

SERFF Tracking Number: TRVD-125696710 State: Arkansas
First Filing Company: St. Paul Fire and Marine Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: 2008-06-0020
TOI: 22.0 Aircraft Sub-TOI: 22.0000 Aircraft
Product Name: Aviation Program
Project Name/Number: Aviation Program Form Rev & Endts Submission/2008-06-0020

Filing at a Glance

Companies: St. Paul Fire and Marine Insurance Company, Travelers Property Casualty Company of America

Product Name: Aviation Program

SERFF Tr Num: TRVD-125696710 State: Arkansas

TOI: 22.0 Aircraft

SERFF Status: Closed

State Tr Num: EFT \$50

Sub-TOI: 22.0000 Aircraft

Co Tr Num: 2008-06-0020

State Status: Fees verified and received

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi, Llyweyia Rawlins

Authors: Jill Karlstad, Jane Swanson

Disposition Date: 06/19/2008

Date Submitted: 06/18/2008

Disposition Status: Approved

Effective Date Requested (New): 08/01/2008

Effective Date (New): 08/01/2008

Effective Date Requested (Renewal): 08/01/2008

Effective Date (Renewal): 08/01/2008

State Filing Description:

General Information

Project Name: Aviation Program Form Rev & Endts Submission

Status of Filing in Domicile: Authorized

Project Number: 2008-06-0020

Domicile Status Comments:

Reference Organization: N/A

Reference Number: N/A

Reference Title: N/A

Advisory Org. Circular: N/A

Filing Status Changed: 06/19/2008

State Status Changed: 06/19/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

In compliance with the insurance laws and regulations of your state we respectfully submit our newly developed Aviation Program.

In this filing we are expanding our coverage offering for our currently approved Aviation products (titled Flight Plan Premier and Flight Plan Preferred) via a revised Premier coverage form (AV002 Rev. 2-08) and several new

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endorsements. For your background information regarding our Aviation Program, our Flight Plan Premier product targets the 'Industrial aid' (i.e. corporate flight departments operating jet aircraft) segment of the General Aviation market; while our Flight Plan Preferred product is designed for the Pleasure & Business and Commercial segments of business. Overall, the changes we are proposing result in a broader coverage form for our insureds.

Several forms were newly created and some revised to ensure the Flight Plan Preferred product tracked with the revised Flight Plan Premier product. In addition, some newly developed endorsements were designed to provide added flexibility to meet the varying needs of the General Aviation market segment include. Changes in the Declarations (AV001 Rev. 2-08 and AV051 Rev 3-08) and Scheduled Aircraft (continued) (AV053 Rev 2-08) forms were also made to track with the revisions to the corresponding coverage forms.

As a reminder, our Aviation Program will continue to utilize our currently approved state amendatory endorsement to bring our forms into compliance with the applicable laws of your state. This form was approved under company filing number 2007-04-0007 and AR DOI number AR-PC-07-024065.

Your acknowledgement of this filing will be appreciated. Should you have any questions regarding this submission, please feel free to contact me at your convenience.

Company and Contact

Filing Contact Information

Jane Swanson, Senior Regulatory Analyst JSWANSON@travelers.com
 385 Washington Street (651) 310-5556 [Phone]
 St. Paul, MN 55102 (651) 310-4361[FAX]

Filing Company Information

St. Paul Fire and Marine Insurance Company	CoCode: 24767	State of Domicile: Minnesota
385 Washington Street	Group Code: 3548	Company Type:
St. Paul, MN 55102	Group Name:	State ID Number:
(651) 310-7782 ext. [Phone]	FEIN Number: 41-0406690	

Travelers Property Casualty Company of America	CoCode: 25674	State of Domicile: Connecticut
One Tower Square	Group Code: 3548	Company Type:

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Hartford, CT 06183
(860) 277-6470 ext. [Phone]

Group Name:
FEIN Number: 36-2719165

State ID Number:

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Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
St. Paul Fire and Marine Insurance Company	\$50.00	06/18/2008	20962693
Travelers Property Casualty Company of America	\$0.00	06/18/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	06/19/2008	06/19/2008

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Disposition

Disposition Date: 06/19/2008
Effective Date (New): 08/01/2008
Effective Date (Renewal): 08/01/2008
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Filing Memorandum	Approved	Yes
Supporting Document	Index of Forms	Approved	Yes
Form	Flight Plan Premier Aircraft Policy Declarations	Approved	Yes
Form	Flight Plan Premier Aircraft Coverage Form AV002	Approved	Yes
Form	Multiple Year Policy Endorsement	Approved	Yes
Form	Broad Named Insured Endorsement	Approved	Yes
Form	Quota Share Endorsement – Controlling Company	Approved	Yes
Form	Flight Plan Preferred Aircraft Policy Declarations	Approved	Yes
Form	Scheduled Aircraft (continued)	Approved	Yes
Form	Flight Plan Preferred Changes Endorsement For Use With AV052	Approved	Yes
Form	Reporting Form Endorsement For Use With AV052	Approved	Yes
Form	Limits of Insurance Endorsement - Deletion of Aggregate Limit For Use With AV002	Approved	Yes
Form	Liability Coverage for Property Damage to Non-Owned Aircraft	Approved	Yes
Form	Limits of Insurance Endorsement - Deletion of Aggregate Limit – For Use With AV052	Approved	Yes
Form	Lienholder's Interest Endorsement	Approved	Yes
Form	Replacement Aircraft Rental or Leasing Expense Endorsement	Approved	Yes
Form	Temporary Replacement Parts Rental Expense Endorsement	Approved	Yes
Form	Spare Engines and Spare Parts as Covered Property Endorsement	Approved	Yes
Form	Participating Quota Share Aircraft Policy Declarations	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Flight Plan Premier Aircraft Policy Declarations	AV001	2-08	Declaration Replaced s/Schedule	Replaced Form #:0.00 AV001 (11-07) Previous Filing #: Our Company Filing No: 2007-11-0088		AV001_____ 2008-02-01__.PDF
Approved	Flight Plan Premier Aircraft Coverage Form AV002	AV002	2-08	Policy/CoveReplaced rage Form	Replaced Form #:0.00 AV002 (01-07) Previous Filing #: AR DOI #: AR-PC-07-024065; Our Company Filing #: 2007-04-0007		AV002_____ 2008-02-01__.PDF
Approved	Multiple Year Policy Endorsement	AV033	5-08	Endorseme New nt/Amendm ent/Condi tions		0.00	AV033_____ 2008-05-01__.PDF
Approved	Broad Named Insured Endorsement	AV034	5-08	Endorseme New nt/Amendm ent/Condi tions		0.00	AV034_____ 2008-05-01__.PDF
Approved	Quota Share Endorsement – Controlling Company	AV035	5-08	Endorseme New nt/Amendm ent/Condi tions		0.00	AV035_____ 2008-05-01__.PDF
Approved	Flight Plan Preferred Aircraft Policy Declarations	AV051	3-08	Declaration Replaced s/Schedule	Replaced Form #:0.00 AV051 (11-07) Previous Filing #: Our Company Filing No: 2007-11-0088		AV051_____ 2008-03-01__.PDF
Approved	Scheduled	AV053	2-08	Policy/CoveReplaced	Replaced Form #:0.00		AV053_____ 2008-03-01__.PDF

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Aircraft (continued)		rage Form	AV053 (11-07) Previous Filing #: Our Company Filing No: 2007- 11-0088	2008-02- 01__.PDF		
Approved	Flight Plan Preferred Changes Endorsement For Use With AV052	AV055	2-08	Endorsement/Amendment/Conditions New	0.00	AV055_____ 2008-02- 01__.PDF
Approved	Reporting Form Endorsement For Use With AV052	AV056	5-08	Endorsement/Amendment/Conditions New	0.00	AV056_____ 2008-05- 01__.PDF
Approved	Limits of Insurance Endorsement - Deletion of Aggregate Limit For Use With AV002	AV132	3-08	Endorsement/Amendment/Conditions New	0.00	AV132_____ 2008-03- 01__.PDF
Approved	Liability Coverage for Property Damage to Non-Owned Aircraft	AV211	2-08	Endorsement/Amendment/Conditions New	0.00	AV211_____ 2008-02- 01__.PDF
Approved	Limits of Insurance Endorsement - Deletion of Aggregate Limit - For Use With AV052	AV234	3-08	Endorsement/Amendment/Conditions New	0.00	AV234_____ 2008-03- 01__.PDF
Approved	Lienholder's Interest Endorsement	AV522	5-08	Endorsement/Amendment/Conditions New	0.00	AV522_____ 2008-05- 01__.PDF
Approved	Replacement Aircraft Rental or	AV604	2-08	Endorsement/Amendment New	0.00	AV604_____ 2008-02-

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Approval	Description	Code	Year	Category	Amount	Attachment
	Leasing Expense			ent/Condi		01__.PDF
	Endorsement			ons		
Approved	Temporary Replacement Parts Rental Expense Endorsement	AV606	2-08	Endorseme New nt/Amendm ent/Condi ons	0.00	AV606_____ 2008-02- 01__.PDF
Approved	Spare Engines and Spare Parts as Covered Property Endorsement	AV609	2-08	Endorseme New nt/Amendm ent/Condi ons	0.00	AV609_____ 2008-02- 01__.PDF
Approved	Participating Quota Share Aircraft Policy Declarations	AVQS1	6-08	Declaration New s/Schedule	0.00	AVQS1_____ _2008-06- 01__.PDF

FLIGHT PLAN PREMIER AIRCRAFT POLICY DECLARATIONS

Your policy consists of this Declarations and the Aircraft Coverage Form. It may also include one or more endorsements.

By signing below, the President and Secretary of the Insuring Company agree on behalf of the Insuring Company to all the terms of this Policy.

In return for payment of the premium, the Insuring Company agrees with the Named Insured to provide the insurance afforded by this policy.


 Secretary


 President

Insuring Company:	Address:
--------------------------	-----------------

Named Insured:	Mailing Address:
-----------------------	-------------------------

Form of Business: <i>(Corporation, Individual, etc.)</i>

Policy number:	
Policy period:	From _____ to _____ 12:01 A.M. Standard Time at the Named Insured's mailing address.
Total Annual Premium:	

Name of Agent or Broker and Address:	Countersigned by: <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center;">Authorized Representative</div> Date: <hr style="border: 0; border-top: 1px solid black;"/>
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Effective Date	Processing Date
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PART 1 - LIABILITY COVERAGES and LIMITS OF INSURANCE

This insurance applies only to those Coverages for which Limits of Insurance are shown below. The Limits of Insurance provided for each coverage will not exceed:

<u>COVERAGE</u>	<u>LIMITS OF INSURANCE</u>	
Aggregate Limit (Not applicable to Coverage A, B, C, D, E, F or H)	\$	
Coverage A - Liability For Scheduled Aircraft		
Aircraft 1 on Schedule	\$	Each Occurrence
Coverage B - Liability For Use Of Non-Owned Aircraft	\$	Each Occurrence
Reporting Grace Period:		Consecutive Days
Maximum Number of Seats:		
Coverage C - Automatic Insurance For Newly Acquired Aircraft	\$	Each Occurrence
Number of Reporting Days:		
Coverage D - Passenger Voluntary Settlements For Scheduled And Non-Owned Aircraft:		
a. With respect to any "scheduled aircraft" or "temporary substitute aircraft":		
Each Non-Crew-Member Passenger	\$	Each Occurrence
Each Crew-Member	\$	Each Occurrence
b. With respect to "non-owned aircraft" except a "temporary substitute aircraft":		
Each Non-Crew-Member Passenger	\$	Each Occurrence
Each Crew-Member	\$	Each Occurrence
Total Non-Owned Aircraft Non-Crew-Members and Crew-Member Passengers	\$	Each Occurrence
Maximum Weekly Indemnity Limit (Each Passenger)	\$	Each Occurrence
Maximum Indemnity Period:		Consecutive Weeks
Coverage E - Medical Payments For Scheduled And Non-Owned Aircraft		
a. With respect to any "scheduled aircraft" or "temporary substitute aircraft":		
Each Non-Crew-Member	\$	Each Occurrence
Each Crew-Member	\$	Each Occurrence
b. With respect to "non-owned aircraft" except a "temporary substitute aircraft":		
Each Non-Crew-Member	\$	Each Occurrence
Each Crew-Member	\$	Each Occurrence
Coverage F - Liability For Property Damage To Non-Owned Aircraft	\$	Each Occurrence
Reporting Grace Period:		Consecutive Days
Maximum Number of Seats:		

PART 1 - LIABILITY COVERAGES and LIMITS OF INSURANCE (continued)

Coverage G - Liability For Property Damage To Hangars And Their Contents	\$	Each Occurrence
Coverage H - Liability For Use Of An Auto On Aviation Premises	\$	Each Occurrence
Coverage I - Liability For Contractual Agreements	\$	Each Occurrence
Coverage J - Liability For Aviation Premises	\$	Each Occurrence
Coverage K - Medical Payments For Aviation Premises	\$	Each Occurrence
Coverage L - Liability For Personal Injury	\$	All Persons or Organizations
Coverage M - Liability For The Sale Of Aircraft And Aircraft Products Or Services	\$	Each Occurrence
Coverage N - Liability For Property Damage By Fire	\$	Each Occurrence
Coverage O - Liability For Mobile Equipment	\$	Each Occurrence
Coverage P - Liability For Charter Referral	\$	Each Occurrence
Coverage Q - Hangarkeepers Liability	\$	Each Occurrence
Each Aircraft Deductible	\$	
Each Occurrence Deductible	\$	
Coverage R - Garagekeepers Liability	\$	Each Occurrence
Each Auto Deductible	\$	
Each Occurrence Deductible	\$	
Coverage S - Cargo Liability	\$	Each Occurrence
Deductible	\$	
Coverage T - Personal Effects And Baggage Loss Or Damage	\$	Each Passenger / Each Occurrence
Each Passenger Deductible	\$	Each Passenger / Each Occurrence
Coverage U - Incidental Medical Malpractice Liability	\$	Each Occurrence
Coverage V - Host Liquor Liability	\$	Each Occurrence
Coverage W - Search And Rescue Expense	\$	Each Occurrence

PART 2 - HULL PHYSICAL DAMAGE COVERAGES and LIMITS OF INSURANCE

This insurance applies only to those Coverages for which Limits of Insurance are shown below.

The Limits of Insurance provided for each coverage will not exceed:

<u>COVERAGE</u>	<u>LIMITS OF INSURANCE</u>	
Maximum Per Aircraft	\$	
Spare Engines And Spare Parts	\$	
Deductible	\$	
Automatic Insurance For Newly Purchased Or Leased Aircraft		
Number of Reporting Days		
Runway Foaming And Crash Control Expense	\$	
Automatic Insurance For Increased Value Of Scheduled Aircraft	\$	
Spare Engines And Spare Parts	\$	
Removal Expense	\$	
Forced Landing Expense	Included	
Trip Interruption Expense	\$	
<u>Coverage Extensions</u>		
Temporary Replacement Parts Rental Expense	\$	
Minimum Required Repair Period		Consecutive Days
Maximum Coverage Period		Consecutive Days
Replacement Aircraft Rental Or Leasing Expense	\$	Each Day
	\$	Each Event
Minimum Required Repair Period		Consecutive Days
Maximum Coverage Period		Consecutive Days
Mechanics Tools	\$	Each Employee /
	\$	Each Event
Deductible	\$	Each Event

Scheduled Aircraft

Aircraft #		
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": "Charter/Air Taxi": _____ *Other: _____	Limit of Insurance: \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": "Charter/Air Taxi": _____ *Other: _____	Limit of Insurance: \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": "Charter/Air Taxi": _____ *Other: _____	Limit of Insurance: \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": "Charter/Air Taxi": _____ *Other: _____	Limit of Insurance: \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": "Charter/Air Taxi": _____ *Other: _____	Limit of Insurance: \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
Aircraft #	* Description of Other Usage:	

Pilot Information

Aircraft #	Coverage provided by this policy will be effective while the aircraft is "in-flight" ONLY if the following conditions are met:

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FLIGHT PLAN PREMIER
AIRCRAFT COVERAGE FORM
AV002

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AIRCRAFT COVERAGE FORM

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

Throughout this policy:

1. The words "you" and "your" refer to the Named Insured shown in the Declarations. For **PART 1 - LIABILITY COVERAGES** only, the words "you" and "your" also refer to any other person or organization qualifying as a Named Insured under this policy;
2. The words "we", "us" and "our" refer to the company providing this insurance;
3. The word "insured" means any person or organization qualifying as such under **PART 1 - Section 5 - Who Is An Insured**;
4. The words "policy period" mean the policy period shown in the Declarations; and
5. Other words and phrases that appear in quotation marks have special meaning. Refer to **PART 3 - DEFINITIONS**.

PART 1 - LIABILITY COVERAGES

Important Note: This insurance applies only to those Coverages for which Limits Of Insurance are shown in the Declarations.

Section 1 - Coverages

Coverage A - Liability For Scheduled Aircraft

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance applies to "bodily injury" and "property damage" only if the "bodily injury" or "property damage":

1. Arises out of the ownership, maintenance or use of "scheduled aircraft"; and
2. Is caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Coverage B - Liability For The Use Of Non-Owned Aircraft

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance applies to "bodily injury" and "property damage" only if the "bodily injury" or "property damage":

1. Arises out of the use of "non-owned aircraft" by you or on your behalf; and
2. Is caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

AIRCRAFT COVERAGE FORM

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

The insurance provided under **Coverage B** is subject to the following provision:

You must report to us as soon as practicable the lease or use of any "non-owned aircraft" that exceeds the Reporting Grace Period shown in the Declarations. We may request additional information and charge an additional premium for this lease or use. Your inadvertent failure to report to us this lease or use will not void this coverage if you report to us this lease or use as soon as possible after the omission is discovered, and we still may request additional information and charge an additional premium for this lease or use at that time.

Coverage C - Automatic Insurance For Newly Acquired Aircraft

If, during the policy period shown in the Declarations, you become the:

1. Owner of an aircraft; or
2. Exclusive lessee of an aircraft, and you are required to provide liability insurance for such aircraft;

this insurance will apply to that aircraft at the time of such acquisition, provided that you report such acquisition to us within the number of days specified in the Declarations. Unless you and we agree otherwise, the coverages pertaining to that newly acquired aircraft will be the same as are provided for "scheduled aircraft". We may charge an additional premium for the newly acquired aircraft.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Coverage D - Passenger Voluntary Settlements For Scheduled And Non-Owned Aircraft

We will pay those sums that you request us to pay to, or for the benefit of, each covered "passenger" who sustains "bodily injury" to which this insurance applies. This insurance applies to "bodily injury" only if the "bodily injury":

1. Arises out of:
 - a. The ownership, maintenance or use of "scheduled aircraft"; or
 - b. The use of "non-owned aircraft" by you or on your behalf;
2. Is death, "permanent total disability", "loss of one body part", or "loss of two or more body parts", or directly and independently of all other causes results in death, such disability or such loss; and
3. Is caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

We will make these payments regardless of fault.

The amount we will pay for these payments is limited as described in **Section 6 - Limits Of Insurance**.

If a specified limit of insurance for **Coverage D** is shown in the Declarations for a "passenger" and if "bodily injury" to which this insurance applies causes that injured

AIRCRAFT COVERAGE FORM

"passenger" to become "totally disabled", we will reimburse you for payments you choose to make to the injured "passenger" for the loss of earnings as a result of the disability. However, we will only be liable for up to eighty percent (80%) of the average weekly wage of that "passenger" but not exceeding the Maximum Weekly Indemnity Limit shown in the Declarations under **Coverage D**. Payments will be made for the period of continuous total disability for up to the Maximum Indemnity Period shown in the Declarations under **Coverage D**. If the injured "passenger" is a "crew-member", or is your "employee" or "temporary worker", when the "occurrence" takes place, the applicable limit of insurance under **Coverage D** will be reduced by the amount of any payments that are made under this paragraph.

