$100 per day except to the extent as may be required otherwise under applicable state law;
6. All other expenses incurred by **you** or **someone we protect** that have been approved in advance by **us**.

We will also notify **you** of any offer to compromise or settle a claim made or suit brought against **you** or **someone we protect** under this policy. We will also notify **you** of the settlement of any claim made or suit brought against **you** or **someone we protect**. All such notices will be provided to **you** within any time limits required under applicable state law.

PART IV.

EXCLUSIONS

This policy does not apply to:

1. **Bodily injury** or **property damage** caused directly or indirectly by, happening through or as a consequence of:
 - A. any type of noise or vibration whatsoever (whether or not audible) including sonic boom and any phenomena associated therewith;
 - B. pollutants, contaminants or waste of any kind or type whatsoever. "Pollutants" or "contaminants" include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, such as smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes materials to be recycled, reconditioned or reclaimed;
 - C. asbestos, exposure to asbestos, or any products containing asbestos;
 - D. any type of electrical and/or electromagnetic interference whatsoever;
 - E. any type of interference with the quiet enjoyment of or any other use of any property whatsoever.

However, Exclusion 1 above does not apply to any **occurrence** caused by or resulting in a crash, fire, explosion or collision or an **in flight** emergency causing abnormal **aircraft** operation; nor does 1.B above apply to an **occurrence** arising out of the contamination of goods or products covered under Hazard Division 2 of this policy.

Nothing contained in this section overrides any radioactive contamination or any other exclusion clause attached to or forming part of this policy.

2. Any claim, loss, damage, cost or expense arising out of any direction or request that **you** or **someone we protect** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, contaminants or waste, including any type of asbestos or asbestos-related products.
3. Assault and battery if committed by or at the direction of **you** or **someone we protect**. However, this exclusion does not apply if the assault and battery is committed for the purpose of preventing or eliminating danger in the operation of the **airport** or an **aircraft**, or for the purpose of preventing **bodily injury** or **property damage** covered by this policy.

4. **Bodily injury to you or someone we protect.** However, this exclusion does not apply to liability assumed in a contract covered under Hazard Division 4 - "Contractual Liability."
5. **Bodily injury or property damage** arising out of the manufacture, distribution, sale or service of alcoholic beverages by **you or someone we protect.**
6. **Property damage** to any property owned by, leased or rented to or occupied by **you or someone we protect** except with respect to liability under Coverage A, Hazard Division 5, "Fire Legal Liability."
7. **Property damage** to any property ~~held by you in your care, custody or control, or in the care, custody or control of someone we protect, for the purposes of sale or entrusted to you or someone we protect for storage or safekeeping, or for the purpose having operations performed on such property.~~ However, this exclusion does not apply to any **aircraft** covered under Coverage B, "Hangarkeeper's Liability."
8. Except with respect to **aircraft** covered under Coverage B, "Hangarkeeper's Liability," or liability under a written sidetrack agreement or arising out of the use of elevators or escalators, **property damage** to:
 - A. ~~Property while on premises owned by or rented to you or someone we protect for the purpose of having operations performed on such property by or on behalf of you or someone we protect;~~
 - ~~B.~~ Tools or equipment while being used by **you or someone we protect** in performing operations;
 - ~~C.~~ Property in the custody of **you or someone we protect** which is to be installed, erected or used in construction by **you or someone we protect;**
 - ~~D.~~ That particular part of any property not on the **airport**:
 - (i) upon which operations are being performed by or on behalf of **you or someone we protect** at the time of the **property damage** arising out of such operations, or
 - (ii) out of which any **property damage** arises, or
 - (iii) the restoration, repair or replacement of which has been made or is necessary because of faulty workmanship by or on behalf of **you or someone we protect.**
9. **Bodily injury or property damage** arising out of the ~~existence, operation, maintenance, operation, use, loading or unloading of any aircraft owned by, hired by or for, or loaned to by or on behalf of you or someone we protect, or operated in flight by or on your behalf or on behalf of someone we protect, but this.~~ This exclusion does not apply to any **aircraft** not owned or leased by **you or someone we protect** when such control is solely ground traffic control over the ground movement of such **aircraft.** ~~This exclusion also does not apply to property damage to an aircraft covered under Coverage B, "Hangarkeeper's Liability."~~
10. **Bodily injury or property damage** caused by or arising out of:
 - A. Any **auto** owned or operated by or on behalf of **you or someone we protect** while off the **airport** unless responding to any **aircraft** or aviation emergency; or

