

## AIRCRAFT HULL AND LIABILITY INSURANCE POLICY INDEX

POLICY DECLARATIONS SHEET.....	DEC
INSURING AGREEMENTS.....	1
PHYSICAL DAMAGE COVERAGES.....	1
LIABILITY COVERAGES.....	1
MEDICAL EXPENSE COVERAGE.....	3
PILOTS.....	3
AIRCRAFT FLIGHT INCIDENTAL TO MAINTENANCE.....	3
OPERATIONS OF THE NAMED INSURED (USES).....	3
TWO OR MORE AIRCRAFT.....	3
POLICY PERIOD, TERRITORY.....	3
U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE.....	4
DEFENSE, SETTLEMENT, AND SUPPLEMENTARY PAYMENTS.....	4
LIMIT OF OUR LIABILITY.....	5
POLICY CONDITIONS.....	7
APPLICABLE TO LIABILITY COVERAGES A, B, C, AND D (BODILY INJURY AND PROPERTY DAMAGE).....	7
APPLICABLE TO COVERAGE E (MEDICAL EXPENSE).....	8
APPLICABLE TO COVERAGES F, G, and H (PHYSICAL DAMAGE).....	8
APPLICABLE TO ALL COVERAGES.....	10
POLICY EXCLUSIONS.....	11
DEFINITIONS.....	19
ENDORSEMENTS.....	As Attached

## AIRCRAFT

### HULL AND LIABILITY INSURANCE POLICY

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 the words “you” and “your” refer to the **Named Insured** shown in the Policy Declarations. The words “we”, “us”, and “our” refer to the Company providing this insurance as identified in the Policy Declarations.

The Company, in consideration of payment of the premium and reliance upon the statements in the Declarations and subject to the Limits of Liability, Exclusions, Conditions, and all other terms of the Policy, agrees with the **Named Insured** identified in the Declarations Page herein as follows:

### INSURING AGREEMENTS

#### PHYSICAL DAMAGE COVERAGES

Coverage F - All Risk Basis - We will pay for any **Physical Damage** to or loss of the **Aircraft**, including **The Disappearance** of the **Aircraft**.

Coverage G - All Risk Basis Not **In Motion** — We will pay for any **Physical Damage** to, or loss of the **Aircraft** sustained while the **Aircraft** is Not **In Motion** and which is not the result of fire or explosion following a crash or collision while the **Aircraft** was **In Motion**.

Coverage H - All Risk Basis Not **In-Flight** — We will pay for any **Physical Damage** to, or loss of the **Aircraft** sustained while the **Aircraft** is not **In-Flight**, and which is not the result of fire or explosion following a crash or collision while the **Aircraft** was **In-Flight**.

#### LIABILITY COVERAGES

Coverage A - **Bodily Injury** Excluding **Passengers** - (including all **Related Claims**) - To pay on your behalf all sums which you become legally obligated to pay as damages because of **Bodily Injury** sustained by any person excluding any **Passenger** caused by an **Occurrence** during the Policy Period and arising out of the ownership, maintenance, or use of an **Aircraft**.

Coverage B - **Property Damage** Liability - To pay on your behalf all sums which you become legally obligated to pay as damages because of **Property Damage** caused by an **Occurrence** during the Policy Period and arising out of the ownership, maintenance, or use of an **Aircraft**.

Coverage C - **Passenger Bodily Injury** Liability - (including all **Related Claims**) - To pay on your behalf all sums which you become legally obligated to pay as damages because of **Bodily Injury** sustained by any **Passenger** caused by an **Occurrence** during the Policy Period and arising out of the ownership, maintenance or use of an **Aircraft**.

Coverage D - Single Limit **Bodily Injury** and **Property Damage** Liability (including any and all **Related Claims**) -To pay on your behalf all sums which you become legally obligated to pay as damages because of **Bodily Injury** sustained by any person (excluding any **Passenger** unless the words "Including **Passengers**" appears in "Coverage Type" of the Liability section in the Policy Declarations) and **Property Damage** caused by an **Occurrence** during the Policy Period and arising out of the ownership, maintenance or use of an **Aircraft**.