The insurance provided under **Coverage D** is subject to the following provisions:

1. We will only make payments under **Coverage D** to or on behalf of any person if such person or their legal representative will, if requested:
 - a. Authorize us to obtain medical reports and copies of records. The injured person will submit to examination, at our expense, by physicians of our choice as often as we reasonably require; and
 - b. Execute a full release, approved by us, for all claims or "suits" that may be made or brought by or on behalf of such person against any insured, or against any other person or organization being indemnified by any insured, for "bodily injury" to which this insurance applies.
2. If within 120 days after an offer of payment is made under **Coverage D**, the payment offer is not accepted or is rejected, or if at any time a claim is made in writing or a "suit" is brought by or on behalf of a "passenger" against any insured for "bodily injury" to which this insurance applies, **Coverage D** will not apply to, or for the benefit of, that "passenger".
3. **Coverage D** will not apply to, or for the benefit of, any "crew-member" on any "non-owned aircraft" unless the Declarations indicates a specified Each Crew-Member Limit of Insurance under **Coverage D** for "non-owned aircraft" and:
 - a. The "crew-member" is a professional pilot who is a regular "employee" of the insured and is acting in his or her capacity as such, or
 - b. The "crew-member" would normally be operating a "scheduled aircraft", but is operating a "non-owned aircraft" on your behalf.

Coverage E - Medical Payments For Scheduled And Non-Owned Aircraft

We will pay reasonable medical expenses for:

1. First aid administered at the time of an accident;
 2. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 3. Necessary ambulance, hospital, professional nursing and funeral services;
- for "bodily injury" to which this insurance applies.

This insurance applies to "bodily injury" only if the "bodily injury":

1. Is caused by an accident; and
2. Arises out of:
 - a. The ownership, maintenance or use of "scheduled aircraft"; or
 - b. The use of "non-owned aircraft" by you or on your behalf;

provided that:

1. The accident takes place during the policy period and in the "coverage territory";

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2. The expenses are incurred and reported to us within one year of the date of the accident; and
3. The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

We will make these payments regardless of fault.

The amount we will pay for these expenses is limited as described in **Section 6 - Limits Of Insurance**.

Coverage E will not apply to, or for the benefit of, any "crew-member" on "non-owned aircraft" unless the Declarations indicates a specified Each Crew Member Limit of Insurance under **Coverage E** and:

1. The "crew-member" is your officer, director, stockholder, "employee", "temporary worker", partner or agent, but only while acting in his or her capacity as such; or
2. The "crew-member" would normally be operating "scheduled aircraft", but is operating "non-owned aircraft" on your behalf.

Coverage F - Liability For Property Damage To Non-Owned Aircraft

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies. This insurance applies to "property damage" only if the "property damage" is:

1. To a "non-owned aircraft" being used by you or on your behalf that is not in the insured's care, custody or control for the sole purpose of safekeeping, storage, service or repair of such aircraft; and
2. Caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

The insurance provided under **Coverage F** is subject to the following provision:

You must report to us as soon as practicable the lease or use of any "non-owned aircraft" that exceeds the Reporting Grace Period shown in the Declarations. We may request additional information and charge an additional premium for this lease or use. Your inadvertent failure to report to us this lease or use will not void this coverage if you report to us this lease or use as soon as possible after the omission is discovered, and we still may request additional information and charge an additional premium for this lease or use at that time.

Coverage G - Liability For Property Damage To Hangars And Their Contents

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies. This insurance applies to "property damage" only if:

1. The "property damage" is to:
 - a. Any hangar, or part of any hangar, rented or leased to an insured; or
 - b. Such hangar's contents, other than any aircraft or "cargo", not owned by an insured;
2. The "property damage" arises out of your "aviation operations";
3. The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

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4. The "property damage" occurs during the policy period; and
5. Prior to the policy period, no insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "property damage" had occurred in whole or in part, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

"Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.

"Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

1. Reports all, or any part, of the "property damage", including any claim or "suit" alleging it, to us or any provider of "other insurance";
2. Receives a written or verbal demand or claim for damages because of the "property damage"; or
3. Becomes aware by any other means that "property damage" has occurred, has begun to occur or is alleged to have occurred or begun to occur.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Coverage H - Liability For Use Of An Auto On Aviation Premises

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance applies to "bodily injury" and "property damage" only if the "bodily injury" or "property damage":

1. Arises out of the use of an "auto" while such "auto" is on "aviation premises", other than public roadways or parking areas; and
2. Is caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Coverage I - Liability For Contractual Agreements

We will pay those sums that you become legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance applies to "bodily injury" and "property damage" only if:

1. You have assumed liability for damages because of the "bodily injury" or "property damage" in a contract or agreement that is an "insured contract";

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2. The "bodily injury" or "property damage" occurs subsequent to the execution of the "insured contract";
3. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
4. The "bodily injury" or "property damage" occurs during the policy period; and
5. Prior to the policy period, no insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" had occurred in whole or in part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

"Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

"Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

1. Reports all, or any part, of the "bodily injury" or "property damage", including any claim or "suit" alleging it, to us or any provider of "other insurance";
2. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
3. Becomes aware by any other means that "bodily injury" or "property damage" has occurred, has begun to occur or is alleged to have occurred or begun to occur.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

The insurance provided under **Coverage I** is subject to the following provisions:

1. You must submit to us as soon as practicable any written contract or agreement that is an "insured contract" in which you have assumed liability for damages because of "bodily injury" or "property damage" and that is for:
 - a. The ownership, maintenance or use of "scheduled aircraft"; or
 - b. The use of "non-owned aircraft" by you or on your behalf.

We may charge an additional premium for any such contract or agreement. Your inadvertent failure to submit to us any such contract or agreement will not void this coverage if you submit to us such contract or agreement as soon as possible after the omission is discovered, and we still may charge an additional premium for any such contract or agreement at that time.

2. Reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:

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- a. Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
- b. Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages because of "bodily injury" or "property damage" to which this insurance applies are alleged.

Coverage J - Liability For Aviation Premises

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance applies to "bodily injury" and "property damage" only if:

1. The "bodily injury" or "property damage" arises out of the ownership, maintenance or use of "aviation premises";
2. The "bodily injury" or "property damage" does not arise out of the use of an "auto";
3. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
4. The "bodily injury" or "property damage" occurs during the policy period; and
5. Prior to the policy period, no insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" had occurred in whole or in part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

"Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

"Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

1. Reports all, or any part, of the "bodily injury" or "property damage", including any claim or "suit" alleging it, to us or any provider of "other insurance";
2. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
3. Becomes aware by any other means that "bodily injury" or "property damage" has occurred, has begun to occur or is alleged to have occurred or begun to occur.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Coverage K - Medical Payments For Aviation Premises

We will pay reasonable medical expenses for:

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1. First aid administered at the time of an accident;
 2. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 3. Necessary ambulance, hospital, professional nursing and funeral services;
- for "bodily injury" to which this insurance applies.

This insurance applies to "bodily injury" only if the "bodily injury":

1. Is caused by an accident; and
2. Arises out of the ownership, maintenance or use of "aviation premises":
provided that:
 1. The accident takes place during the policy period and in the "coverage territory";
 2. The expenses are incurred and reported to us within one year of the date of the accident; and
 3. The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

We will make these payments regardless of fault.

The amount we will pay for these expenses is limited as described in **Section 6 - Limits Of Insurance**.

Coverage L - Liability For Personal Injury

We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" to which this insurance applies. This insurance applies to "personal injury" only if the "personal injury":

1. Arises out of your "aviation operations"; and
2. Is caused by an offense committed in the "coverage territory" and during the policy period.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Coverage M - Liability For The Sale Of Aircraft And Aircraft Products Or Services

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance applies to "bodily injury" and "property damage" only if:

1. The "bodily injury" or "property damage" arises out of:
 - a. The sale, or relinquishment from exclusive written lease, by you of any aircraft;
 - b. The furnishing to others by the insured, without intentional profit, of any materials, parts, equipment or fuel, or any maintenance services, used in or for your "aviation operations"; or
 - c. The furnishing to others by the insured, without intentional profit, of food or non-alcoholic beverages in your "aviation operations";
2. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
3. The "bodily injury" or "property damage" occurs during the policy period;

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4. The "bodily injury" or "property damage" occurs away from "aviation premises" after physical possession of such aircraft, materials, parts, equipment, fuel, food, or non-alcoholic beverages have been relinquished to others or after the maintenance has been completed; and
5. Prior to the policy period, no insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" had occurred in whole or in part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

"Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

"Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

1. Reports all, or any part, of the "bodily injury" or "property damage", including any claim or "suit" alleging it, to us or any provider of "other insurance";
2. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
3. Becomes aware by any other means that "bodily injury" or "property damage" has occurred, has begun to occur or is alleged to have occurred or begun to occur.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Coverage N - Liability For Property Damage By Fire

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies. This insurance applies to "property damage" only if:

1. The "property damage" is to "aviation premises", other than any hangar or part of any hangar, rented or leased to you and is caused by fire;
2. The "property damage" arises out of your "aviation operations";
3. The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
4. The "property damage" occurs during the policy period; and
5. Prior to the policy period, no insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "property damage" had occurred in whole or in part, then any

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continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

"Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.

"Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

1. Reports all, or any part, of the "property damage", including any claim or "suit" alleging it, to us or any provider of "other insurance";
2. Receives a written or verbal demand or claim for damages because of the "property damage"; or
3. Becomes aware by any other means that "property damage" has occurred, has begun to occur or is alleged to have occurred or begun to occur.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Coverage 0 - Liability For Mobile Equipment

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance applies to "bodily injury" and "property damage" only if:

1. The "bodily injury" or "property damage" arises out of the ownership, maintenance or use of "mobile equipment" in or for your "aviation operations";
2. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
3. The "bodily injury" or "property damage" occurs during the policy period; and
4. Prior to the policy period, no insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" had occurred in whole or in part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

"Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

"Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

1. Reports all, or any part, of the "bodily injury" or "property damage", including any claim or "suit" alleging it, to us or any provider of "other insurance";

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2. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
3. Becomes aware by any other means that "bodily injury" or "property damage" has occurred, has begun to occur or is alleged to have occurred or begun to occur.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Coverage P - Liability For Charter Referral

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance applies to "bodily injury" and "property damage" only if the "bodily injury" or "property damage":

1. Arises out of your arrangement for use of a "non-owned aircraft" by or on behalf of another person or organization, and not by you or on your behalf; and
2. Is caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Coverage Q - Hangarkeepers Liability

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies. We will pay such sums only if they exceed the deductible shown in the Declarations. This insurance applies to "property damage" only if:

1. The "property damage" is to a "non-owned aircraft" while such aircraft is in the insured's care, custody or control on "aviation premises" for the sole purpose of safekeeping, storage, service or repair of such aircraft;
2. The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
3. The "property damage" occurs during the policy period; and
4. Prior to the policy period, no insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "property damage" had occurred in whole or in part, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

"Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an

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"occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.

"Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

1. Reports all, or any part, of the "property damage", including any claim or "suit" alleging it, to us or any provider of "other insurance";
2. Receives a written or verbal demand or claim for damages because of the "property damage"; or
3. Becomes aware by any other means that "property damage" has occurred, has begun to occur or is alleged to have occurred or begun to occur.

Our obligation under **Coverage Q** to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts shown for **Coverage Q** in the Declarations.

If a deductible amount is shown on an each aircraft basis, that deductible applies to all damages because of "property damage" to each "non-owned aircraft" arising out of any one "occurrence".

If a deductible amount is shown on an each "occurrence" basis, that deductible applies to all damages because of "property damage" to all "non-owned aircraft" arising out of any one "occurrence", regardless of the number of aircraft, persons or organizations that sustained "property damage" because of that "occurrence".

We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of such action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

The insurance provided under **Coverage Q** is subject to the following provision:

If repairs are made by the insured, we will not pay more than:

1. The insured's actual net cost for necessary material and parts of like kind and quality; and
2. The insured's actual wages for labor at current straight-time rates, not including any premium for overtime wages, plus 50% of such wages as an allowance for overhead and supervision.

Coverage R - Garagekeepers Liability

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies. We will pay such sums only if they exceed the deductible shown in the Declarations. This insurance applies to "property damage" only if:

1. The "property damage" is to an "auto" while such "auto":
 - a. Is in the care, custody or control of the insured for valet parking, for towing, for safekeeping or for storage; or
 - b. Is on "aviation premises" for any other incidental use by the insured;
2. The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
3. The "property damage" occurs during the policy period; and

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4. Prior to the policy period, no insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "property damage" had occurred in whole or in part, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

"Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.

"Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

1. Reports all, or any part, of the "property damage", including any claim or "suit" alleging it, to us or any provider of "other insurance";
2. Receives a written or verbal demand or claim for damages because of the "property damage"; or
3. Becomes aware by any other means that "property damage" has occurred, has begun to occur or is alleged to have occurred or begun to occur.

Our obligation under **Coverage R** to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts shown for **Coverage R** in the Declarations.

If a deductible amount is shown on an each "auto" basis, that deductible applies to all damages because of "property damage" to each "auto" arising out of any one "occurrence".

If a deductible amount is shown on an each "occurrence" basis, that deductible applies to all damages because of "property damage" to all "autos" arising out of any one "occurrence", regardless of the number of "autos", persons or organizations that sustained "property damage" because of that "occurrence".

We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of such action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Coverage S - Cargo Liability

We will pay those sums that the insured becomes legally obligated to pay as damages because of direct physical loss of or damage to "cargo" to which this insurance applies. We will pay such sums only if they exceed the deductible shown in the Declarations. This insurance applies to direct physical loss of or damage to "cargo" only if the loss or damage:

1. Occurs while the "cargo" is in the insured's care, custody or control and is:
 - a. On "covered aircraft"; or
 - b. On "aviation premises" prior to loading on, while loading on or unloading from, or after unloading from, "covered aircraft"; and
2. Is caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

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Our obligation under **Coverage S** to pay damages on your behalf applies only to the amount of damages in excess of any deductible amount shown for **Coverage S** in the Declarations. Any such deductible amount applies to all damages because of direct physical loss of or damage to cargo arising out of any one "occurrence", regardless of the number of persons or organizations who sustained loss or damage because of that "occurrence".

We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of such action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Coverage T - Personal Effects And Baggage Loss Or Damage

We will:

1. Pay those sums that you become legally obligated to pay as damages; or
2. Reimburse you for sums you have agreed to pay to others;

because of direct physical loss of or damage to the personal effects or baggage, other than "cargo", of a "passenger" of any "covered aircraft" to which this insurance applies. We will pay such sums only if they exceed the deductible shown in the Declarations. This insurance applies only to such direct physical loss of or damage to the personal effects or baggage of a "passenger" if the loss or damage:

1. Occurs while the personal effects or baggage is in the insured's care, custody or control; and
2. Is caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

Our obligation under **Coverage T** to pay damages on your behalf or to reimburse you for sums you have agreed to pay to others applies only to the amount of such damages or sums in excess of any deductible amount shown for **Coverage T** in the Declarations. Any such deductible amount applies to all damages, or sums you have agreed to pay others, because of direct physical loss of or damage to the personal effects or baggage of any one "passenger".

We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of such action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us.

The amount we will pay for damages or other sums is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Coverage U - Incidental Medical Malpractice Liability

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" to which this insurance applies. This insurance applies to "bodily injury" only if:

1. You are not in the business or occupation of providing professional health care services;
2. The "bodily injury" arises out of the providing or failing to provide first aid by any of your "employees", "temporary workers" or "volunteer workers", other than a doctor;

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3. The "bodily injury" is caused by an "occurrence" that takes place in the "coverage territory";
4. The "bodily injury" occurs during the policy period; and
5. Prior to the policy period, no insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" had occurred in whole or in part, then any continuation, change or resumption of such "bodily injury" during or after the policy period will be deemed to have been known prior to the policy period.

"Bodily injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" after the end of the policy period.

"Bodily injury" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section 5 - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

1. Reports all, or any part, of the "bodily injury", including any claim or "suit" alleging it, to us or any provider of "other insurance";
2. Receives a written or verbal demand or claim for damages because of the "bodily injury"; or
3. Becomes aware by any other means that "bodily injury" has occurred, has begun to occur or is alleged to have occurred or begun to occur.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Coverage V - Host Liquor Liability

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance applies to "bodily injury" and "property damage" only if:

1. You are not in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages;
2. The "bodily injury" or "property damage" arises out of the serving or giving of any alcoholic beverages in your "aviation operations";
3. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
4. The "bodily injury" or "property damage" occurs during the policy period.

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

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Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Coverage W - Search And Rescue Expense

We will reimburse you for your actual incurred expenses for search and rescue operations for any "passengers" performed by you, or at your request, because of actual or suspected "bodily injury" to such "passengers" that:

1. Arises out of the use of "covered aircraft"; and
2. Is caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

We will pay such expenses only if you incur them after search and rescue operations have been abandoned by all governmental authorities that normally conduct such operations.

We will make these payments regardless of fault.

The amount we will pay for these payments is limited as described in **Section 6 - Limits Of Insurance.**

Section 2 - Defense

We will have the right and duty to defend the insured against any "suit" seeking damages because of:

1. "Bodily injury", "property damage" or "personal injury"; or
2. Direct physical loss of or damage to:
 - a. "Cargo"; or
 - b. Personal effects or baggage of a "passenger";

to which this insurance applies. However, we will have no duty to defend the insured against any "suit" seeking damages because of "bodily injury", "property damage", "personal injury" or direct physical loss or damage to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence", offense or claim and settle any claim or "suit".

Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of:

1. Judgments;
2. Settlements including "passenger" voluntary settlements;
3. Expenses for search and rescue operations;
4. Sums you have agreed to pay to others for personal effects or baggage loss or damage; or
5. Medical expenses;

under **PART 1 - LIABILITY COVERAGES.**

If a "suit" is brought in a part of the "coverage territory" where we are prevented by law, or otherwise, from defending you, you will be responsible for providing that defense. We will reimburse you, subject to the provisions in **Section 3 - Supplementary Payments**, for the expenses incurred for the defense that we would have paid had we been able to exercise our right and duty to defend.

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Section 3 - Supplementary Payments

We will pay, with respect to any claim we are investigating, any claim we settle or any "suit" against an insured we are defending:

1. All expenses we incur.
2. Up to \$5,000 for the cost of bail bonds required because of an "occurrence" or violation of law or a regulation for civil aviation arising out of:
 - a. The ownership, maintenance or use of "scheduled aircraft"; or
 - b. The use of "non-owned aircraft" by you or on your behalf.We will not be the principal under these bonds, and we do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We will not be the principal for these bonds, and we do not have to furnish these bonds.
4. All reasonable expenses incurred at our request by the insured, who is an individual, to assist in the investigation or defense of the claim or "suit", including actual loss of earnings of up to \$500 a day by that individual because of time off from work.
5. All reasonable expenses the insured is required to pay as a result of any public inquiry, or any inquiry by the "Federal Aviation Administration" or other authority, into an "occurrence" involving a "covered aircraft".
6. All costs taxed against the insured in the "suit", but only for that part of the judgment we pay.
7. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
8. All interest on the full amount of any judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
9. The cost of any required appeal bond for any judgment that we appeal, but only for bond amounts for that part of the judgment that is for damages to which this insurance applies and which are within the applicable limit of insurance. We will pay, or reimburse the insured for, the cost of a higher appeal bond amount if we are required to do so under the law that applies. We will not be the principal under any appeal bond, and we do not have to furnish any appeal bond.