- B. Any ships, vessels, craft or boats owned, chartered, used or operated by or on account of **you or someone we protect**, unless the **occurrence** happens on the **airport** or unless responding to any **aircraft** or aviation emergency. However, this exclusion does not apply to watercraft under 26 feet in length that are used in connection with the **airport** and are not owned by **you or someone we protect;** or
 - C. The conduct of any airmeet, contest or similar outdoor exhibition permitted, sponsored or participated in by **you or someone we protect**, but this exclusion does not apply to the static ground display of **aircraft;** or
 - D. **Aircraft traffic control services** by an **aircraft traffic control tower** unless solely operated by the **FAA** or United States Military or an entity, other than you or **someone we protect**, under contract directly with the **FAA** or United States Military to provide **aircraft traffic control services;** or
 - E. The ownership, maintenance or use of:
 - (i) grandstands, bleachers or observation platforms other than observation decks or promenades which are part of permanent structures on the **airport,** or
 - (ii) swimming pools, or
 - (iii) lodging accommodations for the general public, or
 - (iv) any type of school other than schools operated by **you** which are incidental to **your airport** operations.
 - F. Restaurants operated by **you, someone we protect** or by **others** trading under **your** name, caused by goods or products manufactured, sold, handled or distributed by **you** or by others trading under **your** name after possession of such goods or products has been relinquished to **others;**
11. Damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of **your** products or work completed by or for **you** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
 12. **Bodily injury or property damage** resulting from:
 - A. A delay in or lack of performance by **you** or on **your** behalf of any contract or agreement, or
 - B. The failure of **your** products or work completed by or for **you** to perform the function or serve the purpose intended by **you,** including a mistake or deficiency in any design, formula, plan, specification, advertising material or printed instruction prepared or developed by **you or someone we protect;**

But this exclusion does not apply to **bodily injury or property damage** resulting from the actual malfunctioning or failure of such products or work;
 13. Under Coverage A, Hazard Division 4 - "Contractual Liability":

- A. If **you** or **someone we protect**, or indemnitee thereof, is an architect, engineer or surveyor, to **bodily injury** or **property damage** arising out of any professional services performed by **you, someone we protect**, or indemnitee thereof;
 - B. **Property damage** to:
 - (i) property owned by, occupied by, leased by or rented to **you** or **someone we protect**;
 - (ii) property used by **you** or **someone we protect**;
 - (iii) property in the care, custody or control of **you** or **someone we protect** or as to which **you** or **someone we protect** is for any purpose exercising physical control.
14. Under Coverage A, Hazard Division 2 – “Products and Completed Operations”:
- A. **Property damage to your** products arising out of any such products or any part of such products; or
 - B. **Property damage** to work performed by **you** or on **your** behalf arising out of the work performed, or any portion thereof, or out of materials, parts or equipment furnished in connection with such work.
15. Under Coverage B, “Hangarkeeper’s Liability”:
- A. **Property damage** to robes, wearing apparel, personal effects or merchandise of any description, whether or not the **aircraft** in which they are contained is stolen or damaged;
 - B. **Property damage** to any **aircraft** owned by, hired by or loaned to **you** or **someone we protect**, or any family member thereof; or
 - C. **Property damage** to any material furnished by **you** or any work done by **you** out of which the **occurrence** arises;
16. Liability excluded by any attached “*War, Hijacking and Other Perils Exclusion Endorsement*” made a part of this policy;
17. Liability excluded by any attached “*Nuclear Incident Exclusion Endorsement*” made a part of this policy;
18. Under Coverage C, “Personal Injury Liability” or Coverage D, “Advertising Injury Liability,” liability for:
- A. Any injury if the first injurious publication or utterance of the same or similar material was made prior to the effective date of this policy;
 - B. Any injury if the publication or utterance was made by or at the direction of **you** or **someone we protect** with the knowledge of its false nature;
 - C. Any injury caused by breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - D. Any injury caused by the failure of goods, products or services to conform to the advertised quality or performance of such goods, products or services;

- E. Any injury caused by the wrong description of the price of goods, products or services;
- F. Any offense committed by **you** or **someone we protect**, or any indemnitee thereof, whose business is advertising, broadcasting, publishing or telecasting;

PART V. CONDITIONS

1. Policy Period And Territory

This policy applies only to **occurrences** that happen during the policy period anywhere in the world.