1. **Airport Premises Liability** - With respect to Liability Coverages A, B, C, and D we will also pay those sums that you become legally obligated to pay as damages because of **Bodily Injury** or **Property Damage** to which this insurance applies arising from the use of **Airport Premises** including hangars and **Mobile Equipment** which you use in connection with an **Aircraft Insured** hereunder. This extension of coverage is subject to the Limits of Liability shown in the Policy Declarations and does not increase the maximum amount we will pay.
2. **Contractual Liability** - With respect to such coverage as is provided by Liability Coverages A, B, C, and D of this Policy, we will also pay those sums that you become legally obligated to pay as damages because you have assumed those obligations in a written contract or agreement required by military or governmental authority as a prerequisite to the use of an airport or an airport facility.
3. **United States Navy And Air Force Insurance Requirements** – Liability Coverages A, B, C, and D – If the **Aviation Manager** issues a Certificate of Insurance as required by United States Navy OPNAV Form 3770 or the United States Air Force Regulation 55-20 or any replacement of either, then the insurance policy provisions required by such regulation will be deemed to be incorporated herein and substituted for any policy provision inconsistent therewith.
4. **Temporary Use of Substitute Aircraft** - An **Aircraft** described in the Policy Declarations is withdrawn from normal use because of its breakdown, repair, servicing, loss, or destruction, such insurance as is afforded under Liability Coverages A, B, C, D, and E is extended to apply to the use by you or on your behalf, of any other **Aircraft**, of same "Category" and "Class" of **Aircraft** insured by this policy, bearing a "Valid" airworthiness certificate which you do not own in whole or in part while temporarily used as a substitute for the **Aircraft** appearing in the Declarations.

In the event the **Aircraft** has a **Passenger** capacity greater than that of any **Aircraft** listed in the Declarations, then our liability under Liability Coverages D and E for **Passenger** claims will be determined in accordance with the provisions of the "Limit of Company's Liability" section of this Policy as if the **Aircraft** involved had the same seating capacity as that **Aircraft** listed in the Declarations which has the greatest seating capacity.

Coverage hereunder will be excess over any other valid and collectible insurance available to you.

Coverage such as is afforded by Paragraphs 1 through 4 above is included in and does not increase the Limits of Liability as shown in the Policy Declarations.

**No Aggregation** - A collision between two or more **Aircraft** shall be deemed one **Occurrence** and losses arising from more than one **Occurrence** cannot be aggregated under this coverage section.

## MEDICAL EXPENSE COVERAGE

Coverage E - **Medical Expense** - We will pay all reasonable **Medical Expenses** incurred within one year from the date of injury, to or for each **Passenger** who sustains **Bodily Injury** caused by an **Occurrence** during the Policy Period, provided the **Aircraft** is being used by or with your express permission.

## PILOTS

When **In Motion** the **Aircraft** will be piloted only by pilots listed in the Policy Declarations, provided each has a valid pilot's certificate including a current and valid medical certificate appropriate for the flight and aircraft insured. The term Medical Certificate is defined as any valid First-Class, Second-Class, Third-Class, or BasicMed compliance. All medical certificates and pilot certificates must be appropriate for the intended flight and in compliance with the **FAA's** Codes of Federal Regulations. Pilots operating under BasicMed must be able to provide documentation that demonstrates complete compliance.

All pilots will be in full and complete compliance with any additional requirements set forth by the **Aviation Managers** in the Policy Declarations or within this policy. If your **Aircraft** is piloted by any **Pilot(s)** not meeting the pilot requirements, we will not provide coverage under this Policy.

## AIRCRAFT FLIGHT INCIDENTAL TO MAINTENANCE

While the **Aircraft** is in the care, custody, or control of a **Federal Aviation Administration**-approved repair station or **Aircraft** repair facility for maintenance or repair, **Pilot(s)**, of the Declarations will not apply provided that you will do nothing to prejudice our rights of subrogation against such repair station or repair facility.

## OPERATIONS OF THE NAMED INSURED (USES)

The **Aircraft** must be used for the purpose shown in the Policy Declarations. If your **Aircraft** is used for any other purpose, we will not provide coverage under this Policy.

## TWO OR MORE AIRCRAFT

All Coverages – When two or more Aircraft are Insured under this Policy the terms of this Policy will apply separately to each.

## POLICY PERIOD, TERRITORY

All Coverages - This Policy applies only to **Bodily Injury** or **Property Damage** that occurs, and to **Physical Damage** losses to the **Aircraft** which are sustained during the Policy Period, while the **Aircraft** is within the United States of America, including its Territories and Possessions, and the District of

Columbia, Canada, Mexico, the Bahamas, and the Caribbean. This policy does not apply, and no coverage is provided while your **Aircraft** is within the territorial boundaries of Haiti, and Cuba, whether **In-Flight** or on the ground, or while en route.