These payments will not reduce the limits of insurance.

Section 4 - Exclusions

This insurance does not apply to:

1. Airworthiness, Unlawful Purpose Or Other Violations Or Operational Limitations

"Bodily injury", "property damage", "personal injury" or direct physical loss or damage arising out of a "covered aircraft" that is:

- a. "In-flight", unless its Airworthiness Certificate is in full force and effect;
- b. Used for any unlawful purpose or for any purpose other than the Aircraft Usage stated in the Declarations; or
- c. Being operated in violation of any "in-flight" condition specified in the Pilot Information section in the Declarations (other than taxiing by certified pilots or licensed mechanics).

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This exclusion does not apply if such use or operation was not authorized by you and if you took reasonable precautions to prevent such use or operation. Any consent given by your "employee", "temporary worker" or agent acting outside the normal scope of his or her authority will be deemed not to be authorization given by you.

2. Asbestos

"Bodily injury", "property damage", "personal injury" or direct physical loss or damage arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the injury or damage is caused or contributed to by the hazardous properties of asbestos.

This exclusion does not apply to "bodily injury", "property damage", or direct physical loss or damage arising out of a "covered aircraft" crash, collision, fire or explosion, or a recorded "in-flight" emergency causing abnormal operation of a "covered aircraft".

3. Auto Or Watercraft

"Bodily injury" or "property damage", except as provided under **Coverage H**, or direct physical loss or damage, arising out of the ownership, maintenance, use or entrustment to others of any "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury", "property damage" or direct physical loss or damage involved the ownership, maintenance, use or entrustment to others of any "auto" or watercraft owned or operated by or rented or loaned to any insured.

This exclusion does not apply to "bodily injury", "property damage" or direct physical loss or damage arising out of:

- a. The operation of any "supplementary machinery or equipment" that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not:
 - (1) Subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, in the state where it is licensed or principally garaged; or
 - (2) Designated as a covered auto under your automobile liability insurance; or
- b. The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

4. Bodily Injury Arising Out Of Personal Injury

"Bodily injury" arising out of "personal injury", except as provided under **Coverage L**.

5. Cargo Liability

- a. Direct physical loss of or damage to any of the following "cargo":
 - (1) Money, securities, precious stones, precious metals, jewelry, fine art or antiques of any kind;
 - (2) Perishables or livestock; or
 - (3) Slung loads.
- b. Direct physical loss of or damage to "cargo" arising out of:
 - (1) Any dishonest or criminal act of the insured or the insured's "employee", "temporary worker" or agent; or
 - (2) Wear, tear, deterioration or extremes of temperature or pressure, or due to the perishable or hazardous nature of the property.
- c. Consequential loss of any kind, or delay or loss of market because of direct physical loss of or damage to any "cargo".

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- d. Any loss in excess of the actual cost of reproducing or replacing destroyed or damaged manuscripts, notes, checks, securities, accounts, bills, deeds or any other valuable papers.

6. Contractual Liability

"Bodily injury" or "property damage", except as provided under **Coverage I**, or "personal injury", for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

7. Damage To Property

"Property damage", except as provided under **Coverage F, G, N, Q or R**, or direct physical loss or damage, except as provided under **Coverage S or T**, to:

- a. Property owned, occupied, used, rented, leased or transported by, loaned to, or in the care, custody, or control of, any insured, including any costs or expenses incurred by any insured, or any other person or organization, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises; or
- c. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Additionally, insurance provided under:

Coverage Q does not apply to "property damage" to aircraft or parts of any aircraft owned by, or leased, rented or loaned to, the insured, any partner or member of the insured (if the insured is a partnership or joint venture), any member of the insured (if the insured is a limited liability company), any executive officer of the insured (if the insured is an organization other than a partnership, joint venture or limited liability company), any spouse or other family relative of the insured or such partner, member or executive officer, or any "employee" or "temporary worker" of the insured, unless such aircraft is in your care, custody or control for the sole purpose of safekeeping, storage, service or repair under an agreement for which a charge has been made.

8. Damage To Your Product

"Property damage" or direct physical loss or damage to "your product" arising out of it or any part of it.

9. Damage To Your Work

"Property damage" or direct physical loss or damage to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

10. Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate data, including information, facts or programs in any electronic or other format.

11. Date Recognition

"Bodily injury", "personal injury", "property damage" or direct physical loss or damage arising out of:

- a. Any failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system to accurately or completely process, exchange or transfer year, date or time data or information in connection with any

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

- b. Any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification; or
- c. Any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the insured, or of any third party, related to any such change of year, date or time.

12. Employer's Liability

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
 - (1) Employment by the insured; or
 - (2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of "bodily injury" described in Paragraph a. above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. Whether the insured may have any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by you under an "insured contract", provided that the "bodily injury" occurs subsequent to the execution of the contract or agreement.

13. Employment Related Practices

"Bodily injury" or "personal injury" to:

- a. A person, other than an "independent contractor", arising out of any:
 - (1) Refusal to hire that person;
 - (2) Termination of that person's employment or "temporary worker" status; or
 - (3) Other practice, policy, act or omission related to that person's employment or "temporary worker" status, such as coercion, demotion, evaluation, reassignment, discipline, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment or "temporary worker" status; or
- b. The spouse, child, parent, brother, sister, domestic partner or member of the household of that person as a consequence of "bodily injury" or "personal injury" described in Paragraph a. above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. Whether the insured may have any obligation to share damages with or repay someone else who must pay damages because of the injury.

14. Expected Or Intended Injury, Damage Or Loss

"Bodily injury", "property damage" or direct physical loss or damage expected or intended from the standpoint of the insured.

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This exclusion does not apply to "bodily injury", "property damage" or direct physical loss or damage resulting from:

- a. The use of reasonable force to protect any person or property at "aviation premises"; or
- b. An attempt to prevent interference with the safe operation of a "covered aircraft".

15. Intellectual Property

"Personal injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- a. Copyright;
- b. Patent;
- c. Trade dress;
- d. Trade name;
- e. Trademark;
- f. Trade secret; or
- g. Other intellectual property rights or laws.

16. Liquor Liability

"Bodily injury" or "property damage", except as provided under **Coverage V**, or direct physical loss or damage, for which any insured may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

17. Medical Payments

Medical expenses for "bodily injury":

- a. Except as provided under **Coverage E**, to any insured, other than any "volunteer worker";
- b. Except as provided under **Coverage E**, to a person hired to do work for or on behalf of:
 - (1) Any insured; or
 - (2) A tenant of any insured;
- c. Except as provided under **Coverage E**, to a person injured on that part of "aviation premises" you own or rent that the person normally occupies;
- d. Except as provided under **Coverage E**, to a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or any similar law;
- e. Except as provided under **Coverage E**, to a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests;
- f. Excluded under **PART 1 - LIABILITY COVERAGES**; or
- g. Described in Paragraph **b.** of the definition of "personal injury" and excluded under **PART 1 - LIABILITY COVERAGES**.

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18. Mobile Equipment

"Bodily injury", "property damage" or direct physical loss or damage arising out of:

- a. The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- b. The use of "mobile equipment" in, while in practice for or while being prepared for any prearranged racing, speed, demolition or stunting activity.

19. Noise Or Interference Hazard

"Bodily injury", "property damage", "personal injury", direct physical loss or damage, or any loss, cost or expense arising out of:

- a. Any type of noise, whether or not audible to the human ear, or vibration, including sonic boom and similar phenomena associated with transonic or supersonic flight;
- b. Any interference with the quiet enjoyment of or use of property by overflight or any other type of aircraft operation; and
- c. Electrical or electromagnetic interference of any type.

This exclusion does not apply to "bodily injury", "property damage" or direct physical loss or damage arising out of a "covered aircraft" crash, collision, fire or explosion, or a recorded "in-flight" emergency causing abnormal operation of a "covered aircraft".

20. Nuclear Risks

- a. "Bodily injury", "property damage", "personal injury" or direct physical loss or damage arising out of:
 - (1) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly;
 - (2) The radioactive properties, or a combination of radioactive properties with toxic, explosive or other hazardous properties, of any other radioactive material in the course of carriage as cargo, including storage or handling incidental to such carriage; or
 - (3) Ionizing radiation, or contamination by radioactivity, from, or the toxic, explosive or other hazardous properties of, any other radioactive source.
- b. Any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any insured or others:
 - (1) Test for, monitor, clean up, remove, contain, treat, detoxify or neutralize radioactive material in any form; or
 - (2) In any way respond to, or assess the effects of, radioactive material in any form.

21. Personal Injury

"Personal injury":

- a. Arising out of an offense committed by or at the direction of the insured with the knowledge that the rights of another would be violated and that "personal injury" would result;
- b. Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- c. Arising out of oral or written publication, in any manner, of material whose first publication took place prior to the policy period;
- d. Arising out of a criminal act committed by or with the consent of the insured;
- e. Arising out of a breach of contract;
- f. Arising out of an offense committed by an insured whose business is:

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- (1) Advertising, "broadcasting" or publishing, provided that for purposes of this subparagraph:
 - (a) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and
 - (b) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing;
- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider;
- g. Arising out of an electronic chatroom, bulletin board or web log the insured hosts or owns, or over which the insured exercises control; or
- h. Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar activities that mislead another's potential customers or supporters.

Paragraph a. of this exclusion does not apply to "personal injury" caused by malicious prosecution.

Paragraph f. of this exclusion does not apply to Paragraphs a.(1) (2) and (3) of the definition of "personal injury".

22. Pollution

- a. "Bodily injury", "property damage", "personal injury" or direct physical loss or damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (1) At, on, in or from any premises, site or location which is or was at any time owned, occupied or managed by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (a) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or produced by or originating from equipment that is used to heat water for personal use by the building's occupants or their guests;
 - (b) "Bodily injury", "property damage" or direct physical loss or damage arising out of heat, smoke or fumes from a "hostile fire"; or
 - (c) "Property damage" caused by fire;
 - (2) At, on, in or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (3) If such "pollutants" are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (a) Any insured; or
 - (b) Any person or organization for whom you may be legally responsible;
 - (4) At, on, in or from any premises, site or location at, on, or in which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on, in or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (a) "Bodily injury", "property damage" or direct physical loss or damage arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions

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necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury", "property damage" or direct physical loss or damage arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on, in or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (b) "Bodily injury", "property damage" or direct physical loss or damage sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (c) "Bodily injury", "property damage" or direct physical loss or damage arising out of heat, smoke or fumes from a "hostile fire";
 - (5) At, on, in or from any premises, site or location at, on or in which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are or were at any time performing operations to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (6) That are in or on an aircraft or that are contained in any property that is in or on an aircraft. However, this subparagraph does not apply to "bodily injury" or "property damage", or direct physical loss or damage arising out of a "covered aircraft" crash, collision, fire or explosion, or a recorded "in-flight" emergency causing abnormal operation of a "covered aircraft".
- b. Any loss, cost or expense arising out of any:
- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (2) Claim or "suit" by or on behalf of a governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Paragraph b. does not apply to any loss, cost, or expense arising out of a "covered aircraft" crash, collision, fire or explosion, or a recorded "in-flight" emergency causing abnormal operation of a "covered aircraft".

23. Recall Of Products Or Work

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product"; or
- b. "Your work";

if such product or work is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

24. Search And Rescue Expenses

Any damage, loss, cost or expense relating to search and rescue operations, except as provided under **Coverage W**.

Additionally, insurance provided under **Coverage W** does not apply to any expense:

- a. For any governmental or military search and rescue operations;

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- b. Arising out of loss or damage to any equipment used in connection with the search and rescue operations;
- c. Arising out of the injury or death of any persons involved in the search and rescue operations;
- d. Incurred after it is reasonably assumed that there are no survivors; or
- e. Associated with salvaging the "covered aircraft" or any other property.

25. Unsolicited Communication

"Bodily injury", "property damage", "personal injury" or direct physical loss or damage arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication", or any other "bodily injury", "property damage", "personal injury" or direct physical loss or damage alleged in any claim or "suit" that also alleges any such violation.

26. War, Hijacking, Strikes, Riots Or Governmental Action

"Bodily injury", "property damage", "personal injury" or direct physical loss or damage arising out of:

- a. War, including undeclared or civil war;
- b. Warlike action by military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these;
- d. Any hostile detonation of any weapon of war employing atomic or nuclear fission or fusion, or any other similar reaction;
- e. Any strikes, riots, civil commotions or labor disturbances;
- f. Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government, public or local authority, whether civil, military or de facto;
- g. Hijacking or any unlawful seizure or wrongful exercise of control of any "covered aircraft" or crew "in-flight", including any attempt at such seizure or control, made by any person or persons on board the "covered aircraft" acting without the consent of the insured; or
- h. Any aircraft while such aircraft is outside the control of the insured by reason of any of the perils described in Paragraphs a. through g. above. An aircraft will be deemed to have been restored to the control of the insured upon the safe return of the aircraft to the insured at an airfield in the "coverage territory" that is suitable for the operation of the aircraft. For the purposes of this provision, safe return means that the aircraft must be parked with its engines shut down and must not be under any duress.

27. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

Section 5 - Who Is An Insured

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your partners or your members, and their spouses, are also insureds, but only with respect to the conduct of your business.

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- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are also insureds, but only with respect to their duties as your managers.
 - d. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as your trustees.
 - e. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are also insureds, but only with respect to their duties as your "executive officers" or directors. Your stockholders are also insureds, but only with respect to their liability as your stockholders.
2. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, and your "employees", other than either your managers (if you are a limited liability company) or your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother, sister, domestic partner or member of the household of that co-"employee" or other "volunteer worker" as a consequence of the injury described in Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
 - (d) Except as provided under Coverage U, arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage", except as provided under Coverage N, to property:
 - (a) Owned, occupied or used by; or
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
you, any of your "employees" or "volunteer workers", any of your partners or members (if you are a partnership or joint venture), or any of your members (if you are a limited liability company).
 - b. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under **PART 1 - LIABILITY COVERAGES**.
 - d. Any:
 - (1) Person riding in, or any organization using, "scheduled aircraft" or "temporary substitute aircraft" that is being used within the scope of your permission; or

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- (2) Person or organization legally responsible for "scheduled aircraft" or "temporary substitute aircraft".
3. With respect to a "non-owned aircraft", other than a "temporary substitute aircraft", no person or organization will be an insured while using any such aircraft that is:
- Owned in whole or in part by;
 - Under any lease purchase option held by; or
 - Registered to;
- that organization, person, or household member of that person.
4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, of which you are the sole owner or over which you maintain the majority ownership interest will qualify as a Named Insured if there is no "other insurance" which provides similar coverage available to that organization. However:
- Coverage under this provision is provided only:
 - Until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, if you do not report such organization in writing to us within 180 days after you acquire or form the organization; or
 - Until the end of the policy period, if you report such organization in writing to us within 180 days after you acquire or form the organization, even if there are more than 180 days remaining until the end of the policy period.
 - Coverage under this provision does not apply to:
 - "Bodily injury", "property damage" or direct physical loss or damage that occurred before you acquired or formed the organization;
 - "Personal injury" arising out of an offense committed before you acquired or formed the organization; or
 - Medical expenses for "bodily injury" caused by an accident arising out of:
 - The use of "non-owned aircraft" by or on behalf of such organization; or
 - Such organization's ownership, maintenance or use of "aviation premises";if the accident took place before you acquired or formed the organization.
5. Except for an insured described in Paragraph 1. or Paragraph 2.a., b. or c. above, none of the following is an insured:
- Any person or organization or their agents, "employees" or "temporary workers" engaged in the design, manufacture, maintenance, repair or sale of aircraft, aircraft engines, components, or accessories, or engaged in the operation of any aircraft, airport, hangar, flight school, flight service or piloting service, with respect to any "occurrence" arising out of such activity; or
 - The owner, lessor, or their agents, "employees" or "temporary workers", of any "temporary substitute aircraft" covered by insurance under **PART 1 - LIABILITY COVERAGES**.
6. No person or organization is an insured:
- With respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations. This subparagraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under **Section 5 - Who Is An Insured**; or
 - If coverage for such person or organization is excluded by endorsement to **PART 1 - LIABILITY COVERAGES** of this policy.
7. No organization that qualifies as an insured because you are the sole owner of, or maintain the majority ownership interest in, such organization is an insured after the

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date, if any, during the policy period that you no longer are the sole owner of, or maintain the majority ownership interest in, such organization.

Section 6 - Limits Of Insurance

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

If two or more aircraft are insured by this policy, the Limits of Insurance of, and any deductibles under, Coverage A, B or C of PART 1 - LIABILITY COVERAGES will apply separately to each aircraft.

The applicable limit of insurance will not be reduced by the amount of any damages included within any deductible amount that applies.

2. The Aggregate Limit is the most we will pay for the sum of all:
 - a. Damages under Coverage G, I, J, L, M, N, O, P, Q, R, S, U, and V;
 - b. Medical expenses under Coverage K; and
 - c. Payments under Coverage T and W.
3. The Coverage A Each Occurrence Limit for each aircraft is the most we will pay under Coverage A for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence" involving the ownership, maintenance or use of that aircraft.
4. The Coverage B Each Occurrence Limit is the most we will pay under Coverage B for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
5. The Coverage C Each Occurrence Limit is the most we will pay under Coverage C for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. The following Coverage D Passenger Voluntary Settlement Limits For Scheduled And Non-Owned Aircraft are the most we will pay under Coverage D for the sum of all payments because of all "bodily injury" arising out of any one "occurrence":
 - a. With respect to any "scheduled aircraft" or "temporary substitute aircraft":
 - (1) the Each Non-Crew-Member Passenger Limit is the most we will pay under Coverage D for the sum of all payments because of all "bodily injury" sustained by any one "passenger" other than a "crew-member"; and
 - (2) the Each Crew-Member Limit is the most we will pay under Coverage D for the sum of all payments because of all "bodily injury" sustained by any one "crew-member".
 - b. With respect to any "non-owned aircraft" except a "temporary substitute aircraft":
 - (1) the Each Non-Crew-Member Passenger Limit is the most we will pay under Coverage D for the sum of all payments because of all "bodily injury" sustained by any one "passenger" other than a "crew-member";
 - (2) the Each Crew-Member Limit is the most we will pay under Coverage D for the sum of all payments because of all "bodily injury" sustained by any one "crew-member"; and
 - (3) the Total Non-Owned Aircraft Non-Crew-Member and Crew-Member Limit is the most we will pay under Coverage D for the sum of all payments because of all "bodily injury" sustained by all "passengers" and "crew-members".

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- c. However, the most we will pay under **Coverage D** for "loss of one body part" is one-half of the applicable limit described in Paragraph a. or b. above.

Subject to the Maximum Indemnity Period shown in the Declarations, the **Coverage D** Each Passenger Maximum Weekly Indemnity Limit is the most we will pay to an injured "passenger" who becomes "totally disabled" as a direct result of "bodily injury" to which this insurance applies. However, if the injured "passenger" is a "crew member", or is your "employee" or "temporary worker", when the "occurrence" takes place, the applicable **Coverage D** Passenger Voluntary Settlement Limit For Scheduled And Non-Owned Aircraft will be reduced by the amount of any such payments.

If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage D** Passenger Voluntary Settlement Limits For Scheduled And Non-Owned Aircraft are subject to whichever of those limits applies.