2. Inspection And Audit

We or **our** authorized representatives will be permitted, but not obligated, to inspect **your** property and operations at any reasonable time. Neither **our** right to make inspections nor the making thereof nor any report thereon constitutes an undertaking, on behalf of or for the benefit of **you** or others, to determine or warrant that such property or operations are safe or fit for any purpose.

We or **our** authorized representatives may examine or audit **your** books and records at any time during the policy period and extensions thereof, any time they are the subject of an open claim and, within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. Your Duties In The Event Of Occurrence, Claim Or Suit

A. In the event of an **occurrence**, written notice containing particulars sufficient to identify **you** or **someone we protect** and also any reasonably obtainable information with respect to the time, place, circumstances, and if known, the names and addresses of any injured persons or witnesses, will be given by or for **you** or **someone we protect** to **us** or **our** authorized representatives as soon as possible. **You** will promptly take, at **your** own expense, all reasonable steps to prevent other **bodily injury, property damage** or other injury from arising out of the same or similar conditions and such expense will not be recoverable under this policy.

B. If claim is made or suit is brought against **you** or **someone we protect**, **you** or **someone we protect** will promptly forward to **us** or **our** authorized representatives every demand, notice, summons or other process received by **you** or **someone we protect**, or by **your** or **someone we protect’s** representative.

C. **You** or **someone we protect** will cooperate with **us** and, upon **our** request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** or **someone we protect** for damages for which insurance is afforded under this policy. Neither **you** nor **someone we protect** will do anything after a loss to prejudice **our** right of recovery. **You** or **someone we protect** will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. **You** or **someone we protect** will not, except at **your** or their own cost, voluntarily make any payment, assume any obligation or liability or incur any expense other than first aid to **others** at the time of the **occurrence**.

However, **we** agree that **your** failure or the failure of **someone we protect** to promptly give **us** notice of an **occurrence**, claim made or suit brought against either **you** nor **someone we protect**, or to forward to **us** or **our** authorized representatives every demand, notice, summons or other process received by **you** or **someone we protect**, will not operate to invalidate the coverage provided by **your** policy so long as such failure does not cause material prejudice to **us** in the defense or other handling of such claim or suit.

4. **Limit Of Coverage**

Regardless of the coverage(s) provided by this policy, or the number of claims or claimants, or persons or organizations protected by this policy, the most **we** will pay with respect to all claims for loss or damage with respect to any one **occurrence** is the "Total Policy Coverage Limit" stated in the Coverage Identification Page as applicable to "each occurrence."

Coverage A. Bodily Injury and Property Damage Liability

Subject to the foregoing Total Policy Coverage Limit, the most **we** will pay with respect to all claims for loss or damage because of **bodily injury** and **property damage** as the result of any one **occurrence** is the limit of coverage stated in the Coverage Identification Page with respect to Coverage A, as applicable to "each occurrence."

Subject to the above provision respecting "each occurrence," the most **we** will pay with respect to all claims for loss or damage because of all **bodily injury** sustained by any one person as the result of any one **occurrence** during the policy period will not exceed any limit stated in the Coverage Identification Page for "each person."

Subject to the above provisions respecting "each occurrence" and "each person" the most **we** will pay with respect to all claims for loss or damage because of all **occurrences** occurring during any policy period with respect to Hazard Division 2, "Products and Completed Operations," will not exceed any limit stated in the Coverage Identification Page for "annual aggregate."

The limit of coverage for Coverage A is a part of and not in addition to the Total Policy Coverage Limit.

Coverage B. Hangarkeeper's Liability

The limit of coverage stated in the Coverage Identification Page with respect to Coverage B, as applicable to "each aircraft", is the most **we** will pay with respect to all claims for loss or damage because of **property damage** to any one **aircraft**.

Subject to the above provision respecting "each aircraft," the most **we** will pay with respect to all claims for loss or damage on account of all **property damage** to all **aircraft** in any one **occurrence** will not exceed the limit stated in Coverage Identification Page for "each occurrence."

The limit of coverage shown, if any, for Coverage B is a part of and not in addition to the Total Policy Coverage Limit.

Coverage C and D. Personal Injury Liability and Advertising Injury Liability

The limit of coverage stated in the Coverage Identification Page in respect of Coverage C and D as applicable to "each occurrence" is the most **we** will pay for all damages because of any one **occurrence** as defined for Coverage C and D.