#### **U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE**

It is hereby understood and agreed, whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidence of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

#### **DEFENSE, SETTLEMENT, AND SUPPLEMENTARY PAYMENTS**

**Liability Coverages A, B, C, and D** - We will have the right and duty to defend any **Suit** against you seeking damages on account of such **Bodily Injury** or **Property Damage** which occurred during the Policy Period, even if any of the allegations of the **Suit** are groundless, false, or fraudulent. We may make such investigation and settlements of any claim or **Suit** as we deem expedient, but we will not be obligated to pay any claim or judgment or to defend any **Suit** after the applicable limit of our liability has been exhausted by settlements, tendered in a Court of Law, or payment of judgments.

During such times as we are obligated to defend a claim or claims under the provisions of the preceding paragraph, we will pay with respect to such claims, in addition to the applicable Limits of Liability:

1. All expenses we incur, all costs taxed against you in any **Suit** we defend and all interest accruing after judgment upon that portion of the judgment falling within the Limits of Liability before we have paid or tendered or deposited in court that part of the judgment which does not exceed the Limit of Liability thereon.
2. Premiums on appeal bonds required in any such **Suit**, premiums on bonds to release attachments in any such **Suit** for an amount, not in excess of the applicable Limit of Liability of this Policy, and the cost of bail bonds required of the **Insured** because of an **Occurrence** or violation of civil aviation law or regulation arising out of the use of the **Aircraft**, not to exceed \$500 per bail bond, but we will have no obligation to apply for or furnish any such bonds.
3. Expenses you incur for first aid to others at the time of an **Occurrence**, for **Bodily Injury** to which this Policy applies.
4. All reasonable expenses you incur at our request, other than for the loss of earnings or for the wages or salaries of your employees.

## LIMIT OF OUR LIABILITY

### ALL COVERAGES (Other Insurance)

Except with respect to insurance that you specifically purchase to apply in excess of this Policy, if there is other insurance available to you, against loss, liability, or expense covered by this Policy, we will not be liable under this Policy for a greater proportion of such loss, liability or expense than the applicable limit of our liability bears to the total applicable Limit of Liability of all valid and collectible insurance against such loss, liability or expense. Where Insurance afforded hereunder is noted to be excess over any other valid and collectible insurance available to you, either as an **Insured** under a Policy applicable to the **Aircraft** or otherwise and, if such other insurance has been written through the **Aviation Managers** as primary insurance, then our Limits of Liability under this Policy will be reduced by the applicable limits of such other Policy.

### LIABILITY COVERAGES A, B, C, and D (Total Liability)

Regardless of the number of **Insureds** under this Policy, persons or organizations who sustain **Bodily Injury** or **Property Damage**, claims made, or **Suits** brought on account of **Bodily Injury** or **Property Damage**, or **Aircraft** to which this Policy applies, our liability is limited as follows:

Coverages A and C - Our total liability for all damages, including damages for care and loss of services, because of **Bodily Injury** sustained by any person as the result of any one **Occurrence** will not exceed the Limit of Liability stated in the Declarations as applicable to "each person". Subject to the above provision respecting "each person", our total liability for all damages for care and loss of services, because of **Bodily Injury** sustained by two or more persons as the result of any one **Occurrence** will not exceed the Limit of Liability stated in the Declarations as applicable to "each **Occurrence**".

Coverage B - Our total liability for all damages because of all **Property Damage** sustained by one or more persons or organizations as the result of any one **Occurrence** will not exceed the Limit of Liability stated in the Declarations as applicable to "each **Occurrence**".

Coverage D - Our total liability for all damages, including damages for care and loss of services, because of **Bodily Injury** or **Property Damage** sustained by one or more persons or organizations as the result of any one **Occurrence** shall not exceed the Limit of Liability stated in the Declarations as applicable to "each **Occurrence**".

And further provided that, if the Declarations are completed to show "**Passenger** Liability Limited To", our total liability for all damages, including damages for care and loss of services because of **Bodily Injury to Passengers** will not exceed:

1. As respects any one **Passenger**, the amount stated in the Declarations is applicable to "each person".
2. As respects to two or more **Passengers**, subject to the above provisions respecting any one **Passenger**, the amount stated in the Declarations as applicable to "each person" multiplied by the number of **Passengers** on board the **Aircraft** or by the number of **Passenger** seats as stated in the

Declarations for the **Aircraft** involved (whichever is less), but in no event will our liability for all **Bodily Injury** (including **Passenger Bodily Injury**) and **Property Damage** exceeds the limits stated in the Declarations as applicable to "each **Occurrence**".