7. The following **Coverage E** Medical Payments For Scheduled And Non-Owned Aircraft Limits are the most we will pay under **Coverage E** for the sum of all medical expenses because of "bodily injury" arising out of any one "occurrence":

- a. With respect to any "scheduled aircraft" or "temporary substitute aircraft":
- (1) the Each Non-Crew-Member Limit is the most we will pay under **Coverage E** for the sum of all medical expenses because of all "bodily injury" sustained by any one person other than a "crew-member"; and
 - (2) the Each Crew-Member Limit is the most we will pay under **Coverage E** for the sum of all medical expenses because of all "bodily injury" sustained by any one "crew-member".
- b. With respect to any "non-owned aircraft" except a "temporary substitute aircraft":
- (1) the Each Non-Crew-Member Limit is the most we will pay under **Coverage E** for the sum of all medical expenses because of all "bodily injury" sustained by any one person other than a "crew-member"; and
 - (2) the Each Crew-Member Limit is the most we will pay under **Coverage E** for the sum of all medical expenses because of all "bodily injury" sustained by any one "crew-member".

If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage E** Medical Payments For Scheduled And Non-Owned Aircraft Limits are subject to whichever of those limits applies.

8. Subject to Paragraph 4. above, the **Coverage F** Each Occurrence Limit is the most we will pay under **Coverage F** for the sum of all damages because of all "property damage" arising out of any one "occurrence".
9. Subject to Paragraph 2. above, the **Coverage G** Each Occurrence Limit is the most we will pay under **Coverage G** for the sum of all damages because of all "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage G** Each Occurrence Limit is subject to whichever of those limits applies.
10. The **Coverage H** Each Occurrence Limit is the most we will pay under **Coverage H** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage H** Each Occurrence Limit is subject to whichever of those limits applies.
11. Subject to Paragraph 2. above, the **Coverage I** Each Occurrence Limit is the most we will pay under **Coverage I** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage I** Each Occurrence Limit is subject to whichever of those limits applies.
12. Subject to Paragraph 2. above, the **Coverage J** Each Occurrence Limit is the most we will pay under **Coverage J** for the sum of all damages because of all "bodily injury"

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and "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage J** Each Occurrence Limit is subject to whichever of those limits applies.

13. Subject to Paragraph 2. above, the **Coverage K** Medical Payments For Aviation Premises Each Occurrence Limit is the most we will pay under **Coverage K** for the sum of all medical expenses because of "bodily injury" sustained by any one person and arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage K** Medical Payments For Aviation Premises Each Occurrence Limit is subject to whichever of those limits applies. If Paragraph 7. above applies to the "occurrence", the **Coverage K** Medical Payments For Aviation Premises Each Occurrence Limit is subject to whichever of those limits applies.
14. Subject to Paragraph 2. above, the **Coverage L** Personal Injury Limit is the most we will pay under **Coverage L** for the sum of all damages because of all "personal injury" sustained by all persons or organizations.
15. Subject to Paragraph 2. above, the **Coverage M** Each Occurrence Limit is the most we will pay under **Coverage M** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage M** Each Occurrence Limit is subject to whichever of those limits applies.
16. Subject to Paragraph 2. above, the **Coverage N** Each Occurrence Limit is the most we will pay under **Coverage N** for the sum of all damages because of all "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage N** Each Occurrence Limit is subject to whichever of those limits applies.
17. Subject to Paragraph 2. above, the **Coverage O** Each Occurrence Limit is the most we will pay under **Coverage O** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage O** Each Occurrence Limit is subject to whichever of those limits applies.
18. Subject to Paragraph 2. above, the **Coverage P** Each Occurrence Limit is the most we will pay under **Coverage P** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
19. Subject to Paragraph 2. above, the **Coverage Q** Each Occurrence Limit is the most we will pay under **Coverage Q** for the sum of all damages because of all "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage Q** Each Occurrence Limit is subject to whichever of those limits applies.
20. Subject to Paragraph 2. above, the **Coverage R** Each Occurrence Limit is the most we will pay under **Coverage R** for the sum of all damages because of all "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage R** Each Occurrence Limit is subject to whichever of those limits applies.
21. Subject to Paragraph 2. above, the **Coverage S** Each Occurrence Limit is the most we will pay under **Coverage S** for the sum of all damages because of direct physical loss of or damage to "cargo" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage S** Each Occurrence Limit is subject to whichever of those limits applies.
22. Subject to Paragraph 2. above, the **Coverage T** Each Passenger/Each Occurrence Limit is the most we will pay under **Coverage T** for the sum of all damages, and sums you have agreed to pay others, because of direct physical loss of or damage to the personal effects and baggage of any one "passenger" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage T** Each Passenger/Each Occurrence Limit is subject to whichever of those limits applies.

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23. Subject to Paragraph 2. above, the **Coverage U** Each Occurrence Limit is the most we will pay under **Coverage U** for the sum of all damages because of all "bodily injury" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage U** Each Occurrence Limit is subject to whichever of those limits applies.
24. Subject to Paragraph 2. above, the **Coverage V** Each Occurrence Limit is the most we will pay under **Coverage V** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage V** Each Occurrence Limit is subject to whichever of those limits applies.
25. Subject to Paragraph 2. above, the **Coverage W** Each Occurrence Limit is the most we will pay under **Coverage W** for the sum of all expenses for search and rescue operations because of actual or suspected "bodily injury" to "passengers" arising out of any one "occurrence". If either Paragraph 3., 4. or 5. above applies to the "occurrence", the **Coverage W** Each Occurrence Limit is subject to whichever of those limits applies.
26. Noncumulation of **Coverage G, I, J, M, N, O, Q, R** or **U** Each Occurrence Limit - If any one "occurrence" causes:
- a. "Bodily injury" or "property damage" covered under **Coverage G, I, J, M, N, O, Q, R** or **U**; and
 - b. "Bodily injury" or "property damage" to which any liability coverage in any aircraft coverage form included in one or more prior or future policies issued to you by us or any of our affiliated insurance companies applies;
- this policy's Each Occurrence Limit applicable to that "occurrence" also will be reduced by the amount of each payment made because of the "bodily injury" or "property damage" described in Paragraph b. above by us or any of our affiliated insurance companies under, and within the applicable limit of insurance of, each such other policy.

Section 7 - Liability Coverages Conditions

The following conditions apply to **PART 1 - LIABILITY COVERAGES** in addition to the **COMMON POLICY CONDITIONS**.

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of any of our obligations under **PART 1 - LIABILITY COVERAGES**.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any persons or organizations sustaining injury or damage, and the names and addresses of any witnesses; and
 - (3) The nature and location of any injury, damage or loss arising out of the "occurrence" or offense.
- b. If a claim is made or a "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

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- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury, damage, loss or expenses to which this insurance may apply.
- d. No insured will, except at the insured's own cost, voluntarily make any payment, or incur any expense, without our consent, other than for:
- (1) "Passenger" voluntary settlements under **Coverage D**;
 - (2) Expenses for search and rescue operations under **Coverage W**;
 - (3) Sums you have agreed to pay to others for personal effects or baggage loss or damage under **Coverage T**; and
 - (4) Expenses for first aid under **Coverage E** or **Coverage K**.

3. Legal Action Against Us

No person or organization has a right under **PART 1 - LIABILITY COVERAGES**:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us unless all of the terms of this policy have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured, but we will not be liable for damages that are not payable under the terms of **PART 1 - LIABILITY COVERAGES** or that are in excess of the applicable limit of insurance. As used in this provision, an agreed settlement means a settlement and release of liability signed by us, by the insured and by the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible "other insurance" is available to the insured for a loss we cover under **PART 1 - LIABILITY COVERAGES**, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the "other insurance" is also primary. Then, we will share with all that "other insurance" by the method described in Paragraph **c.** below.

b. Excess Insurance

This insurance is excess over any of the "other insurance", whether primary, excess, contingent or on any other basis:

- (1) That is for damages because of "bodily injury" or "property damage" covered under **Coverage B, C, H, J, M, O or V**;
- (2) That is for damages because of "property damage" covered under **Coverage F, G or N**;
- (3) That is for damages because of "personal injury" covered under **Coverage L**;
- (4) That is for damages because of direct physical loss of or damage to "cargo" covered under **Coverage S**; or

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- (5) That is available to the insured when the insured has been added as an additional insured by attachment of an endorsement under any "other insurance" or is any other insured that is not a named insured under such insurance.

When this insurance is excess, we will have no duty under **PART 1 - LIABILITY COVERAGES** to defend the insured against any "suit" if any provider of "other insurance" has a duty to defend the insured against that "suit". If no provider of "other insurance" defends, we will undertake to do so, but we will be entitled to the insured's rights against all those providers of "other insurance".

When this insurance is excess over "other insurance", we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such "other insurance" would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under such "other insurance".

We will share the remaining loss, if any, with any "other insurance" that is not described in this **Excess Insurance** provision.

c. Method Of Sharing

If all of the "other insurance" permits contribution by equal shares, we will follow this method also. Under this approach each provider of insurance contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the "other insurance" does not permit contribution by equal shares, we will contribute by limits. Under this method, the share of each provider of insurance is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all providers of insurance.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any right or duties specifically assigned in **PART 1 - LIABILITY COVERAGES** to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

6. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover from others all or part of any payment we have made under **PART 1 - LIABILITY COVERAGES** in connection with a claim or "suit", those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or initiate an alternative dispute resolution proceeding to enforce those rights, or will transfer those rights to us and help us enforce them.

We will apply any amounts recovered in enforcing those rights of recovery in the following order:

- a. First, we will reimburse any person or organization (including us or the insured) any amount that person or organization has paid in excess of the Limits of Insurance of **PART 1 - LIABILITY COVERAGES**.
- b. Next, if there is any amount remaining, we will retain an amount equal to the amount we have paid under **PART 1 - LIABILITY COVERAGES**.
- c. Then, if there is any amount remaining, we will pay that amount to the insured, including any amounts within any deductible or self-insured retention applicable to **PART 1 - LIABILITY COVERAGES**.

If any amounts are recovered in enforcing those rights of recovery, reasonable expenses incurred in enforcing such rights will be shared among all persons or organizations receiving amounts recovered. Each such person's or organization's share

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of those expenses is based on the ratio of its amount recovered to the total amounts recovered by all such persons or organizations in enforcing such rights. We will deduct each other person's or organization's share of those expenses from any amount we pay to such person or organization.

7. When We Appeal A Judgment

We will have the right to appeal a judgment that:

- a. Includes damages to which this insurance applies;
- b. Is awarded in a "suit" for which we defend an insured; and
- c. Is awarded against the insured.

If we appeal a judgment that we do not have a duty to appeal, we will have no obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 3 - Supplementary Payments**. The results of an appeal will not change the applicable limit of insurance.

8. Currency Conversion

Payments we make under **PART 1 - LIABILITY COVERAGES** will be paid in the currency of the United States of America. Amounts that are stated in the currency of another country or jurisdiction will be converted to the currency of the United States of America at the free rate of exchange published by the Federal Reserve Bank of New York as of the following dates:

- a. For payments we make under **Section 1 - Coverages**, the date of the judgment or settlement; and
- b. For payments we make under **Section 2 - Defense** or **Section 3 - Supplementary Payments**, the close of business on the date immediately preceding the date the payment is processed.

9. Our Duty To Reimburse When Insureds Must Pay

If the laws or rules of a country or jurisdiction prevent us from paying amounts covered under **PART 1 - LIABILITY COVERAGES**, you may pay those amounts with our consent. If you give us proof that you did so, we will reimburse you up to the limits of coverage that apply, and subject to any deductibles that apply, under this policy. All such reimbursements will be in the currency of the United States of America. Reimbursements for amounts that are stated in the currency of another country or jurisdiction will be converted to the currency of the United States of America as described in Paragraph **8. Currency Conversion**, above.

10. Compulsory Insurance Requirements

Coverage provided by this policy will not act as a substitute for any required or compulsory insurance in any country or jurisdictions outside the United States of America, including its territories and possessions and Puerto Rico, or Canada.

You must procure and maintain any coverage required by law, regulation or other governmental authority during the policy period. If you fail to procure and maintain such insurance, this insurance will remain in effect. However, we will not be liable for more than we would have been had the required or compulsory insurance been in effect.

PART 2 - HULL PHYSICAL DAMAGE COVERAGES

Section 1 - Coverages

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

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1. Covered Causes Of Loss

Covered Causes of Loss means risks of direct physical loss unless the loss is:

- a. Excluded in **Section 2 - Exclusions**;
- b. Excluded or limited in the Declarations or by endorsements to **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**.

2. Covered Property

Covered Property means the following types of property described in this section, if a limit of insurance is shown in the Declarations for that type of property.

- a. "Scheduled aircraft".
- b. Spare Engines and Spare Parts. Spare Engines and Spare Parts means any spare engine or any spare part that is owned by you or for which you are legally responsible. This coverage is excess of any other valid and collectible insurance covering the same loss or damage. If no such other insurance exists, this coverage will be primary. This coverage applies to loss or damage that takes place while such spare engines and spare parts are in transit, or at any location, in the "coverage territory".

3. Additional Coverages

Unless otherwise shown in the Declarations, the following additional coverages apply:

a. Automatic Insurance For Newly Purchased Or Leased Aircraft

We will pay for direct physical loss of or damage to newly purchased aircraft or leased aircraft for which you are required to provide physical damage insurance, caused by or resulting from a Covered Cause of Loss, provided that you report such purchase or lease to us within the number of reporting days specified in the Declarations. All additional coverages and coverage extensions that apply to "scheduled aircraft" will also apply to such newly purchased or leased aircraft. This additional coverage will end when either of the following first occurs:

- (1) The number of reporting days specified in the Declarations passes after you purchase or lease the aircraft.
- (2) You report the newly purchased or leased aircraft to us.

We will charge you additional premium from the date you purchase or lease the aircraft. The highest "in-motion" or not-"in-motion" deductible applicable to any "scheduled aircraft" will also apply to this additional coverage.

b. Runway Foaming And Crash Control Expense

We will reimburse you for the actual cost you incur for runway or aircraft foaming, fire, crash control, or rescue expenses to minimize direct physical loss or damage covered by **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**. But we will not pay more in any one event than the limit for Runway Foaming and Crash Control Expense shown in the Declarations. This limit is in addition to the limit of insurance applicable to the "covered aircraft." No deductible applies to this additional coverage.

c. Automatic Insurance For Increased Value Of "Scheduled Aircraft" And Spare Engines And Spare Parts

If the value of a "scheduled aircraft" is increased during the policy period because of modifications or the addition of equipment, or you modify or acquire additional spare engines or spare parts, the applicable insurance provided by this policy under **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** will apply to the increased value.

Subject to the Automatic Insurance For Increased Value of "Scheduled Aircraft" Limit and the Automatic Insurance For Increased Value of Spare Engines and Spare Parts Limit, the limit of insurance for such "scheduled aircraft" or spare engines and spare parts will automatically increase by your actual cost for modifications,

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equipment or additional spare engines or spare parts, as evidenced by your records, provided:

- (1) You report to us any increase in value as soon as possible after completion of modifications or additions; and
- (2) You pay any additional premiums for the increased limits.

d. Removal Expense

If a "covered aircraft" suffers a "total loss" caused by or resulting from a Covered Cause of Loss, we will pay any reasonable expenses incurred for the purpose of attempted or actual raising, removal, disposal, or destruction of the wreck of such aircraft and its contents. We will not pay more under this additional coverage than the Removal Expense Limit shown in the Declarations. This limit is in addition to the limit of insurance applicable to the "covered aircraft." No deductible applies to this additional coverage.

e. Forced Landing Expense

If due to a Covered Cause of Loss a "covered aircraft" is forced to make a landing in any place where subsequent take-off is not possible, but there is no direct physical loss of or damage to the "covered aircraft", we will pay any reasonable expenses incurred for the removal of such aircraft to the nearest suitable airport or take-off area. This coverage is not in addition to the limit of insurance applicable to the "covered aircraft". No deductible applies to this additional coverage.

f. Trip Interruption Expense

If a trip by a "covered aircraft" is interrupted due to direct physical loss of or damage to such aircraft caused by or resulting from a Covered Cause of Loss we will reimburse you for reasonable expenses you incur on behalf of your "passengers" for their food, travel by commercial carrier, and lodging. We will pay such expenses from the location where the "covered aircraft" suffers loss or damage to the intended final destination of the damaged aircraft, or, if the trip is discontinued, back to the location where such "passengers" originally boarded the aircraft. We will not pay more under this additional coverage than the Trip Interruption Expense Limit shown in the Declarations. This limit is in addition to the limit of insurance applicable to the "covered aircraft." No deductible applies to this additional coverage.

4. Coverage Extensions

If a limit is shown in the Declarations, the following coverage extensions apply. If a deductible applies to a coverage extension, such deductible will be shown in the Declarations.

a. Temporary Replacement Parts Rental Expense

If a "covered aircraft" suffers direct physical loss or damage covered by this policy, we will pay, during the period of repair of such aircraft, your reasonable additional expenses to rent temporary replacement component parts of similar kind or quality to replace the parts that sustained loss or damage. We will also pay your cost to install, remove and transport such parts. We will not pay more under this coverage extension than the Temporary Replacement Parts Rental Expense Limit shown in the Declarations. This limit is in addition to the limit of insurance applicable to the "covered aircraft". This coverage will not apply unless the time required for repair exceeds the Minimum Required Repair Period shown in the Declarations. This coverage will not apply to temporary replacement parts rental expense incurred after the Maximum Coverage Period shown in the Declarations has expired.

b. Replacement Aircraft Rental Or Leasing Expense

If a "covered aircraft" suffers direct physical loss or damage covered by this policy, we will pay, during the period of repair of such aircraft, your reasonable Rental or Leasing Expense for a replacement aircraft of similar kind or quality. Rental or Leasing Expense means that portion of the actual cost of leasing or renting a replacement aircraft which exceeds the cost you would have incurred if

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you could have operated the "covered aircraft" had it not been damaged. The most we will pay for Rental or Leasing Expense incurred in any one day is the Replacement Aircraft Rental or Leasing Expense Each Day Limit. We will not pay more in any one event under this coverage extension than the Replacement Aircraft Rental or Leasing Expense Each Event Limit shown in the Declarations. These limits are in addition to the limit of insurance applicable to the "covered aircraft".

This coverage extension does not apply:

- (1) Unless the time required for repair exceeds the Minimum Required Repair Period shown in the Declarations;
- (2) If another aircraft is available to you at no extra charge for its use;
- (3) Once you acquire, through ownership, lease, lease-purchase option, or otherwise, a permanent replacement for the damaged "covered aircraft";
- (4) If the "covered aircraft" is a "total loss" and we have offered you settlement for such loss; or
- (5) After the Maximum Coverage Period shown in the Declarations has expired.

c. Mechanics' Tools

We will pay for direct physical loss of or damage by a Covered Cause of Loss to mechanics' tools that are owned by your "employee" mechanics that takes place while the tools are in your care, custody, or control or such "employee" is acting within the scope of his or her duties on your behalf.

We will pay the actual cash value of any tool covered under this coverage extension, but the most we will pay for loss or damage to the tools of any one "employee" is the Mechanics' Tools Each Employee Limit shown in the Declarations, and the most we will pay for loss or damage in any one event is the Mechanics' Tools Each Event Limit shown in the Declarations. The Mechanics' Tools Each Event Deductible shown in the Declarations applies to this coverage extension.

Section 2 - Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.
 - a. War, Hijacking, Strikes, Riots Or Governmental Action
 - (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these;
 - (4) Any hostile detonation of any weapon of war employing atomic or nuclear fission or fusion, or any other similar reaction;
 - (5) Any strikes, riots, civil commotions or labor disturbances.
 - (6) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government, public or local authority, whether civil, military or de facto; or
 - (7) Hijacking or any unlawful seizure or wrongful exercise of control of any "covered aircraft" or crew "in-flight", including any attempt at such seizure or control, made by any person or persons on board the "covered aircraft" acting without your consent.