Subject to the above provision respecting "each occurrence" the most **we** will pay for all damages on account of all **occurrences** occurring during any policy period of insurance will not exceed any limit stated in the Coverage Identification Page as "annual aggregate."

The limit of coverage shown, if any, for Coverage C and Coverage D is a part of and not in addition to the Total Policy Coverage Limit.

5. **Deductibles**

Coverage A, C and D.

Notwithstanding **our** limit of coverage shown in Item 6 of the Coverage Identification Page, and further described in Condition 5, **you** will be responsible for the payment of the amount specified in Item 7 of the Coverage Identification Page as the deductible amount for "each occurrence" and/or as "annual aggregate." **Our** obligation to make payment on behalf of **you** or **someone we protect** applies only to the sums in excess of the deductible amount. In no event will **you** be required to pay more than the amount specified in Item 7 of the Coverage Identification Page as "annual aggregate" (if shown) with respect to all losses arising during any policy period of insurance.

We may pay part or all of any deductible amount to effect settlement of any claim and upon notification of the action taken, **you** agree to promptly reimburse **us** for that part of any deductible amount paid by **us**.

All the terms of this policy, including those with respect to notice of **occurrence** and our right to investigate, negotiate or settle any claim or suit, apply regardless of the application of any deductible amount.

Coverage B. Hangarkeeper's Liability

Notwithstanding **our** limit of coverage shown in Item 6 of the Coverage Identification Page for Coverage B, "Hangarkeeper's Liability," if any, **you** will be responsible for the payment of the amount specified in Item 6 of the Coverage Identification Page as the deductible amount for "each occurrence."

Our obligation to make payment on behalf of **you** or **someone we protect** applies only to the sums in excess of the deductible amount.

We may pay part or all of any deductible amount to effect settlement of any claim and upon notification of the action taken, **you** agree to promptly reimburse **us** for that part of any deductible amount paid by **us**.

6. **Separate Insureds**

The insurance provided by this policy applies separately to **you** and to **someone we protect** against whom any claim is made or suit is brought but, regardless of the number of persons or organizations protected by this policy, claims or claimants, the applicable limit of coverage will not increase.

7. **Action Against Us**

No suit or action on this policy against **us** for recovery of any loss or claim will be sustained in a court of law or equity unless **you** or **someone we protect** has fully complied with all the terms of this policy, nor until the amount of **your** or **someone we protect's** obligation to pay has been finally determined either by judgment after actual trial or by a written agreement between **you** or **someone we protect**, the claimant and **us**.

Any person or organization or their legal representative who has secured such judgment or written agreement will be entitled to recover under this policy to the extent of the insurance afforded. Nothing contained in this policy will give any person or organization any right to join **us** as co-defendant nor will **we** be impleaded by **you** or **someone we protect** or any legal representative thereof in any action to determine **your** or **someone we protect's** liability.

Death, bankruptcy or insolvency of **you** or **someone we protect**, or of **your** or **someone we protect's** estate, will not relieve **us** of any of **our** obligations under this policy.

8. **Our Right To Recover From Others**

If **we** make any payment under this policy for any expense, loss, damage or liability, **we** will be subrogated to all the rights and remedies that **you** or **someone we protect** may have against any party as respects such payment and, at **our** own expense, **we** will be entitled to sue in **your** name or the name of **someone we protect**. **You** or **someone we protect** will give **us** any assistance **we** may reasonably require to secure these rights and remedies. At **our** request, **you** or **someone we protect** agree to execute any documents necessary to enable **us** to bring suit in **your** name or the name of **someone we protect**. **You** or **someone we protect** agree to do nothing after a loss to harm **our** right of recovery.

9. **Other Insurance**

With respect to liability arising under Coverage A, "Bodily Injury and Property Damage Liability," for newly acquired **airport(s)** and/or premises not designated in the Coverage Identification Page, the insurance coverage provided by this policy is excess insurance over any valid and collectible insurance available to **you** or **someone we protect**, including any formal self insurance program, until such **airport(s)** and/or premises are designated in an endorsement to the policy.

With respect to construction projects which are the subject of specific contractor's liability insurance for **your** benefit or the benefit of **someone we protect**, and liability arising from the use of **autos**, the insurance provided by this policy is excess insurance over any valid and collectible insurance available to **you** or **someone we protect**, including any formal self insurance program.