For the purpose of determining the limit of our liability, all **Bodily Injury** and **Property Damage** arising out of continuous or repeated exposure to substantially the same general conditions will be considered as arising out of one **Occurrence**.

#### **LIABILITY COVERAGES A, B, C, AND D (Severability of Interests)**

The insurance afforded applies separately to each **Insured** against whom a claim is made or **Suit** is brought, except with respect to the limits of our liability.

#### **COVERAGE E (Medical Expense)**

The limit of liability stated in the Declarations as applicable to "each person" is the limit of our liability for all **Medical Expenses** incurred by or on behalf of each person who sustains **Bodily Injury**, sickness, or disease, including death resulting therefrom, in any one **Occurrence**. The Limit of Liability stated in the Declarations for Coverage E as applicable to "each **Occurrence**" is, subject to the above provision respecting each person, the total limit of our liability for all expenses incurred by or on behalf of two or more persons who sustain **Bodily Injury**, sickness, or disease, including death resulting therefrom in any one such **Occurrence**.

#### **PHYSICAL DAMAGE COVERAGES F, G, and H**

You must first pay the applicable Deductible amount in the event of loss to your **Aircraft**.

With respect to **Total Loss**, we will pay the **Insured Value** of the **Aircraft**, as stated in the Declarations, subject to any applicable deductible.

With respect to **Partial Loss**, we will pay, subject to any applicable deductible:

1. If you do not make your own repairs, then the reasonable cost to repair the damaged property with material of like kind and quality (excluding any **Betterment** and charges for overtime), plus the cost of the least expensive, reasonable method of transporting new and/or damaged parts and/or the damaged **Aircraft** to the place of repair and the return of the repaired **Aircraft** to the place where the loss occurred or the place where the **Aircraft** is regularly based, whichever is nearer;
2. If you make your own repairs, the total of the following:
  - a) The actual cost to the **Insured** of material of like kind and quality.
  - b) 200% of actual wages paid for labor, excluding any overtime, overhead, supervisory services, and all other related services.

- c) Cost of the least expensive reasonable method of transporting new and/or damaged parts and/or the damaged **Aircraft** to the place of repair and the return of the repaired **Aircraft** to the place where the loss occurred or the place where the **Aircraft** is regularly based, whichever is nearer.

The amount due under this Policy with respect to **Partial Loss** will not exceed the amount due where the loss is payable as a **Total Loss**. In the event that we declare an **Aircraft** covered hereunder a **Total Loss**, we agree to provide the **Named Insured** the opportunity to purchase whatever salvaged property might be available before that salvage is made available for sale to independent parties. The **Named Insured** shall have no obligation to make such purchase and the price and timing of any such transaction will be mutually agreed upon between you and us or our claims administrator.

If the **Named Insured** does not purchase the available salvage, any value remaining will inure to our benefit. Equipment installed in the **Aircraft** subsequent to the effective date of coverage will be considered a part of the **Aircraft**, and its salvage value will be inure to our benefit. There will, however, be no abandonment of any damaged property without our prior consent. If we accept the salvage, it is a condition of this coverage that the **Named Insured** shall furnish clear ownership title to the **Aircraft** or cooperate with us in obtaining such title.

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

## POLICY CONDITIONS

### APPLICABLE TO LIABILITY COVERAGES A, B, C, AND D (BODILY INJURY AND PROPERTY DAMAGE)

1. NOTICE OF **OCCURRENCE** - When an **Occurrence** takes place, a written notice will be given by you or on your behalf to the **Aviation Managers** at their nearest office as soon as practicable. Such notice will contain details sufficient to identify the **Insured** and also reasonably obtainable information respecting the time, place, and circumstances of the **Occurrence**, the names, and addresses of the injured parties, and available witnesses.
2. NOTICE OF CLAIM OR **SUIT** - If a claim is made or a **Suit** is brought against you, you will immediately forward to the **Aviation Managers** every demand, notice, summons, or other process received by you or your representative.
3. SEVERABILITY OF INTEREST - The terms "**Insured**", "you" and "yours" are used severally and not collectively, but the inclusion herein of more than one **Insured** will not operate to increase the limits of the Company's liability.
4. ACTION AGAINST US - No action will lie against us in respect of **Liability Coverages** A, B, C, and D unless, as a condition precedent thereto, you have fully complied with all the terms of this Policy, nor until the amount of your obligation to pay will have been finally determined either by

judgment against you after an actual trial or by your written agreement with the claimant and us. Any person or organization or the legal representative thereof who has secured such judgment or written agreement will thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Nothing contained in this Policy gives any person or organization any right to join us as a co-defendant in any action against you to determine the **Insured's** liability.