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This exclusion does not apply to loss or damage by a Covered Cause of Loss to any "covered aircraft" that was outside your control by reason of any of the perils described in Paragraphs (1) through (7) above but has been restored to your control, provided that such loss or damage takes place after the "covered aircraft" has been restored to your control. A "covered aircraft" will be deemed to have been restored to your control upon the safe return of the aircraft to you at an airfield in the "coverage territory" that is suitable for the operation of the aircraft. For purposes of this provision, safe return means that the aircraft must be parked with its engines shut down and must not be under any duress.

b. Nuclear Risks

- (1) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly;
- (2) The radioactive properties, or a combination of radioactive properties with toxic, explosive or other hazardous properties, of any other radioactive material in the course of carriage as cargo, including storage or handling incidental to such carriage; or
- (3) Ionizing radiation, or contamination by radioactivity, from, or the toxic, explosive or other hazardous properties of, any other radioactive source.

c. Date Recognition

- (1) Failure or inability of any computer hardware, software, integrated circuit, chip, or information technology equipment or system, to accurately or completely process, exchange or transfer year, date or time data or information in connection with any change of year, date or time, whether on, before or after such change of year, date or time.
- (2) Any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip, or information technology equipment or system, in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification.
- (3) Any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act, or decision by you or any third party related to any such change of year, date or time.

d. Electromagnetic Pulse

Any electromagnetic pulse.

This exclusion does not apply to loss of or damage to any "covered aircraft" if such electromagnetic pulse originates solely and directly on board such "covered aircraft".

2. We will not pay for loss or damage that takes place while the "covered aircraft" is:
 - a. "In-flight", unless its Airworthiness Certificate is in full force and effect;
 - b. Used for any unlawful purpose or for any purpose other than the Aircraft Usage stated in the Declarations; or
 - c. Being operated in violation of any "in-flight" condition specified in the Pilot Information section in the Declarations (other than taxiing by certified pilots or licensed mechanics).

This exclusion does not apply if such use or operation was not authorized by you and if you took reasonable precautions to prevent such use or operation. Any consent given by your "employee", "temporary worker" or agent acting outside the normal scope of his or her authority will be deemed not to be authorization given by you.

3. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Wear or tear, including cycle fatigue of any part of the hull or propulsion system.
 - b. Deterioration, rust, corrosion, fungus, decay, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

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- c. Mechanical or electrical breakdown, including power surge to and failure or malfunction of electrical or electronically driven equipment, of:

(1) The "covered aircraft"; or

(2) Equipment, components or accessories of the "covered aircraft".

If loss from a Covered Cause of Loss results, we will pay for that resulting loss. Damage resulting from the breakdown, failure or malfunction of an engine component, accessory, or part is considered mechanical breakdown of the entire engine.

This exclusion does not apply to "ingestion".

- d. Heat resulting from starting, attempted starting, operation or shutdown of the aircraft's turbine engines that damages such engines or the aircraft's turbine powered auxiliary power units.

- e. Wrongful "conversion", "embezzlement" or "secretion" of the "covered aircraft".

- f. Dishonest or criminal acts by you, any of your partners, "employees", "temporary workers", directors, trustees, authorized representatives or anyone, other than a carrier for hire or bailee, to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction of Covered Property by your "employees", but theft by "employees" is not covered.

- g. Damage to tires. But this exclusion does not apply to damage caused by fire, malicious mischief, vandalism, theft or loss to tires that is the direct result of an otherwise covered loss under this agreement.

- h. Loss or damage to the "Covered Aircraft" that takes place while it is being used for or in connection with any:

(1) Race, speed or endurance test, attempt at record breaking, acrobatic flying, crop dusting, spraying, seeding, fertilization, hunting, bird or fowl herding, unless such use is permitted and shown in the Declarations; or

(2) Use in respect to which a waiver or special authority issued by the "Federal Aviation Administration" or the appropriate authority is required, whether granted or not.

- i. Delay, loss of use or loss of market.

- j. Diminution in the actual or perceived market or resale value of the Covered Property, even if caused by or resulting from loss or damage from a Covered Cause of Loss.

- k. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the following:

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Windstorm or hail;

(5) Smoke;

(6) Vehicles, other than aircraft;

(7) Vandalism;

(8) Weight of snow, weight of ice or weight of sleet; or

(9) Crash or collision.

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But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in fire, explosion or smoke we will pay for the resulting loss or damage from such fire, explosion or smoke.

- I. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- m. Actual or alleged presence, or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the loss or damage is caused or contributed to by the hazardous properties of asbestos. This exclusion does not apply to loss or damage arising out of a "covered aircraft" crash, collision, fire or explosion, or a recorded "in-flight" emergency causing abnormal operation of a "covered aircraft".

Section 3 - Limits Of Insurance

The applicable limits of insurance are shown in the Declarations, Schedules, Coverage Forms and Endorsements to **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**.

The most we will pay for loss or damage to any one "covered aircraft" in any one event is the lesser of:

1. The Maximum Per Aircraft Limit of Insurance shown in the Declarations; or
2. The limit of insurance applicable to the "covered aircraft", plus the limit of insurance for any applicable additional coverage or coverage extension, if stated in the additional coverage or coverage extension that such limit is in addition to the limit of insurance applicable to the "covered aircraft".

Section 4 - Deductible

We will not pay for loss or damage in any one event until the amount of loss or damage exceeds the applicable deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the applicable deductible up to the applicable limit of insurance. If more than one coverage, additional coverage, or coverage extension applies to loss or damage to any one "covered aircraft" in any one event covered under **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**, the most we will deduct is the largest applicable deductible.

If more than one "covered aircraft" suffers loss or damage in any one event covered under **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**, we will deduct the largest applicable deductible for each "covered aircraft".

However, we will not apply any deductible for the following:

1. "Total loss".
2. Loss caused by collision with any other aircraft that we insure.

Section 5 - Hull Physical Damage Coverages Conditions

The following conditions apply to **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** in addition to the **COMMON POLICY CONDITIONS**.

1. Policy Period, Coverage Territory

We will only pay for direct physical loss or damage that:

- a. Commences during the policy period; and
- b. Takes place in the "coverage territory".

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2. Duties In The Event Of Loss Or Damage

If an event results in direct physical loss of or damage to Covered Property you must:

- a. Give us prompt notice of the loss or damage;
- b. As soon as possible, give us a description of how, when, and where the loss or damage occurred;
- c. Not abandon the "covered aircraft" or any other property to us without our prior consent;
- d. Take all reasonable steps to protect the "covered aircraft" or other Covered Property from further damage after any accident or loss. Reasonable expenses necessary to protect the Covered Property will be taken into consideration in the settlement of a claim. This will not increase the applicable limit of insurance. Any further loss or damage due to your failure to reasonably protect the Covered Property will not be covered by this policy;
- e. Notify the police if a law may have been broken;
- f. As often as may be reasonably required, permit us to inspect any "covered aircraft" or Covered Property before any repairs begin or before its disposal;
- g. Send us within sixty (60) days after the loss a signed, sworn proof of loss including the information and in the form we reasonably require and, upon our request, submit to examination under oath;
- h. Permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and authorize us to obtain any records and other information relating to a loss; and
- i. If requested, provide clear title to us for any property salvage at the time a "total loss" payment is made by us.

3. Appraisal

If you and we fail to agree on the amount of a loss, either may, within sixty (60) days after a proof of loss is filed, demand an appraisal of the loss. You and we will each select a competent aircraft appraiser and the appraisers will select a competent and disinterested umpire. The appraisers will judge the amount of the loss. If they do not agree, they will submit their difference to the umpire.

Agreement in writing of any two of the three will determine the amount of the loss. You and we will each pay our chosen appraiser and will bear equally the expenses of the appraisal and the umpire. We will not be held to have waived any of our rights by any act relating to appraisal.

4. Legal Action Against Us

No one may bring a legal action against us under **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** unless:

- a. There has been full compliance with all the terms of **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Rights Of Recovery

If you have rights to recover from others all or part of any payment we have made under this **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**, those rights are transferred to us. You must do nothing after loss to impair them. At our request, you will bring suit or transfer those rights to us and help us enforce them.

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6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice of the recovery. At your option, you may retain the property or have it returned to you. You must then return to us the amount we paid to you for the property. If either you or we recover any property before loss settlement, we may require that you retain the property or accept its return from us.

We will pay recovery expenses and costs to repair the recovered property. But the amount we will pay will not exceed the value of the recovered property or the applicable limit of insurance, whichever is less.

7. Valuation

a. "Covered Aircraft"

- (1) In the event of covered loss or damage, the value of "covered aircraft" will be:
 - (a) The Limit of Insurance specified in the Declarations for any "scheduled aircraft" plus any additional amount provided under the Automatic Insurance for Increased Value of "Scheduled aircraft" if applicable.
 - (b) The least of the following for any Newly Purchased or Leased Aircraft:
 - (i) Your cost for such aircraft.
 - (ii) Your obligation under the lease for such aircraft.
 - (iii) The Maximum Per Aircraft Limit shown in the Declarations.
- (2) If the "covered aircraft" is a "total loss", we will pay you the value of the "covered aircraft". In addition, we will promptly refund the pro-rated unearned premium for any "scheduled aircraft" that is a "total loss". At the time of payment of a "total loss", all coverage under **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** for such "covered aircraft" will end.
- (3) If a "covered aircraft" sustains a "partial loss":
 - (a) Regardless of whether such loss is covered under this policy, we will automatically reduce the value of such "covered aircraft" at the time of the loss by the amount of such loss. As repairs are made, we will automatically increase the value of the "covered aircraft" by the amount of the completed repairs until the value is fully restored.
 - (b) We will not pay more than:
 - (i) The total of the following items, less any applicable deductible, if the repairs are made by you:
 1. Reasonable costs you incur for necessary replacement material and parts of similar kind and quality.
 2. The reasonable transportation, food and lodging expenses for you or your "employees" for the actual period of repair if the loss occurs away from your premises.
 3. Actual wages paid for labor at the current straight time rates at the place of repair plus the reasonable cost of required supervision and overhead.
 4. "Transportation Costs".
 - (ii) The total of the following items, less any applicable deductible, if the repairs are made by someone other than you:
 1. Reasonable costs you incur for repairs with necessary replacement material and parts of similar kind and quality.
 2. The reasonable transportation, food and lodging expenses for your necessary representative to inspect or authorize repairs or test fly the "covered aircraft", if the repairs occur away from your premises.

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3. "Transportation Costs".

However, we will not pay more for a "partial loss" than the value of the "covered aircraft".

b. Spare Engines And Spare Parts

In the event of covered loss or damage to spare engines or spare parts, the value will be the least of:

- (1) The reasonable costs to repair the damaged spare engines or spare parts.
- (2) The replacement cost less any depreciation of such spare engines or spare parts.
- (3) The Spare Engines And Spare Parts Limit Of Insurance shown in the Declarations.

8. Currency Conversion

Payments we make under **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** will be paid in the currency of the United States of America. Amounts that are stated in the currency of another country or jurisdiction will be converted to the currency of the United States of America at the free rate of exchange published by the Federal Reserve Bank of New York as of the date of the loss or damage.

Section 6 - Other Insurance

1. You may have "other insurance" subject to the same plan, terms, conditions and provisions as the insurance under **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable limit of insurance under this **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** bears to the limits of insurance of all "other insurance" covering on the same basis.
2. If there is "other insurance" covering the same loss or damage, other than that described in Paragraph 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that "other insurance", whether you can collect on it or not. But we will not pay more than the applicable limit of insurance.

Section 7 - Concealment, Misrepresentation Or Fraud

This **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** is void in any case of fraud by you as it relates to this **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** at any time. It is also void if you, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**.

PART 3 - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition, notices that are published include material placed on the Internet or on similar electronic means of communication.

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2. "Auto" means:
 - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment;
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle law, in the state where it is licensed or principally garaged; or
 - c. Any other land vehicle not described in Paragraph **a.** or **b.** above that is designated as a covered auto under your automobile liability insurance.However, "auto" does not include "mobile equipment".
3. "Aviation premises":
 - a. Means the portions of airports, buildings or other areas used by you directly in connection with the ownership, operation, maintenance or use of any "covered aircraft".
 - b. Includes the ways next to such portions of airports, buildings or other areas.
4. "Aviation operations" means aviation activities in connection with the ownership, maintenance or use of:
 - a. "Aviation premises"; or
 - b. "Covered aircraft".
5. "Bodily injury" means:
 - a. Physical harm, including sickness or disease, sustained by a person; and
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
6. "Broadcasting" means transmitting any audio or visual material for any purpose:
 - a. By radio or television; or
 - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with that programming.
7. "Cargo" means tangible property of others accepted for transportation by you for a charge under a tariff bill of lading or shipping receipt issued by you. For purposes of this insurance, data, including information, facts or programs in any electronic format, is not tangible property.
8. "Charter/Air Taxi":
 - a. Means use of "covered aircraft" in your business operations.
 - b. Includes:
 - (1) "Passenger" or freight carrying for hire or reward; and
 - (2) "Pleasure and business" use.
 - c. Does not include use of "covered aircraft" by you or on your behalf for the instruction of or rental to others.
9. "Commercial":
 - a. Means use of "covered aircraft" in your business operations.
 - b. Includes:

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- (1) Student instruction;
 - (2) "Passenger" or freight carrying for hire or reward;
 - (3) Rental to others for the purpose of "pleasure and business"; and
 - (4) "Pleasure and business".
10. "Conversion" means taking property of others, and assuming the rights of ownership and control in the property, either permanently or for an indefinite period of time, without permission of the owner.
11. "Coverage territory" means anywhere in the world except any country or jurisdiction while any embargo, trade sanction or similar regulation imposed by the United States of America applies to, and prohibits the transaction of business with or within, that country or jurisdiction.
12. "Covered aircraft":
- a. Means any "scheduled aircraft" and any other aircraft for which insurance is provided under this policy.
 - b. Includes the following for any aircraft described in a. above:
 - (1) The aircraft's propulsion system;
 - (2) Parts and equipment installed in or on the aircraft;
 - (3) Parts that are temporarily removed from the aircraft;
 - (4) Parts that are removed from the aircraft until replaced by similar parts; and
 - (5) Tools and repair equipment that is standard for the aircraft and is normally carried on the aircraft.
13. "Crew-member" means any "passenger" who is required for, or assisting in, aircraft operations, such as the "pilot in command", co-pilot, flight engineer or flight attendant.
14. "Embezzlement" means the unlawful conversion of property by one who has had legal possession of that property under a license, lease, mortgage, conditional sale or other agreement, with you, whether written or implied.
15. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
16. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
17. "Federal Aviation Administration" means the duly constituted authority of the United States of America having a jurisdiction over civil aviation or, it's duly constituted equivalent in any other country.
18. "Hostile fire" means a fire that becomes uncontrollable or breaks out from where it was intended to be.
19. "Independent contractor" means any person who is not the insured's "employee", "temporary worker" or "volunteer worker", but who performs duties related to the conduct of the insured's business because of a contract or agreement between the insured and that person for specified services.
20. "Industrial aid":
- a. Means the use of "covered aircraft" in your business operations for the transportation of executives or employees and non-fare paying "passengers" or property without a charge provided that:
 - (1) For **PART I - LIABILITY COVERAGES** only, each pilot operating (other than taxiing by certified pilots or licensed mechanics) a "scheduled aircraft" is employed as a professional pilot; or

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- (2) For **PART II - HULL PHYSICAL DAMAGE COVERAGES** only, each pilot operating (other than taxiing by certified pilots or licensed mechanics) a "scheduled aircraft", a newly purchased aircraft, or a leased aircraft for which you are required to provide physical damage insurance, is employed as a professional pilot.
- b. Includes such use for which you receive cost reimbursement, provided that such cost reimbursement is limited to:
- (1) Fuel, oil, lubricants and other additives;
 - (2) Travel expenses of any "crew-member", including food, lodging and ground transportation;
 - (3) Hangar and tie-down costs away from the aircraft's base of operation;
 - (4) Insurance obtained for the specific flight;
 - (5) Landing fees, airport taxes and similar assessments;
 - (6) Customs, foreign permit and similar fees directly related to the flight;
 - (7) "In-flight" food and beverages;
 - (8) "Passenger" ground transportation;
 - (9) Flight planning and weather contact services; and
 - (10) An additional charge equal to 100% of the expenses described in Paragraph b. (1) above.
- c. Does not include any operation for hire or reward.
21. "In-flight" means:
- a. With respect to fixed-wing aircraft, the time commencing from the start of the take-off run of the aircraft and continuing until the aircraft has completed its landing roll.
 - b. With respect to rotorcraft, any time the rotors are moving under power for lift-off or flight of the aircraft, until the rotors cease revolving after landing.
 - c. With respect to any other aircraft, any time the aircraft is off a supporting surface as a result of propulsion, buoyancy or aerodynamic reaction.
22. "Ingestion" means damage to an engine or auxiliary power unit that is part of a "covered aircraft", if such damage is caused by any object or substance which is not or was not part of the engine or its accessories and such damage is the result of a single incident of sufficient severity to require, or would require if its severity were known at the time, immediate repair before further use.
23. "In-motion" means:
- a. Any time the aircraft is moving under its own power or by the momentum generated by its own power, or while it is "in-flight".
 - b. With respect to rotorcraft, it is anytime the rotors are moving under power or by the momentum generated by such power.
24. "Insured contract" means that part of any of the following contracts or agreements under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization:
- a. A written contract or agreement for the ownership, maintenance or use of "scheduled aircraft";
 - b. A written contract or agreement for the use of a "non-owned aircraft" by you or on your behalf;
 - c. Any contract or agreement for a lease of premises;
 - d. Any contract or agreement required by a military or governmental authority for an insured's use of "aviation premises" including that part of such contract or

AIRCRAFT COVERAGE FORM

agreement that is with, or for the benefit of, any "passenger", "crew member" or his or her heirs; or

- e. Any contract or agreement for the temporary storage, or minor servicing or repair, of a "scheduled aircraft" or a "temporary substitute aircraft" while it is away from its home base.

As used in this definition, tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

However, an "insured contract" does not include liability assumed:

- a. Under any contract or agreement that is with, or for the benefit of, any "passenger", "crew member" or his or her heirs, and is not described in Paragraph d. above;
 - b. Under any contract or agreement that applies to major alterations or repairs as defined in the Federal Aviation Regulations;
 - c. Under any contract or agreement that is with, or for the benefit of, any manufacturer of an aircraft or any aircraft parts or equipment, or such manufacturer's "employees", "temporary workers" or agents;
 - d. Under any contract or agreement that relates to the sale, or relinquishment from exclusive written lease, of an aircraft; or
 - e. Under any contract or agreement for "property damage" to "aviation premises" while rented or leased to you.
25. "Leased worker" means a person hired from a labor leasing firm under an agreement between the hirer and that firm, to perform duties related to the conduct of the hirer's business. However, "leased worker" does not include a "temporary worker".
26. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto a watercraft or "auto";
 - b. While it is in or on a watercraft or "auto"; or
 - c. While it is being moved from a watercraft or "auto" to the place where it is finally delivered.
- However, "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the watercraft or "auto".
27. "Loss of one body part" means:
- a. Severance of a hand at or above the wrist;
 - b. Severance of a foot at or above the ankle; or
 - c. The entire and irrecoverable loss of sight of an eye.
28. "Loss of two or more body parts" means a loss that:
- a. Is any combination of Paragraphs a., b. or c. in the definition of "loss of one body part"; or
 - b. Meets the requirements of either of those paragraphs for more than one hand, foot or eye.
29. "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 premises you own or rent;
 - c. Vehicles that travel on crawler treads;

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- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph **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:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers; or
- f. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are maintained primarily for purposes other than the transportation of any person or cargo.
However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is:

- (i) Subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, in the state where it is licensed or principally garaged; or
- (ii) Designated as a covered auto under your automobile liability insurance.