Otherwise, the insurance provided by this policy is primary insurance unless it is stated to apply in excess or contingent upon the absence of other insurance. When this insurance is primary and **you** or **someone we protect** has other insurance that is stated to be applicable to a loss on an excess or contingent basis, the amount **we** will pay under this policy will not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to a loss on the same basis, whether primary, excess or contingent, **we** will not pay under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

A. **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, **we** will not pay for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest limit of coverage under any one policy or the full amount of the loss is paid. With respect to any amount of loss not so paid, the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each insurer has paid its limit in full or the full amount of the loss has been paid.

B. **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, **we** will not pay for a greater proportion of such loss than the applicable limit of coverage under this policy for such loss bears to the applicable limit of coverage under all such other valid and collectible insurance against such loss.

10. **Changes To Your Policy**

–Notice to any agent or knowledge possessed by any agent or by any other person will not effect a waiver or change in any part of this policy or estop **us** from asserting any rights under the terms of this policy; nor will the terms of this policy be waived or changed, except by written endorsement issued by **our Aviation Managers**.

11. **Assignment**

Assignment of interest under this policy will not bind **us** until **our** consent is endorsed onto this policy.

12. **Sole Agent**

For the purpose of issuing notices, reports or instructions, for the cancellation of this policy, altering this policy, agreeing upon settlement of losses, receiving or receipting payment of claims, or for making premium adjustments, the first named insured shown in the Coverage Identification Page is the sole and irrevocable agent of each person or organization covered by this policy.

13. **Fraud Or Misrepresentation**

This policy will be void if **you** or **someone we protect** has deliberately concealed or misrepresented any material fact or circumstance in obtaining this insurance, or in the case of any fraud, attempted fraud or false swearing by **you** or **someone we protect** touching any material matter relating to this insurance after a loss.

14. **Unintentional Errors And Omissions**

Your failure to disclose all hazards existing as of the inception date of the policy, or improper, or inaccurate, or wrong descriptions of premises, products, contracts or other information will not invalidate or in any way affect the coverage afforded by this policy provided such failure, error or omission is not intentional and once discovered, **you** notify **us** or **our Aviation Managers** as soon as possible.

15. **Cancellation And Non-Renewal Of This Policy**

Cancellation - This policy may be canceled by **you** by mailing prior written notice to **us** or **our Aviation Managers** stating when the cancellation will be effective. This policy may be canceled by **us** or **our Aviation Managers** by mailing to the first named insured at the first address shown in Item 1 of the Coverage Identification Page stating when, not less than thirty (30) days thereafter, the cancellation will be effective. However, only ten (10) days prior notice will be provided if the cancellation is for non-payment of any premium due. The effective date and hour of cancellation stated in the notice will become the end of the policy period.

If **you** cancel the policy, **we** will refund 90% of the unearned premium **you** have paid. If **we** cancel, unearned premium will be computed on a pro-rata basis. Premium adjustment may be made either at the time cancellation becomes effective or shortly thereafter, but the payment or tender of unearned premium by **us** is not a condition required for the cancellation to be effective.

Non-renewal or Material Change – **We** or **our Aviation Managers** will mail written notice to the first named insured at least forty-five (45) days prior to the expiration date of this policy in the event **we** decide not to renew this policy or forty-five (45) days prior to any material change in any policy condition or limit of coverage.

The proof of mailing or delivering notice of non-renewal, cancellation or change by **us** or **our Aviation Managers** to the first named insured shown on the Coverage Identification Page will be sufficient proof of notice to all persons or organizations covered by this policy.

16. **Knowledge Of Occurrence**

It is agreed that knowledge of an **occurrence** by an agent, servant or **employee** of **yours** or **someone we protect** will not in itself constitute knowledge by **you** or **someone we protect** unless such notice has been received by **your** insurance administrator.

17. **Inadvertent Failure To Report**

Notwithstanding any other provisions of this policy, inadvertent errors or omissions and/or failure in furnishing information, notification or reports required will not prejudice the coverage afforded by this policy provided **you** notify **us** once the error or omission is discovered.

Your policy is comprised of the Coverage Identification Page, Parts One through Five and any Endorsements **we** issue. The signature of **our Aviation Managers** and the countersignature by an authorized representative on the Coverage Identification Page along with the signatures below of **our** president and secretary validate **your** policy.

Secretary
Cecil R. Wise

President
Brookland Franklin Davis