5. **BANKRUPTCY AND INSOLVENCY** - Bankruptcy or insolvency of you or your estate will not relieve us of any of our obligations hereunder.
6. **FINANCIAL RESPONSIBILITY LAWS** - Such insurance as is afforded by this Policy will comply with the provisions of any financial responsibility law of any State or Province applicable to **Aircraft** with respect to liability arising out of the ownership, maintenance, or use of the **Aircraft** during the Policy Period, to the extent of the coverage and Limits of Liability required by such law, but in no event in excess of the Limits of Liability stated in this Policy. You agree to reimburse us for any payment we make that we would not have been obligated to make under the terms of this Policy except for such law or the agreement contained in this paragraph.

#### **APPLICABLE TO COVERAGE E (MEDICAL EXPENSE)**

1. **MEDICAL REPORTS: PROOF AND PAYMENT OF CLAIM** - As soon as practicable, the injured person or someone on their behalf will give us written proof of claim, under oath if required, and will, after each request by us, execute authorization to enable us to obtain medical reports and copies of records. The injured person will submit to a physical examination by a physician we select when and as often as we may reasonably require. We may pay the injured person or any person or organization rendering the services, and such payment will reduce the amount payable hereunder for such injury. Payment hereunder will not constitute an admission of your liability, or except hereunder, of ours.
2. **ACTION AGAINST COMPANY** - No action will lie against us in respect of Coverage E unless, as a condition precedent thereto, there will have been full compliance with all the terms of this Policy, nor until thirty (30) days after the required proofs of claim have been filed with us.

#### **APPLICABLE TO COVERAGES F, G, and H (PHYSICAL DAMAGE)**

1. **YOUR DUTIES WHEN LOSS OCCURS** - When a loss occurs, you agree to:
  - a) Protect the **Aircraft**, provided you are able to do so, whether or not the loss is covered by this Policy, and any further loss due to the **Insured's** failure to protect will not be recoverable under this Policy; reasonable expense incurred in affording such protection will be deemed incurred at our request.

- b) Give notice thereof as soon as practicable to the **Aviation Managers**, and, also, in the event of theft, to the police, but not, except at your own cost, offer to pay any reward for recovery of the **Aircraft**.
- c) File proof of loss with the **Aviation Managers**, or us, within sixty (60) days after the **Occurrence** of loss, unless we or the **Aviation Managers** extend such time in writing, in the form of your sworn statement setting forth your interest and that of all others in the property affected, any encumbrances thereon, the actual cash value thereof at the time of loss, the amount, place, time and cause of such loss, and the description and amounts of all other insurance covering such property. Upon our request, you will show the damaged property to us, and produce for our examination all pertinent records and sales invoices, or certified copies of originals that are lost, permitting copies thereof to be made, all at such reasonable times and places as we designate.
2. APPRAISAL - If you and we fail to agree as to the amount of loss, each will, on the written demand of either, made within sixty (60) days after our receipt of your proof of loss, select a competent and disinterested appraiser and the appraisal will be made at a reasonable time and place. The appraisers will first select a competent and disinterested umpire and failing for fifteen (15) days to agree upon such umpire, then, on our request or yours, such umpire will be selected by a judge of a court of record in the county and state in which such appraisal is pending. The appraisers will then appraise the loss, stating separately the amount of loss, and failing to agree will submit their differences to the umpire. An award in writing for any two will determine the amount of loss. You and we will each pay their chosen appraiser and will bear equally the other 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.
3. PAYMENT FOR LOSS / ACTION AGAINST US - Payment for loss may not be required nor will action lie against us in respect of **Physical Damage Coverages F, G, and H** unless, as a condition precedent thereto: (1) you have complied with all the terms of this Policy, (2) at least sixty (60) days have elapsed since the filing of a proof of loss and the amount of loss is determined as provided in this policy, and (3) any action against us is commenced within twelve (12) months after the loss takes place.
4. NO BENEFIT TO BAILEE - The insurance afforded by this Policy will not inure directly or indirectly to the benefit of any carrier or bailee liable for loss to the **Aircraft**.
5. AUTOMATIC REINSTATEMENT - In the event of loss, whether or not covered by this Policy, the amount of insurance in respect to any **Aircraft** will be reduced as of the time and date of loss by the amount of such loss. Such reduced value will continue until repairs are commenced when the amount of insurance will be automatically increased by the value of the completed repairs until the amount of insurance is fully reinstated or the Policy has expired.