Land vehicles described in Paragraph (i) or (ii) above are considered "autos".

30. "Non-owned aircraft":

- a. Means any aircraft except:
 - (1) Any "scheduled aircraft";
 - (2) Any aircraft owned in whole or in part by, or registered to, you; or
 - (3) Any aircraft having a seating configuration exceeding the Maximum Number of Seats shown in the Declarations for **Coverage B** and **Coverage F** (regardless of the actual number of "passengers" on the aircraft).
- b. Includes the following for any aircraft described in **a.** above:
 - (1) The aircraft's propulsion system;
 - (2) Parts and equipment installed in or on the aircraft;
 - (3) Parts that are temporarily removed from the aircraft;
 - (4) Parts that are removed from the aircraft until replaced by similar parts; and
 - (5) Tools and repair equipment that is standard for the aircraft and is normally carried on the aircraft.

31. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

32. "Other insurance":

AIRCRAFT COVERAGE FORM

- a. Means insurance, or the funding of losses, that is provided by, through or on behalf of:
- (1) Another insurance company;
 - (2) Us or any of our affiliated insurance companies, except when the Noncumulation of **Coverage G, I, J, M, N, O, Q, R** or **U** Each Occurrence Limit provision of Paragraph 26 of **Section 6 - Limits Of Insurance** of **PART 1 - LIABILITY COVERAGES** applies;
 - (3) Any risk retention group;
 - (4) Any self-insurance method or program, including any failure to provide insurance, or decision to not buy insurance, for any reason, in which case the insured will be deemed to be the provider of "other insurance"; or
 - (5) Any similar risk transfer or risk management method.
- b. Does not include umbrella insurance, or excess insurance, that you bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.
33. "Partial loss" means any physical damage loss which is not a "total loss".
34. "Passenger" means any person in, on or boarding the aircraft for the purpose of riding or flying in such aircraft, or any person exiting from such aircraft after a ride, flight or attempted flight.
35. "Permanent total disability" means, after 12 months of being continuously "totally disabled", the inability of the injured "passenger", for the rest of that person's life, to perform every duty pertaining to his or her occupation at the time the "occurrence" takes place.
36. "Personal injury":
- a. Means injury, including "bodily injury", caused by one or more of the following offenses committed by or on behalf of the insured:
- (1) False arrest, detention or imprisonment, provided that the claim is made or the "suit" is brought by a person who claims to have been falsely arrested, detained or imprisoned;
 - (2) Malicious prosecution, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been maliciously prosecuted;
 - (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - (4) Oral or written publication, in any manner, of material, other than in your "advertisement", that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or whose goods, products or services have allegedly been disparaged; or
 - (5) Oral or written publication, in any manner, of material, other than in your "advertisement", that:
 - (a) Appropriates a person's name, voice, photograph or likeness;
 - (b) Unreasonably places a person in a false light; or
 - (c) Discloses information about a person's private life.
- b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
37. "Pilot in command" means the pilot aboard the "covered aircraft" who is responsible for its "in-flight" operation.

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- 38. "Pleasure and business":**
- a. Means use of "covered aircraft" in your business operations or for personal and pleasure uses.
 - b. Includes such use for which you receive cost reimbursement, provided that such cost reimbursement is limited to:
 - (1) Fuel, oil, lubricants and other additives;
 - (2) Travel expenses of any "crew-member", including food, lodging and ground transportation;
 - (3) Hangar and tie-down costs away from the aircraft's base of operation;
 - (4) Insurance obtained for the specific flight;
 - (5) Landing fees, airport taxes and similar assessments;
 - (6) Customs, foreign permit and similar fees directly related to the flight;
 - (7) "In-flight" food and beverages;
 - (8) "Passenger" ground transportation;
 - (9) Flight planning and weather contact services; and
 - (10) An additional charge equal to 100% of the expenses described in Paragraph **b.(1)** above.
 - c. Does not include any operation for hire or reward.
- 39. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.**
- 40. "Products-completed operations hazard":**
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 - Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
- 41. "Property damage" means:**
- a. Physical damage to tangible property of others, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical damage that caused it; or
 - b. Loss of use of tangible property of others that is not physically damaged. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.

AIRCRAFT COVERAGE FORM

For the purposes of this insurance, data, including information, facts or programs in any electronic format, is not tangible property.

42. "Salvage value" means the value of the damaged property prior to any repairs.
43. "Scheduled aircraft":
- a. Means:
 - (1) Any aircraft listed in the Scheduled Aircraft section of the Declarations; or
 - (2) For **PART 1 - LIABILITY COVERAGES** only, any aircraft covered under **Coverage C**.
 - b. Includes the following for any aircraft listed in the Scheduled Aircraft section of the Declarations or, for **PART 1 - LIABILITY COVERAGES** only, any aircraft covered under **Coverage C**:
 - (1) The aircraft's propulsion system;
 - (2) Parts and equipment installed in or on the aircraft;
 - (3) Parts that are temporarily removed from the aircraft;
 - (4) Parts that are removed from the aircraft until replaced by similar parts; and
 - (5) Tools and repair equipment that are standard for the aircraft and is normally carried on the aircraft.
44. "Secretio n" means hiding property from its rightful owner.
45. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or direct physical loss or damage are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or submits with our consent; and
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
46. "Supplementary machinery or equipment" means machinery or equipment designed for work, other than the transportation of any person or property on a public road. However, "supplementary machinery or equipment" does not include:
- a. Any communication device, such as a radio or telephone; or
 - b. Any machinery or equipment that is designed to perform any function normal to the operation of the land vehicle during travel on public roads, such as a steering mechanism.
47. "Temporary substitute aircraft" means any "non-owned aircraft" used in place of a "scheduled aircraft" that is temporarily withdrawn from use because of its damage, breakdown, repair, modification, inspection, servicing, loss or destruction.
48. "Temporary worker" means a person hired from a labor leasing firm under an agreement between the hirer and that firm, to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
49. "Totally disabled" means the complete inability to perform any duty pertaining to one's occupation.
50. "Total loss" means any physical damage loss for which the cost to repair when added to the "salvage value" equals or exceeds:
- a. The Limit of Insurance specified in the Declarations for a "scheduled aircraft"; or
 - b. The actual cash value of any other Covered Property. Theft of the property or disappearance of the entire aircraft is considered a total loss.
51. "Transportation costs" means the cost of transportation, by the least expensive reasonable means of:

AIRCRAFT COVERAGE FORM

- a. Damaged parts from the site of the loss to and from the most practicable place for repair;
 - b. Replacement parts from the nearest available source to the site of the loss; or
 - c. The damaged property to the most practicable place for repair and, then, to the site of the loss or to your home airport, whichever is closer.
52. "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
53. "Volunteer worker" means a person who:
- a. Is not acting within the scope of his or her employment as an "employee" or as a "temporary worker";
 - b. Donates his or her work; and
 - c. Is not paid a fee, salary or other compensation for that work.
54. "Your product":
- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of such goods or products; and
 - (2) The providing of or failure to provide warnings or instructions with respect to such goods or products.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
55. "Your work":
- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of such work or operations, and
 - (2) The providing of or failure to provide warnings or instructions with respect to such work or operations.

PART 4 - COMMON POLICY CONDITIONS

1. Cancellation

AIRCRAFT COVERAGE FORM

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of the cancellation. If the policy is cancelled, that date will become the end of the policy period.
- e. If this policy is cancelled, we will send to the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. When We Do Not Renew

If we do not renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the non-renewal not less than 30 days before:

- a. The expiration date; or
- b. The anniversary date, if the policy is issued with a policy period of more than one year.

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

3. Changes

This policy contains all the agreements between you and us concerning the insurance provided. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our written consent. This policy's terms can be amended or waived only by endorsement issued by us as part of this policy.

4. Examination Of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

5. Inspections And Surveys

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspection, survey, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

AIRCRAFT COVERAGE FORM

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

6. Premiums

- a. The first Named Insured shown in the Declarations:
 - (1) Is responsible for the payment of all premiums; and
 - (2) Will be the payee for any return premiums we pay.
- b. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

7. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our prior written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone who has proper temporary custody of your property will have rights and duties but only with respect to that property.

8. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our right of cancellation or non-renewal in accordance with applicable insurance laws or regulations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE YEAR POLICY ENDORSEMENT

This policy is amended as follows:

The following replaces Paragraph **b.** of the Premiums condition of **PART 4 - COMMON POLICY CONDITIONS**:

1. This policy was issued for two or more consecutive annual periods. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations is the premium for the first annual period of this policy and was computed based on rates and rules in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date, of this policy, we will compute the premium for that subsequent period in accordance with our rates and rules in effect at the time that period begins.
2. The following is added to **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance**:
The Personal Injury Limit if applicable, and any applicable aggregate limit, under **PART 1 - LIABILITY COVERAGES** applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining such Limits of Insurance.

Name of Insured

Policy Number

Effective Date

Processing Date

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROAD NAMED INSURED ENDORSEMENT

This policy is amended as follows:

1. The following is added to the Named Insured shown in the Declarations:
Any organization of which you are the sole owner or in which you maintain more than a 50% ownership interest on the effective date of this policy.
2. The following replaces the first sentence of Paragraph 4. of **PART 1 - LIABILITY COVERAGES - Section 5. Who Is An Insured:**
Any organization you newly acquire or form of which you are the sole owner or in which you maintain more than a 50% ownership interest will qualify as a Named Insured if there is no "other insurance" which provides similar coverage available to that organization.
3. The following replaces Paragraph 6.a. of **PART 1 - LIABILITY COVERAGES - Section 5. Who Is An Insured:**
 - a. With respect to the conduct of any current or past partnership, joint venture or limited liability company that is not a Named Insured. This subparagraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under **Section 5 - Who Is An Insured;** or
4. The following replaces Paragraph 7. of **PART 1 - LIABILITY COVERAGES - Section 5. Who Is An Insured:**
 7. No organization that qualifies as an insured because you are the sole owner of, or maintain more than a 50% ownership interest in, such organization is an insured after the date, if any, during the policy period that you no longer are the sole owner of, or maintain more than a 50% ownership interest in, such organization.

Name of Insured

Policy Number

Effective Date

Processing Date

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

QUOTA SHARE ENDORSEMENT - CONTROLLING COMPANY

This policy is amended as follows:

SCHEDULE PARTICIPATING COMPANIES

Company	Company Quota Share Percentage of All Limits Of Insurance
Company: _____	_____ %

1. The following is added to the introductory section:

Coverage under this policy is provided by participating insurers. Each of the participating insurers will pay only its quota share percentage of all covered losses under this policy until the applicable limit of insurance is used up. The participating insurers and their respective quota share percentages are shown in the Schedule above.

2. The following replaces Paragraph 2. in the introductory section:

The words "we", "us" and "our" refer to all the companies shown in the Schedule above.

3. The following definition is added to **PART 3 - DEFINITIONS:**

"Controlling Company" means the Insuring Company shown in the Declarations.

4. The following condition is added to **PART 4 - COMMON POLICY CONDITIONS:**

Quota Share Provisions

- a. For any loss covered under this policy, each of the companies shown in the Schedule above will be liable only for that company's quota share percentage shown in the Schedule above of:
- (1) All Limits of Insurance shown in the Declarations, or in a Schedule of an endorsement to this policy, for **PART 1 - LIABILITY COVERAGES;**
 - (2) All payments made under **Section 2 - Defense** or **Section 3 - Supplementary Payments** for **PART 1 - LIABILITY COVERAGES;** and

Name of Insured	Policy Number	Effective Date
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(3) All Limits of Insurance shown in the Declarations, Schedules, Coverage Forms and Endorsements for PART 2 - HULL PHYSICAL DAMAGE COVERAGES.

- b.** In no event will any of the companies shown in the Schedule above be liable for an amount greater than its quota share percentage shown in the Schedule above, including as a result of the receivership, insolvency or other inability to pay of any other company shown in the Schedule above.
- c.** Notice of cancellation or any other notice, report or communication from you to the "Controlling Company" will be deemed to be a notice of cancellation or other notice, report or communication from you to us.
- d.** Notice of cancellation or non-renewal or any other notice, request or communication to you from the "Controlling Company" will be deemed to be a notice of cancellation or non-renewal or other notice, request or other communication to you from us.
- e.** In the event of cancellation of this policy, no company shown in the Schedule above will be liable for more than that company's quota share percentage shown in the Schedule above for any premium refund due.

FLIGHT PLAN PREFERRED AIRCRAFT POLICY DECLARATIONS

Your policy consists of this Declarations and the Flight Plan Preferred Aircraft Coverage Form. It may also include one or more endorsements.

By signing below, the President and Secretary of the Insuring Company agree on behalf of the Insuring Company to all the terms of this Policy.

In return for payment of the premium, the Insuring Company agrees with the Named Insured to provide the insurance afforded by this policy.


 Secretary


 President

Insuring Company:	Address:
--------------------------	-----------------

Named Insured:	Mailing Address:
Form of Business: <i>(Corporation, Individual, etc.)</i>	

Policy number:	
Policy period:	From _____ to _____ 12:01 A.M. Standard Time at the Named Insured's mailing address.
Total Annual Premium:	

Name of Agent or Broker and Address:	Countersigned by: <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center; font-size: small;">Authorized Representative</div> Date: <hr style="border: 0; border-top: 1px solid black;"/>
---	---

Effective Date

Processing Date

PART 1 - LIABILITY COVERAGES and LIMITS OF INSURANCE

This insurance applies only to those Coverages for which Limits of Insurance are shown below.

The Limits of Insurance provided for each Coverage will not exceed:

<u>COVERAGE</u>	<u>LIMITS OF INSURANCE</u>	
Aggregate Limit (Not applicable to Coverage A, B or C)	\$	
Coverage A - Liability For Scheduled Aircraft	<u>Each Passenger Limit</u>	<u>Each Occurrence Limit</u>
Aircraft 1 on Schedule	\$	\$
 Coverage B - Liability For Use Of Non-Owned Aircraft	\$	Each Occurrence
	\$	Each Passenger
Reporting Grace Period:	Consecutive Days	
Maximum Number of Seats:		
 Coverage C - Automatic Insurance For Newly Acquired Aircraft	\$	Each Occurrence
	\$	Each Passenger
Number of Reporting Days:		
 Coverage D - Medical Payments For Scheduled And Non-Owned Aircraft:		
a. With respect to any "scheduled aircraft" or "temporary substitute aircraft":		
Each Non-Crew-Member	\$	Each Occurrence
Each Crew-Member	\$	Each Occurrence
b. With respect to "non-owned aircraft" except a "temporary substitute aircraft":		
Each Non-Crew-Member	\$	Each Occurrence
Each Crew-Member	\$	Each Occurrence
 Coverage E - Liability For Aviation Premises	\$	Each Occurrence

PART 2 - HULL PHYSICAL DAMAGE COVERAGES and LIMITS OF INSURANCE

This insurance applies only if a Maximum Per Aircraft Limit of Insurance is shown below.

COVERAGE

LIMITS OF INSURANCE

Maximum Per Aircraft

\$

Automatic Insurance For Newly Purchased Or Leased Aircraft

Number of Reporting Days:

Scheduled Aircraft

Aircraft #		
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": _____ "Charter/Air Taxi": _____ *Special: _____	Limit of Insurance: _____ \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": _____ "Charter/Air Taxi": _____ *Special: _____	Limit of Insurance: _____ \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": _____ "Charter/Air Taxi": _____ *Special: _____	Limit of Insurance: _____ \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": _____ "Charter/Air Taxi": _____ *Special: _____	Limit of Insurance: _____ \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
	Aircraft Registration Number: _____ Year Built: _____ Make & Model: _____ Number of Seats: Crew: _____ Passenger: _____ Aircraft Usage: "Pleasure and Business": _____ "Industrial Aid": _____ "Commercial": _____ "Charter/Air Taxi": _____ *Special: _____	Limit of Insurance: _____ \$ _____ Deductibles: _____ In-Motion: _____ Not-In-Motion: _____
Aircraft #	* Description of Special Usage:	

Pilot Information

Aircraft #	Coverage provided by this policy will be effective while the aircraft is "in-flight" ONLY if the following conditions are met:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLIGHT PLAN PREFERRED CHANGES ENDORSEMENT FOR USE WITH AV052

This policy is amended as follows:

1. **PART 2 - HULL PHYSICAL DAMAGE COVERAGES - Section 2 - Exclusions** is revised as follows:
 - a. Exclusion **3.c.** is deleted.
 - b. The following is added to Exclusion **3.d.**:
This exclusion does not apply to "ingestion".
2. Definition **17.** "Industrial aid" of **PART 3 - DEFINITIONS** is deleted and replaced with the following:
 17. "Industrial aid":
 - a. Means the use of "covered aircraft" in your business operations for the transportation of executives or employees and non-fare paying "passengers" or property without a charge provided that:
 - (1) For **PART 1 - LIABILITY COVERAGES** only, each pilot operating (other than taxiing by certified pilots or licensed mechanics) a "scheduled aircraft" is employed as a professional pilot; or
 - (2) For **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** only, each pilot operating (other than taxiing by certified pilots or licensed mechanics) a "scheduled aircraft", a newly purchased aircraft, or a leased aircraft for which you are required to provide physical damage insurance, is employed as a professional pilot.
 - b. Includes such use for which you receive cost reimbursement, provided that such cost reimbursement is limited to:
 - (1) Fuel, oil, lubricants and other additives;
 - (2) Travel expenses of any "crew-member", including food, lodging and ground transportation;
 - (3) Hangar and tie-down costs away from the aircraft's base of operation;
 - (4) Insurance obtained for the specific flight;
 - (5) Landing fees, airport taxes and similar assessments;
 - (6) Customs, foreign permit and similar fees directly related to the flight;
 - (7) "In-flight" food and beverages;
 - (8) "Passenger" ground transportation;
 - (9) Flight planning and weather contact services; and
 - (10) An additional charge equal to 100% of the expenses described in Paragraph **b. (1)** above.
 - c. Does not include any operation for hire or reward.

Name of Insured

Policy Number

Effective Date

Processing Date

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REPORTING FORM ENDORSEMENT
FOR USE WITH AV052**

This policy is amended as follows:

SCHEDULE

REPORTING PERIOD (as indicated with an "X" below):		
Monthly	Quarterly	Annual
HULL PHYSICAL DAMAGE DEDUCTIBLES		
"Not - In - Motion":	\$	
"In - Motion":	\$	
HULL PHYSICAL DAMAGE DEDUCTIBLES APPLICABLE TO SPECIFIC TYPES OF AIRCRAFT		
Description of Specific Type of Aircraft	"Not-In-Motion"	"In-Motion"
	\$	\$
	\$	\$
	\$	\$
AIRCRAFT COVERAGE RESTRICTIONS		
Maximum Seating Capacity:	seats (including crew)	
Maximum Weight:	pounds	
Non-Covered Aircraft (as indicated with an "X" below):		
Surplus Governmental Aircraft		
Turbine Aircraft		
Water Alighting Aircraft		
Rotor Wing Aircraft		
Multi-engine Aircraft		
Other Type of Aircraft as described:		
DEPOSIT PREMIUM:	<u>LIABILITY</u> <u>COVERAGES</u>	<u>HULL PHYSICAL DAMAGE</u> <u>COVERAGES</u>
	\$	\$
MINIMUM PREMIUM:	\$	

Name of Insured	Policy Number	Effective Date
		Processing Date

PREMIUM RATES PER AIRCRAFT PER DAY

LIABILITY COVERAGES:

Aircraft Type

Rate

HULL PHYSICAL DAMAGE COVERAGES:

Limit of Insurance

Rate (per \$100 of Limit)

1. The phrase:

Aircraft 1 on Schedule

of the **Coverage A - Liability For Scheduled Aircraft** section of the Declarations is deleted.