## APPLICABLE TO ALL COVERAGES

1. ASSISTANCE AND COOPERATION OF THE **INSURED** - You will cooperate with us and, upon our request, will attend hearings and trials and will assist in effecting settlements, securing, and giving evidence, and obtaining the attendance of witnesses and in the conduct of **Suits**. Further, upon our request, you will submit to examinations under oath by anyone we designate. You will not, except at your own cost, voluntarily make any payment, assume any obligation, or incur any expense other than for such immediate medical and surgical relief to others as will be imperative at the time of an **Occurrence**.
2. INSPECTION AND AUDIT - We or the **Aviation Managers** or parties we designate will be permitted to inspect the **Aircraft** and any records pertaining thereto during the Policy Period or within one (1) year thereafter.
3. SUBROGATION - Except with respect to Coverage E, in the event of any payment under this Policy, we will be subrogated to all your rights of recovery therefor against any person or organization. You will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. You will do nothing after the loss to prejudice such rights.
4. CHANGES- Notice to any agent or knowledge possessed by any agent or by any other person does not waive or change any part of this Policy or prohibit us from asserting any right under the terms of this Policy; nor are the terms of this Policy waived or changed, except by endorsement issued to form a part of this Policy signed by the **Aviation Managers**.
5. ASSIGNMENT - Assignment of interest under this Policy will not bind us until our consent is endorsed hereon by the **Aviation Managers**; if however, you die or are adjudged bankrupt or insolvent within the Policy Period and written notice is provided to us within sixty (60) days after the date of such death or adjudication, this Policy, unless canceled, will cover (1) your legal representative as the **Named Insured**, and (2) subject otherwise to the provisions of the definition of **Insured**, any person having proper temporary custody of the **Aircraft**, as an **Insured**, until the appointment and qualification of such legal representative but in no event for a period of more than sixty (60) days after the date of such death or adjudication.
6. CANCELLATION - You may cancel this Policy by mailing to the **Aviation Managers**, a written notice stating the date thereafter on which such cancellation will be effective. We, or the **Aviation Managers**, may cancel this Policy, by mailing written notice to you at the address shown in the Policy stating when, not less than thirty (30) days (10 days for non-payment), such cancellation will be effective. The mailing of such notice will be sufficient proof of notice and the Policy Period will end at the effective date and hour of cancellation stated in the notice. Delivery of such written notice either by you, we, or the **Aviation Managers** will be equivalent to mailing.

If you cancel, we will compute earned premium in accordance with the customary short rate table and procedure. If we or the **Aviation Managers** cancel, earned premium will be computed on a pro-rata basis. Premium adjustment may be made either at the time cancellation is effected or as

soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

7. **TOTAL LOSS.** Irrespective of anything to the contrary in this Policy, we will not return any unearned **Physical Damage** premium relative to an **Aircraft** on which a **Total Loss** has been paid unless required to do so by State regulation.
8. **FRAUD OR MISREPRESENTATION** - This Policy will be void if you have concealed or misrepresented any material fact or circumstance concerning this insurance or if you have sworn falsely touching any matter relating to this insurance or the subject thereof, whether before or after a loss.
9. **TERMS OF POLICY CONFORMED TO STATE LAWS** - Terms of this Policy that conflict with the laws of the State wherein this Policy is issued are hereby amended to conform to such laws.
10. **DECLARATION** - By acceptance of this Policy you agree that the statements in the Declarations are your agreements and representations, that this Policy is issued in reliance upon the truth of such representations, and that this Policy embodies all agreements existing between you, the **Aviation Managers** and us or any of their agents relating to this insurance.
11. **WHEN WE DO NOT RENEW** - If we decide not to renew this coverage, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

## **POLICY EXCLUSIONS**

THIS POLICY DOES NOT APPLY:

1. To any **Insured** under this Policy while the **Aircraft** is **In Motion** with your knowledge and consent or that of any of your executive officers, partners, or managing agents for any unlawful purpose, or any operation or use not designated in the Policy Declaration.
2. To any **Occurrence**, loss, claim **Suit**, demand that arises from the willful violation of a penal statute or offenses committed by or with the knowledge or consent of the Insured or any executive officer, partner, or managing agent of such **Insured**.
3. To an **Occurrence**, loss, or damages which an **Insured** intends or expects, unless necessary to prevent dangerous interference with **Aircraft** operations.
4. To anyone who is an **Insured** under this Policy while the **Aircraft** is being used for any operations or use not shown in the Policy Declarations.

5. To anyone who is an **Insured** under this Policy while the **Aircraft** is being operated anywhere outside the Policy Period and Territory.
6. To anyone who is an **Insured** under this Policy while the **Aircraft** is **In Motion**:
  - a) If piloted by other than the pilot or pilots designated in the Declarations.
  - b) If the pilot or pilots do not meet or have not completed, the pilot requirements endorsed in the Policy Declarations.

Except **AIRCRAFT** FLIGHT INCIDENTAL TO MAINTENANCE:

While the Aircraft is in the care, custody, or control of a Federal Aviation Administration-approved repair station or Aircraft repair facility for the purpose of maintenance or repair, PILOTS, of the Declarations will not apply provided that you will do nothing to prejudice our rights of subrogation against such repair station or repair facility.

- c) If the Airworthiness Certificate of the **Aircraft** is not in full force and effect.
- d) If the **Aircraft** has not been subjected to appropriate airworthiness inspection(s) as required under current applicable Federal Air Regulations for the operation involved.

#### 7. **Noise and Pollution and Other Perils Exclusion**

- a) This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:
  - i. noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
  - ii. pollution and contamination of any kind whatsoever,
  - iii. electrical and electromagnetic interference,
  - iv. interference with the use of property;

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

- b) With respect to any provision in the Policy concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend
  - i. claims excluded by Paragraph a) or
  - ii. a claim or claims covered by the Policy when combined with any claims excluded by Paragraph a) (referred to below as "Combined Claims").
- c) In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Policy:

- i. damages awarded against the Insured and
  - ii. defense fees and expenses incurred by the Insured.
- d) To claims in respect of death, Bodily Injury, illness or disease of any person or persons and/or Property Damage to or destruction of property caused by or resulting from in any way, in whole or in part, arises out of, relates to or results from the application of or use by the Insured or his agent all forms of fertilizers, fungicides, defoliants, herbicides, hormone selective weed killers, pesticides, insecticides, and arsenical preparations or compounds or any other forms of chemical.

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

#### 8. **Asbestos Exclusion:**

- a) To any damages, judgments, settlements, loss, costs, or expenses that:
- i. May be awarded or incurred by reason of any claim or **Suit** alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the asbestos hazard.
  - ii. Arise out of any request, demand, or order to test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an asbestos hazard; or
  - iii. Arise out of any claim or **Suit** for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of an asbestos hazard.

As used in this exclusion, asbestos hazard means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

- b) Furthermore, this policy does not cover any claims of any kind whatsoever directly or indirectly relating to, arising out of, or in consequence of:
- i. The actual, alleged, or threatened exposure to or presence of asbestos in any form whatsoever, including, but not limited to, asbestos fibers or asbestos dust, or any material or product containing, or alleged to contain asbestos; or
  - ii. Any obligations, requests, demands, orders, or statutory or regulatory requirements that any **Insured** or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against, or in any way respond to the actual, alleged, or threatened exposure to or presence of asbestos in any form whatsoever, including, but not limited to, asbestos fibers or asbestos dust, or any material or product containing, or alleged to contain, asbestos.

However, the exclusion shall not apply to any claim for asbestos exposure caused by or resulting from a crash, fire, explosion, or collision or a recorded **In-Flight** emergency causing abnormal **Aircraft** operations.

Notwithstanding any other provisions of this Policy, Insurers will have no duty to investigate, defend or pay defense costs in respect of any claim excluded in whole or in part under paragraphs a) or b) hereof.

#### 9. **Fungi or Bacterial Hazards:**

To any damages, judgments, settlements, loss, costs, or expenses caused by:

Fungi or bacteria in any manner or form whatsoever, including without limitation mold, mildew, yeast spores, mycotoxins, endotoxins, viruses, or other pathogens, as well as any particulates or by-products of any of the foregoing.