2. The **Scheduled Aircraft** section of the Declarations is deleted.

3. The following replaces **Coverage C - Automatic Insurance for Newly Acquired Aircraft** of **PART 1 - LIABILITY COVERAGES - Section 1 - Coverages:**

Coverage C - Automatic Insurance for Newly Acquired Aircraft

If, during the policy period shown in the Declarations, you become the:

1. Owner of an aircraft; or
2. Exclusive lessee of an aircraft, and you are required to provide liability insurance for such aircraft;

this insurance will apply to that aircraft at the time of such acquisition, provided that you report such acquisition to us in accordance with the Reporting condition and within the number of days specified in the Declarations.

Coverage C does not apply to any:

1. Aircraft that exceeds the Maximum Seating Capacity shown in the Aircraft Coverage Restrictions section in the Schedule above;
2. Aircraft that exceeds the Maximum Weight shown in the Aircraft Coverage Restrictions section in the Schedule above; or
3. Non-Covered Aircraft shown in the Aircraft Coverage Restrictions section in the Schedule above.

Unless you and we agree otherwise, the coverages pertaining to that newly acquired aircraft will be the same as are provided for "scheduled aircraft". We will charge an additional premium for the newly acquired aircraft.

The amount we will pay for damages is limited as described in **Section 6 - Limits of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

4. The following replaces Paragraph **1.b.** of the **Airworthiness, Unlawful Purpose or Other Violations or Operational Limitations** exclusion of **PART 1 - LIABILITY COVERAGES - Section 4 - Exclusions**:

b. Used for any unlawful purpose or for any purpose other than the Aircraft Usage reported in the most recent report of values on file with us.

5. The following replaces the **Automatic Insurance For Newly Purchased Or Leased Aircraft** additional coverage of **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**:

Automatic Insurance For Newly Purchased Or Leased Aircraft

We will pay for direct physical loss of or damage to newly purchased aircraft or leased aircraft for which you are required to provide physical damage insurance, caused by or resulting from a Covered Cause Of Loss, provided you report such purchase or lease to us in accordance with the Reporting Condition.

This additional coverage does not apply to any:

- (1) Aircraft that exceeds the Maximum Seating Capacity shown in the Aircraft Coverage Restrictions section in the Schedule above;
- (2) Aircraft that exceeds the Maximum Weight shown in the Aircraft Coverage Restrictions section in the Schedule above; or
- (3) Non-Covered Aircraft shown in the Aircraft Coverage Restrictions section in the Schedule above.

This additional coverage will end after the number of reporting days specified in the Declarations passes after the end of the "reporting period" during which you purchase or lease the aircraft.

We will charge you additional premium from the date you purchase or lease the aircraft.

6. The following replaces exclusion **2.b.** of **PART 2 - HULL PHYSICAL DAMAGE COVERAGES - Section 2 - Exclusions**:

2. We will not pay for loss or damage that takes place while the "covered aircraft" is:
- b. Used for any unlawful purpose or for any purpose other than the Usage reported in the most recent report of values on file with us.

7. The following replaces **Section 4 - Deductible** of **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**:

We will not pay for loss or damage in any one event until the amount of loss or damage exceeds the applicable deductible shown in the Schedule above. We will then pay the amount of loss or damage in excess of the applicable deductible, up to the applicable limit of insurance. If any Hull Physical Damage Deductibles Applicable to Specific Types of Aircraft shown in the Schedule above apply to a "covered aircraft", we will not apply any other Hull Physical Damage Deductibles shown in the Schedule above to such aircraft.

If more than one coverage, additional coverage, or coverage extension applies to loss or damage to any one "covered aircraft" in any one event covered under **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**, the most we will deduct is the largest applicable deductible.

If more than one "covered aircraft" suffers loss or damage in any one event covered under **PART 2 - HULL PHYSICAL DAMAGE COVERAGES**, we will deduct the largest applicable deductible for each "covered aircraft".

However, we will not apply any deductible for the following:

1. "Total loss".
 2. Loss caused by collision with any other aircraft that we insure.
8. The following replaces paragraph (1) in sub-section 7., **Valuation**, of **PART 2 - HULL PHYSICAL DAMAGE COVERAGES - Section 5 - Hull Physical Damage Coverages Conditions**:
- (1) In the event of covered loss or damage, the value of "covered aircraft" will be:
 - (a) The Limit of Insurance applicable to the "scheduled aircraft" as reported on your most recent report of values on file with us.
 - (b) The least of the following for newly purchased or leased aircraft:
 - i. Your cost for such aircraft;
 - ii. Your obligation under the lease for such aircraft; or
 - iii. The Maximum Per Aircraft Limit shown in the Declarations.
9. The following definition is added to **PART 3 - DEFINITIONS**:
- "Reporting period" means the period of time for which new reports of value are due, as shown in the Schedule above:
- Monthly periods start on the first day of each month and end on the last day of each month.
- Quarterly periods start on the first day of each quarter and end on the last day of each quarter.
- Annual periods start on the first date of the policy period and each anniversary date and end on the earlier of the next anniversary date or the policy expiration date.
10. The following replaces paragraph a. in the definition of "scheduled aircraft" in **PART 3 - DEFINITIONS**:
- "Scheduled aircraft":
- a. Means any aircraft for which you have provided all information required under the Reporting condition of **PART 4 - COMMON POLICY CONDITIONS** on the most recent report of values on file with us.
11. The following is added to the definition of "scheduled aircraft" in **PART 3 - DEFINITIONS**:
- "Scheduled aircraft":
- c. Does not include any:
 - (1) Aircraft that exceeds the Maximum Seating Capacity shown in the Aircraft Coverage Restrictions section in the Schedule above;
 - (2) Aircraft that exceeds the Maximum Weight shown in the Aircraft Coverage Restrictions section in the Schedule above; or
 - (3) Non-Covered Aircraft shown in the Aircraft Coverage Restrictions section in the Schedule above.
12. The following condition is added to **PART 4 - COMMON POLICY CONDITIONS**:
- Reporting**
- a. **Report Of Values**
- You must file with us a report of values, within 15 days after each "reporting period" and the policy expiration date, showing the following information, as of the last day of each month within the "reporting period", for each aircraft for which insurance is provided by this policy:
- (1) Aircraft Registration Number;

- (2) Make & Model;
- (3) Year Built;
- (4) Number of Seats (Crew);
- (5) Number of Seats (Passengers);
- (6) Usage;
- (7) Limit of Insurance;
- (8) Number of days owned during the period of the report; and
- (9) Number of days leased during the period of the report.

b. Changes In Report Of Values

You may not change the Limit of Insurance for any aircraft reported in the report of values unless first approved by us. You may not correct an inaccurate report relating to any aircraft after loss of or damage to, or arising out of, such aircraft has occurred.

c. Aircraft Not Reported

Except as provided in the **Automatic Insurance For Newly Purchased Or Leased Aircraft** additional coverage and **Coverage C - Automatic Insurance for Newly Acquired Aircraft**, we will not pay for loss of or damage to, or damages because of "bodily injury" or "property damage" arising out of, any aircraft which has not been reported in accordance with this Reporting condition.

13. The following replaces Paragraph b. in section 6. Premiums of PART 4 - COMMON POLICY CONDITIONS:

- b.** The premium charged at the inception of your policy is a deposit premium. We will compute your actual premium for each "reporting period" in accordance with the premium rates per aircraft per day shown in the Schedule above. Your actual premium for each "reporting period" is based on your exposures during the "reporting period".

Based on the difference between the deposit premium and the actual premium, for each "reporting period", we will:

- (1) Charge additional premium;
- (2) Retain any excess premium to be applied to the actual premium for the next "reporting period" within the policy period; or
- (3) Return any excess premium at the expiration of the policy period, provided the actual premium for the policy period exceeds any minimum premium shown in the Schedule above.

The minimum premium for the policy period, if any, is shown in the Schedule above. If the actual premium for the policy period is less than such minimum premium, we will charge you for the difference at the expiration of the policy period.

14. The following replaces the second paragraph of section 8. Representations, in PART 4 - COMMON POLICY CONDITIONS:

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However:

- a. This provision does not affect our right to collect additional premium or to exercise our right of cancellation or non-renewal in accordance with applicable insurance laws or regulations; and
- b. This provision does not apply to the Reporting condition.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITS OF INSURANCE ENDORSEMENT -
DELETION OF AGGREGATE LIMIT
FOR USE WITH AV002**

This policy is amended as follows:

1. The following replaces **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance**:

Section 6 - Limits Of Insurance

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

If two or more aircraft are insured by this policy, the Limits of Insurance of, and any deductibles under, Coverage A, B or C of **PART 1 - LIABILITY COVERAGES** will apply separately to each aircraft.

The applicable limit of insurance will not be reduced by the amount of any damages included within any deductible amount that applies.

2. The **Coverage A** Each Occurrence Limit for each aircraft is the most we will pay under **Coverage A** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence" involving the ownership, maintenance or use of that aircraft.
3. The **Coverage B** Each Occurrence Limit is the most we will pay under **Coverage B** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
4. The **Coverage C** Each Occurrence Limit is the most we will pay under **Coverage C** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
5. The following **Coverage D** Passenger Voluntary Settlement Limits For Scheduled And Non-Owned Aircraft are the most we will pay under **Coverage D** for the sum of all payments because of all "bodily injury" arising out of any one "occurrence":
- a. With respect to any "scheduled aircraft" or "temporary substitute aircraft":
 - (1) the Each Non-Crew-Member Passenger Limit is the most we will pay under **Coverage D** for the sum of all payments because of all "bodily injury" sustained by any one "passenger" other than a "crew-member"; and
 - (2) the Each Crew-Member Limit is the most we will pay under **Coverage D** for the sum of all payments because of all "bodily injury" sustained by any one "crew-member".

Name of Insured

Policy Number

Effective Date
Processing Date

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- b. With respect to any "non-owned aircraft" except a "temporary substitute aircraft":
- (1) the Each Non-Crew-Member Passenger Limit is the most we will pay under **Coverage D** for the sum of all payments because of all "bodily injury" sustained by any one "passenger" other than a "crew-member";
 - (2) the Each Crew-Member Limit is the most we will pay under **Coverage D** for the sum of all payments because of all "bodily injury" sustained by any one "crew-member"; and
 - (3) the Total Non-Owned Aircraft Non-Crew-Member and Crew-Member Limit is the most we will pay under **Coverage D** for the sum of all payments because of all "bodily injury" sustained by all "passengers" and "crew-members".
- c. However, the most we will pay under **Coverage D** for "loss of one body part" is one-half of the applicable limit described in Paragraph a. or b. above.

Subject to the Maximum Indemnity Period shown in the Declarations, the **Coverage D** Each Passenger Maximum Weekly Indemnity Limit is the most we will pay to an injured "passenger" who becomes "totally disabled" as a direct result of "bodily injury" to which this insurance applies. However, if the injured "passenger" is a "crew member", or is your "employee" or "temporary worker", when the "occurrence" takes place, the applicable **Coverage D** Passenger Voluntary Settlement Limit For Scheduled And Non-Owned Aircraft will be reduced by the amount of any such payments.

6. The following **Coverage E** Medical Payments For Scheduled And Non-Owned Aircraft Limits are the most we will pay under **Coverage E** for the sum of all medical expenses because of "bodily injury" arising out of any one "occurrence":
- a. With respect to any "scheduled aircraft" or "temporary substitute aircraft":
- (1) the Each Non-Crew-Member Limit is the most we will pay under **Coverage E** for the sum of all medical expenses because of all "bodily injury" sustained by any one person other than a "crew-member"; and
 - (2) the Each Crew-Member Limit is the most we will pay under **Coverage E** for the sum of all medical expenses because of all "bodily injury" sustained by any one "crew-member".
- b. With respect to any "non-owned aircraft" except a "temporary substitute aircraft":
- (1) the Each Non-Crew-Member Limit is the most we will pay under **Coverage E** for the sum of all medical expenses because of all "bodily injury" sustained by any one person other than a "crew-member"; and
 - (2) the Each Crew-Member Limit is the most we will pay under **Coverage E** for the sum of all medical expenses because of all "bodily injury" sustained by any one "crew-member".
7. The **Coverage F** Each Occurrence Limit is the most we will pay under **Coverage F** for the sum of all damages because of all "property damage" arising out of any one "occurrence".
8. The **Coverage G** Each Occurrence Limit is the most we will pay under **Coverage G** for the sum of all damages because of all "property damage" arising out of any one "occurrence".
9. The **Coverage H** Each Occurrence Limit is the most we will pay under **Coverage H** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
10. The **Coverage I** Each Occurrence Limit is the most we will pay under **Coverage I** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".

11. The **Coverage J** Each Occurrence Limit is the most we will pay under **Coverage J** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
12. The **Coverage K** Medical Payments For Aviation Premises Each Occurrence Limit is the most we will pay under **Coverage K** for the sum of all medical expenses because of "bodily injury" sustained by any one person and arising out of any one "occurrence".
13. The **Coverage L** Personal Injury Limit is the most we will pay under **Coverage L** for the sum of all damages because of all "personal injury" sustained by all persons or organizations.
14. The **Coverage M** Each Occurrence Limit is the most we will pay under **Coverage M** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
15. The **Coverage N** Each Occurrence Limit is the most we will pay under **Coverage N** for the sum of all damages because of all "property damage" arising out of any one "occurrence".
16. The **Coverage O** Each Occurrence Limit is the most we will pay under **Coverage O** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
17. The **Coverage P** Each Occurrence Limit is the most we will pay under **Coverage P** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
18. The **Coverage Q** Each Occurrence Limit is the most we will pay under **Coverage Q** for the sum of all damages because of all "property damage" arising out of any one "occurrence".
19. The **Coverage R** Each Occurrence Limit is the most we will pay under **Coverage R** for the sum of all damages because of all "property damage" arising out of any one "occurrence".
20. The **Coverage S** Each Occurrence Limit is the most we will pay under **Coverage S** for the sum of all damages because of direct physical loss of or damage to "cargo" arising out of any one "occurrence".
21. The **Coverage T** Each Passenger/Each Occurrence Limit is the most we will pay under **Coverage T** for the sum of all damages, and sums you have agreed to pay others, because of direct physical loss of or damage to the personal effects and baggage of any one "passenger" arising out of any one "occurrence".
22. The **Coverage U** Each Occurrence Limit is the most we will pay under **Coverage U** for the sum of all damages because of all "bodily injury" arising out of any one "occurrence".
23. The **Coverage V** Each Occurrence Limit is the most we will pay under **Coverage V** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".
24. The **Coverage W** Each Occurrence Limit is the most we will pay under **Coverage W** for the sum of all expenses for search and rescue operations because of actual or suspected "bodily injury" to "passengers" arising out of any one "occurrence".
25. Noncumulation of Limits When More Than One Coverage Applies to an Occurrence - If more than one of the above coverages applies to any one "occurrence", we will not pay more than the highest applicable limit of insurance of any one of those coverages for the sum of all damages, medical expenses, payments, and sums you have agreed to pay to others, because of all "bodily injury", "property damage" and direct physical loss or damage arising out of that "occurrence". This does not increase the limit of insurance that applies under any one of those coverages.

26. Noncumulation of **Coverage G, I, J, M, N, O, Q, R** or **U** Each Occurrence Limit - If any one "occurrence" causes:
- a. "Bodily injury" or "property damage" covered under **Coverage G, I, J, M, N, O, Q, R** or **U**; and
 - b. "Bodily injury" or "property damage" to which any liability coverage in any aircraft coverage form included in one or more prior or future policies issued to you by us or any of our affiliated insurance companies applies;
- this policy's Each Occurrence Limit applicable to that "occurrence" also will be reduced by the amount of each payment made because of the "bodily injury" or "property damage" described in Paragraph **b.** above by us or any of our affiliated insurance companies under, and within the applicable limit of insurance of, each such other policy.
27. The phrase "Subject to Paragraph 2. above, the", when used to begin a sentence in any endorsement to this policy that adds a provision to **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance**, is replaced with "The". The remainder of that sentence is not changed and continues to apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIABILITY COVERAGE FOR PROPERTY DAMAGE TO NON-OWNED AIRCRAFT

This policy is amended as follows:

SCHEDULE

<u>COVERAGE</u>	<u>LIMIT OF INSURANCE</u>
Coverage - Liability For Property Damage To Non-owned Aircraft	\$ Each Occurrence
Reporting Grace Period:	Consecutive Days
Maximum Number of Seats:	

1. The following is added to **PART 1 - LIABILITY COVERAGES - Section 1 - Coverages:**

Coverage - Liability For Property Damage To Non-Owned Aircraft

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies. This insurance applies to "property damage" only if the "property damage" is:

- To a "non-owned aircraft" being used by you or on your behalf that is not in the insured's care, custody or control for the sole purpose of safekeeping, storage, service or repair of such aircraft; and
- Caused by an "occurrence" that takes place during the policy period and in the "coverage territory".

The amount we will pay for damages is limited as described in **Section 6 - Limits Of Insurance**. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under **Section 2 - Defense** or **Section 3 - Supplementary Payments**.

The insurance provided under **Coverage - Liability For Property Damage To Non-Owned Aircraft** is subject to the following provision:

You must report to us as soon as practicable the lease or use of any "non-owned aircraft" that exceeds the Reporting Grace Period shown in the Schedule of the **LIABILITY COVERAGE FOR PROPERTY DAMAGE TO NON-OWNED AIRCRAFT** endorsement. We may request additional information and charge an additional premium for this lease or use. Your inadvertent failure to report to us this lease or use will not void this coverage if you report to us this lease or use as soon as possible after the omission is discovered, and we still may request additional information and charge an additional premium for this lease or use at that time.

2. The following is added to the **Damage To Property** exclusion of **PART 1 - LIABILITY COVERAGES - Section 4 - Exclusions:**

This exclusion does not apply to "property damage" covered under **Coverage - Liability For Property Damage To Non-Owned Aircraft**.

Name of Insured	Policy Number	Effective Date
		Processing Date

3. The following is added to **PART 1 - LIABILITY COVERAGES - Section 6 - Limits Of Insurance**:

Subject to Paragraph 4. above, the Each Occurrence Limit shown in the Schedule of the **LIABILITY COVERAGE FOR PROPERTY DAMAGE TO NON-OWNED AIRCRAFT** endorsement is the most we will pay under **Coverage - Liability For Property Damage To Non-Owned Aircraft** for the sum of all damages because of all "property damage" arising out of any one "occurrence".

4. The following is added to Paragraph **b.** of the **Other Insurance** condition of **PART 1 - LIABILITY COVERAGES - Section 7 - Liability Coverages Conditions**:

This insurance is excess over any of the "other insurance", whether primary, excess, contingent or on any other basis, that is for damages because of "property damage" covered under **Coverage - Liability For Property Damage To Non-Owned Aircraft**.

5. The following is added to the exceptions of Paragraph **a.** of the definition of "non-owned aircraft" of **PART 3 - DEFINITIONS**:

Any aircraft having a seating configuration exceeding the Maximum Number of Seats shown in the Schedule of the **LIABILITY COVERAGE FOR PROPERTY DAMAGE TO NON-OWNED AIRCRAFT** endorsement (regardless of the actual number of "passengers" on the aircraft).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITS OF INSURANCE ENDORSEMENT -
DELETION OF AGGREGATE LIMIT
FOR USE WITH AV052**

This policy is amended as follows:

1. Paragraph 2. of **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance** is deleted.
2. The last sentence of Paragraph 6. of **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance** is deleted.
3. The following replaces Paragraph 7. of **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance**:

The **Coverage E** Each Occurrence Limit is the most we will pay under **Coverage E** for the sum of all damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".

4. The following is added to **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance**:

The phrase "Subject to Paragraph 2. above, the", when used to begin a sentence in any endorsement to this policy that adds a provision to **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance**, is replaced with "The". The remainder of that sentence is not changed and continues to apply.

5. The following is added to **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance**:

Any sentence beginning with the phrase "If either Paragraph 3., 4. or 5. above applies", when used in any endorsement to this policy that adds a provision to **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance**, is deleted.

6. The following is added to **PART 1 - LIABILITY COVERAGES - Section 6 - Limits of Insurance**:

Noncumulation of Limits When More Than One Coverage Applies to an Occurrence -
If more than one of the above coverages applies to any one "occurrence", we will not pay more than the highest applicable limit of insurance of any one of those coverages for the sum of all amounts because of all "bodily injury" and "property damage", and direct physical loss or damage if coverage for such loss or damage is provided by this policy, arising out of that "occurrence". This does not increase the limit of insurance that applies under any one of those coverages.

Name of Insured

Policy Number

Effective Date
Processing Date

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIENHOLDER'S INTEREST ENDORSEMENT

SCHEDULE

<u>Name and Address of Lienholder</u>	<u>Aircraft Registration Number</u>	<u>Amount Of Lien</u>
---------------------------------------	-------------------------------------	-----------------------

The following condition is added to **PART 2 - HULL PHYSICAL DAMAGE COVERAGES** - Section 5 - Hull Physical Damage Coverages Conditions:

Lienholder's Interest

- a. We will make payment for loss or damage to any aircraft shown in the Schedule above to you and the Lienholder shown in the Schedule above based on the financial interest you and the Lienholder have in such aircraft.
- b. As to the interest of such Lienholder in any aircraft shown in the Schedule above, coverage under Part 2 - HULL PHYSICAL DAMAGE COVERAGES will not be invalidated by any act or neglect by you or any change in the title or ownership of the aircraft; provided however that;
 - (1) if the Named Insured neglects to pay any premium due under this policy, the Lienholder must pay the premium on demand; and
 - (2) the Lienholder must notify us of any change in title or ownership of the aircraft or apparent increase of hazard, which comes to the knowledge of the Lienholder, and, on demand, pay any additional premium for such increased hazard.
- c. Our liability for payment to such Lienholder will not exceed the lesser of:
 - (1) the applicable amount of lien shown in the Schedule above, which would have remained unpaid at the time of the loss or damage had all payments been made when not more than 10 days overdue; or
 - (2) the value of the aircraft as stated in this policy.
- d. If we pay any sum for loss, damage or expense and claim that, as to you, we were not liable for such payment, such Lienholder will, to the extent of payment, assign, deliver and convey all interest that the Lienholder may have in the aircraft, all instruments of security pertaining to the aircraft and rights against you, to us. You agree to promptly reimburse us for any sum paid for loss, damage or expense which we would not have been obligated to pay but for the provisions of this condition.
- e. If we cancel this policy or the Lienholder's Interest Endorsement, we will mail or deliver to such Lienholder written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.

Name of Insured	Policy Number	Effective Date
		Processing Date

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REPLACEMENT AIRCRAFT RENTAL OR LEASING EXPENSE ENDORSEMENT

This policy is amended as follows:

SCHEDULE

Limits of Insurance:

\$ Each Day
\$ Each Event

Minimum Required Repair Period: (Consecutive Days)

Maximum Coverage Period: (Consecutive Days)

The following coverage extension is added to **PART 2 - HULL PHYSICAL DAMAGE COVERAGES - Section 1 - Coverages:**

Replacement Aircraft Rental Or Leasing Expense

If a "covered aircraft" for which you have purchased HULL PHYSICAL DAMAGE COVERAGE suffers direct physical loss or damage covered by this policy, we will pay, during the period of repair of such aircraft, your reasonable Rental or Leasing Expense for a replacement aircraft of similar kind or quality. Rental or Leasing Expense means that portion of the actual cost of leasing or renting a replacement aircraft which exceeds the cost you would have incurred if you could have operated the "covered aircraft" had it not been damaged. The most we will pay for Rental or Leasing Expense incurred in any one day is the Each Day Limit of Insurance shown in the Schedule above. We will not pay more in any one event under this coverage extension than the Each Event Limit of Insurance shown in the Schedule above. These limits are in addition to the limit of insurance applicable to the "covered aircraft".

This coverage extension does not apply:

- (1) Unless the time required for repair exceeds the Minimum Required Repair Period shown in the Schedule above;
- (2) If another aircraft is available to you at no extra charge for its use;
- (3) Once you acquire, through ownership, lease, lease-purchase option, or otherwise, a permanent replacement for the damaged "covered aircraft";
- (4) If the "covered aircraft" is a "total loss" and we have offered you settlement for such loss; or
- (5) After the Maximum Coverage Period shown in the Schedule above has expired.

Name of Insured

Policy Number

Effective Date
Processing Date

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEMPORARY REPLACEMENT PARTS RENTAL EXPENSE ENDORSEMENT

This policy is amended as follows:

SCHEDULE

Limit of Insurance: \$
Minimum Required Repair Period: (Consecutive Days)
Maximum Coverage Period: (Consecutive Days)

The following coverage extension is added to **PART 2 - HULL PHYSICAL DAMAGE COVERAGES - Section 1 - Coverages:**

Temporary Replacement Parts Rental Expense

If a "covered aircraft" for which you have purchased HULL PHYSICAL DAMAGE COVERAGE suffers direct physical loss or damage covered by this policy, we will pay, during the period of repair of such aircraft, your reasonable additional expenses to rent temporary replacement component parts of similar kind or quality to replace the parts that sustained the loss or damage. We will also pay your cost to install, remove and transport such parts. We will not pay more under this coverage extension than the Limit of Insurance shown in the Schedule above. This limit is in addition to the limit of insurance applicable to the "covered aircraft". This coverage will not apply unless the time required for repair exceeds the Minimum Required Repair Period shown in the Schedule above. This coverage will not apply to temporary replacement parts rental expense incurred after the Maximum Coverage Period shown in the Schedule above has expired.

Name of Insured	Policy Number	Effective Date
		Processing Date

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPARE ENGINES AND SPARE PARTS AS COVERED PROPERTY ENDORSEMENT

This policy is amended as follows:

SCHEDULE

Limit of Insurance: \$

Deductible: \$

1. The following is added to the **Covered Property** section of **PART 2 - HULL PHYSICAL DAMAGE COVERAGES - Section 1 - Coverages:**

Spare Engines and Spare Parts

Covered Property also means Spare Engines and Spare Parts. Spare Engines and Spare Parts means any spare engine or any spare part that is owned by you or for which you are legally responsible. This coverage is excess of any other valid and collectible insurance covering the same loss or damage. If no such other insurance exists, this coverage will be primary. This coverage applies to loss or damage that takes place while such spare engines and spare parts are in transit, or at any location in the "coverage territory".

2. The following is added to the **Valuation** condition of **PART 2 - HULL PHYSICAL DAMAGE COVERAGES:**

In the event of covered loss or damage to spare engines or spare parts, the value will be the least of:

- (1) The reasonable costs to repair the damaged spare engines or spare parts.
- (2) The replacement cost less any depreciation of such spare engines or spare parts.
- (3) The Limit of Insurance shown in the Schedule above.

We will not pay for loss or damage in any one event until the amount of loss or damage exceeds the Deductible shown in the Schedule above.

Name of Insured

Policy Number

Effective Date

Processing Date

PARTICIPATING QUOTA SHARE AIRCRAFT POLICY DECLARATIONS

By signing below, the President and Secretary of the Insuring Company agree on behalf of the Insuring Company to all the terms of this quota share policy.

In return for payment of the premium, the Insuring Company agrees with the Named Insured to provide its quota share percentage of the insurance afforded by this quota share policy.


 Secretary


 President

Insuring Company:	Address:
--------------------------	-----------------

Named Insured:	Mailing Address:
Form of Business: <i>(Corporation, Individual, etc.)</i>	

Policy number:	
Policy period:	From _____ to _____ 12:01 A.M. Standard Time at the Named Insured's mailing address.
Insuring Company's Total Annual Quota Share Premium:	

Name of Agent or Broker and Address:	Countersigned by: _____ Authorized Representative Date: _____
---	---

Effective Date

Processing Date

SCHEDULE

Lead Policy:

**Controlling
Company:**

Coverages:

100% Limit of Insurance:

\$
\$
\$
\$
\$
\$
\$
\$
\$
\$

**All Participating Companies (Including Insuring
Company and Controlling Company):**

**Participating Companies
Quota Share Percentage of
100% Limits Of Insurance:**

Company:
Company:
Company:
Company:
Company:
Company:
Company:
Company:

%
%
%
%
%
%
%
%

PARTICIPATING QUOTA SHARE AIRCRAFT POLICY

Throughout this quota share policy:

1. The words "we", "us" and "our" refer to the Insuring Company shown in the Declarations; and
2. The words "you" and "your" refer to the Named Insured shown in the Declarations.

Section 1 - Coverage

This quota share policy incorporates by reference, and affords coverage in accordance with and subject to the coverages, warranties, terms, conditions and exclusions contained in the Lead Policy shown in the Schedule above, except as regards the premium, the quota share percentage of the limits of insurance and the policy period, and except as otherwise provided in this quota share policy.

Section 2 - Limits Of Insurance

The most we will pay under this quota share policy is our quota share percentage shown in the Schedule above of the applicable 100% Limit Of Insurance shown in the Schedule above.

Section 3 - Additional Conditions

1. Several Obligations

Our obligations under this quota share policy with respect to the coverage provided under the Lead Policy are several and not joint and are limited solely to the extent of our quota share percentage of the applicable limits of insurance. Our liability will in no way be increased or expanded for the quota share percentage of any other participating company who for any reason (including receivership, insolvency or other inability to pay) does not satisfy all or part of its obligation.

2. Changes

The terms of the Lead Policy shown in the Schedule above can be amended or waived only by endorsement issued by the Controlling Company shown in the Schedule above as part of such Lead Policy and signed by us.

3. Duties In The Event Of Actual Or Potential Claim, Suit, Loss Or Damage

- a. You must see to it that we are notified as soon as practicable of an event which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the event took place;
 - (2) The names and addresses of any persons or organizations sustaining injury, damage or loss and the names and addresses of any witnesses; and
 - (3) The nature and location of any injury, damage or loss arising out of the event.
- b. If a claim is made or a suit is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or suit and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or suit as soon as practicable.

- c. If an event results in direct physical loss or damage to covered property you must:
- (1) Give us prompt notice of the loss or damage; and
 - (2) As soon as practicable, give us a description of how, when and where the loss or damage occurred.

The above duties apply in addition to those contained in the Lead Policy shown in the Schedule above.

4. Cancellation

We may cancel this quota share policy for nonpayment of premium by mailing or delivering to you written notice of cancellation at least 10 days before the effective date of cancellation. We will mail or deliver our notice to your last mailing address known to us. Notice of cancellation will state the effective date of cancellation.

The above provision applies in addition to the cancellation provisions contained in the Lead Policy shown in the Schedule above.

SERFF Tracking Number: TRVD-125696710 State: Arkansas
First Filing Company: St. Paul Fire and Marine Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: 2008-06-0020
TOI: 22.0 Aircraft Sub-TOI: 22.0000 Aircraft
Product Name: Aviation Program
Project Name/Number: Aviation Program Form Rev & Endts Submission/2008-06-0020

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 06/19/2008

Comments:

Attachments:

AR NAIC Transmittal Doc.pdf
AR NAIC Form Filing Schedule.pdf

Satisfied -Name: Filing Memorandum **Review Status:** Approved 06/19/2008

Comments:

Attachment:

2008-06-0020 Filing Memo.pdf

Satisfied -Name: Index of Forms **Review Status:** Approved 06/19/2008

Comments:

Attachment:

Index of Forms CW.pdf

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	2008-06-0020
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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In this filing we are expanding our coverage offering for our currently approved Aviation products (titled Flight Plan Premier and Flight Plan Preferred) via a revised Premier coverage form (AV002 Rev. 2-08) and several new endorsements. For your background information regarding our Aviation Program, our Flight Plan Premier product targets the 'Industrial aid' (i.e. corporate flight departments operating jet aircraft) segment of the General Aviation market; while our Flight Plan Preferred product is designed for the Pleasure & Business and Commercial segments of business. Overall, the changes we are proposing result in a broader coverage form for our insureds.

Several forms were newly created and some revised to ensure the Flight Plan Preferred product tracked with the revised Flight Plan Premier product. In addition, some newly developed endorsements were designed to provide added flexibility to meet the varying needs of the General Aviation market segment include. Changes in the Declarations (AV001 Rev. 2-08 and AV051 Rev 3-08) and Scheduled Aircraft (continued) (AV053 Rev 2-08) forms were also made to track with the revisions to the corresponding coverage forms.

As a reminder, our Aviation Program will continue to utilize our currently approved state amendatory endorsement to bring our forms into compliance with the applicable laws of your state. This form was approved under company filing number 2007-04-0007.

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]
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Check #: N/A - EFT
Amount: \$50.00

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 #	2008-06-0020			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	N/A			
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	Flight Plan Premier Aircraft Policy Declarations	AV001, 2-08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AV001 (11-07)	Our Company Filing No.: 2007-11-0088
02	Flight Plan Premier Aircraft Coverage Form AV002	AV002, 2-08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AV002, 01-07	Our Company Filing No.: 2007-04-0007
03	Multiple Year Policy Endorsement	AV033, 5-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	NA - New	NA - New
04	Broad Named Insured Endorsement	AV034, 5-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
05	Quota Share Endorsement – Controlling Company	AV035, 5-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
06	Flight Plan Preferred Aircraft Policy Declarations	AV051, 3-08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AV051 (11-07)	2007-11-0088
07	Scheduled Aircraft (continued)	AV053, 2-08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AV053 (11-07)	2007-11-0088
08	Flight Plan Preferred Changes Endorsement For Use With AV052	AV055, 2-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
09	Reporting Form Endorsement For Use With AV052	AV056, 5-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
10	Limits of Insurance Endorsement - Deletion of Aggregate Limit For Use With AV002	AV132, 3-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
11	Liability Coverage for Property Damage to Non-Owned Aircraft	AV211 2-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
12	Limits of Insurance Endorsement - Deletion of Aggregate Limit – For Use With AV052	AV234, 3-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A

13	Lienholder's Interest Endorsement	AV522, 5-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
14	Replacement Aircraft Rental or Leasing Expense Endorsement	AV604, 2-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
15	Temporary Replacement Parts Rental Expense Endorsement	AV606, 2-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
16	Spare Engines and Spare Parts as Covered Property Endorsement	AV609, 2-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
17	Participating Quota Share Aircraft Policy Declarations	AVQS1, 6-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
18			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
19			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
20			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
21			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
22			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
23			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
24			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
25			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
26			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
27			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
28			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A

Effective March 1, 2007

29			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A	N/A
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Aviation Program Filing Memorandum

In this filing we are expanding our coverage offering for our currently approved Aviation products (titled Flight Plan Premier and Flight Plan Preferred) via a revised Premier coverage form (AV002 Rev. 2-08) and several new endorsements.

Several forms were revised to ensure the Flight Plan Preferred product tracked with the revised Flight Plan Premier product. These include:

- AV055 Ed. 2-08 – Flight Plan Preferred Changes Endorsement
 - AV211 Rev. 2-08 – Liability for Property Damage to Non-Owned Aircraft
 - AV604 Rev. 2-08 – Replacement Aircraft Rental or Leasing Expense Endorsement
 - AV606 Rev. 2-08 – Temporary Replacement Parts Rental Expense Endorsement
 - AV609 Rev. 2-08 – Spare Engines and Spare Parts as Covered Property
- Changes in the Declarations (AV001 Rev. 2-08 and AV051 Rev 3-08) and Scheduled Aircraft (continued) (AV053 Rev 2-08) forms were also made to track with the revisions to the corresponding coverage forms.

The newly created endorsements designed to provide added flexibility to meet the varying needs of the General Aviation market segment include:

- AV033 Ed. 5-08 – Multiple Year Policy Endorsement
- AV034 Ed. 5-08 – Broad Named Insured Endorsement
- AV056 Ed. 5-08 – Reporting Form Endorsement – For Use with AV052
- AV132 Ed. 3-08 – Limits of Insurance Endorsement – Deletion of Aggregate Limits – For Use with AV002
- AV234 Ed. 3-08 – Limits of Insurance Endorsement – Deletion of Aggregate Limits – For Use with AV052
- AV522 Ed. 5-08 – Lienholder's Interest Endorsement
- AV035 Ed. 5-08 – Quota Share Endorsement – Controlling Company
- AVQS1 Ed. 5-08 – Participating Quota Share Aircraft Policy

The Flight Plan Premier product targets the 'Industrial aid' (i.e. corporate flight departments operating jet aircraft) segment of the General Aviation market; while the Flight Plan Preferred product is designed for the Pleasure & Business and Commercial segments of business. These products are based on industry-standard coverages common to the General Aviation market. While both the Flight Plan Preferred and Flight Plan Premier products each consist of their own declarations, schedules, coverage form and endorsements, we have designed the forms to work interchangeably wherever appropriate. Overall, the changes we are proposing result in a broader coverage form for our insureds.

**Aviation Flight Plan Program
Index of Forms**

Form #	Ed.	Title	Product	Replaced Form #/Ed. Date
AV001	2-08	Flight Plan Premier Aircraft Policy Declarations	Premier	AV001 (11-07)
AV002	2-08	Flight Plan Premier Aircraft Coverage Form AV002	Premier	AV002 (01-07)
AV033	5-08	Multiple Year Policy Endorsement	Both	New
AV034	5-08	Broad Named Insured Endorsement	Both	New
AV035	5-08	Quota Share Endorsement – Controlling Company	Preferred	New
AV051	3-08	Flight Plan Preferred Aircraft Policy Declarations	Preferred	AV051 (11-07)
AV053	2-08	Scheduled Aircraft (continued)	Both	AV053 (11-07)
AV055	2-08	Flight Plan Preferred Changes Endorsement For Use With AV052	Preferred	New
AV056	5-08	Reporting Form Endorsement For Use With AV052	Preferred	New
AV132	3-08	Limits of Insurance Endorsement - Deletion of Aggregate Limit For Use With AV002	Premier	New
AV211	2-08	Liability Coverage for Property Damage to Non- Owned Aircraft	Preferred	New
AV234	3-08	Limits of Insurance Endorsement - Deletion of Aggregate Limit – For Use With AV052	Preferred	New
AV522	5-08	Lienholder's Interest Endorsement	Both	New
AV604	2-08	Replacement Aircraft Rental or Leasing Expense Endorsement	Preferred	New
AV606	2-08	Temporary Replacement Parts Rental Expense Endorsement	Preferred	New
AV609	2-08	Spare Engines and Spare Parts as Covered Property Endorsement	Preferred	New
AVQS1	6-08	Participating Quota Share Aircraft Policy Declarations	Preferred	New