Notwithstanding any other provisions of this Policy, Insurers will have no duty to investigate, defend or pay defense costs in respect of any claim excluded in whole or in part by the above paragraph.

#### 10. **Communicable Disease Clause:**

To any loss, damage, liability, cost, or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a **Communicable Disease**, or the fear or threat (whether actual or perceived) of a **Communicable Disease**, or the transmission or alleged transmission of a **Communicable Disease**.

#### 11. **Radioactive or Nuclear Energy Contamination:**

a) This Policy does not cover any claim, **Suit**, demand, loss, or damage that alleges:

- i. Loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- ii. any legal liability of whatsoever nature

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

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

b) It is understood and agreed that such radioactive material or other radioactive source in paragraph a) (2) and (3) above shall not include:

- i. depleted uranium and natural uranium in any form;
  - ii. radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
- c) This Policy, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:
- i. the Insured under this Policy is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
  - ii. any person or organization is required to maintain financial protection pursuant to legislation in any country; or
  - iii. the Insured under this Policy is, or had this Policy not been issued would be, entitled to indemnification from any government or agency thereof.
- d) Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph b) shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Policy) be covered, provided that:
- i. in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization “Technical Instructions for the Safe Transport of Dangerous Goods by Air”, unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;
  - ii. this Policy shall only apply to an incident happening during the period of this Policy and where any claim by the Insured against the Insurers or by any claimant against the Insured arising out of such incident shall have been made within three years after the date thereof;
  - iii. in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

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

- iv. the cover afforded hereby may be cancelled at any time by the Insurers giving seven days' notice of cancellation.

12. Under **Liability Coverages A, B, C, D, and E**

- a) Other than an Airport contract that the **Insured** signs with a military or governmental authority as a prerequisite to the use of an airport, there is no coverage for liability assumed by the **Insured** under any contract which is with or for the benefit of **Passengers** or their heirs; or is with or for the benefit of any manufacturers of your **Aircraft** or any of its parts, or applies to damage which is the result of any major alteration or repairs, or to which the **Insured** or another party orally agrees.
- b) to **Bodily Injury** and **Property Damage** for which you are legally liable by reason of serving alcoholic beverages onboard an **Aircraft** shown in the Declarations.
- c) to **Bodily Injury** that results from the rendering or failure to render professional services of any kind, including any medical treatment by a doctor, nurse, or other professional qualified to perform those services.
- d) to any individual associated with or related to the act of parachuting or **Skydiving**, regardless of whether or not the **Aircraft** is **In-Flight**. This exclusion applies to any person, individual, or **Skydiver** boarding the aircraft with the intent to exit the aircraft while **In-Flight** related to the act of parachuting or **Skydiving**.

The above exclusion applies to any individual or **Passenger** on any **Aircraft** for which liability insurance is provided under this policy whether the **Aircraft** is **In-Flight** or a state of emergency.

Notwithstanding any other provisions of this Policy, Insurers will have no duty to investigate, defend or pay defense costs in respect of any claim excluded in whole or in part under paragraph d) above.

13. Under **Liability Coverages A, C, and D**

- a) To any obligation for which you or any carrier as your insurer may be held liable under any worker's compensation, unemployment compensation, or disability benefits law, or under any similar law.
- b) To **Bodily Injury** to any of your employees arising out of and in the course of their employment by you.
- c) To **Bodily Injury** or death of anyone appearing in the Declarations as a **Named Insured**.
- d) To any claim, you, your survivors, or your estate makes for **Bodily Injury** or death to you.

14. Under **Liability Coverages B and D to Property Damage** to a property you own, occupy, rent, or use or which is in your care, custody, or control or carried in or on any **Aircraft**.

15. Under **Physical Damage Coverages F, G, and H**

- a) To loss or damage to wearing apparel and other personal effects.
- b) To loss or damage which is due and confined to wear and tear, deterioration, freezing, mechanical, hydraulic, pneumatic, structural, or electrical breakdown or failure, or to tires unless damaged by fire or stolen, unless any such loss or damage is the direct result of other **Physical Damage** covered by this Policy.
- c) Loss of or damage to electronic or electronically driven equipment caused by and confined to power surge, failure, or malfunction.
- d) Loss of or damage to your **Aircraft** engine(s) or auxiliary power unit(s) caused by heat that results from the operation, attempted operation, or shutdown of the engine(s) or auxiliary power unit(s).

Loss or damage resulting from electrical breakdown, malfunction, or failure of an electrical component, accessory, or electrically powered equipment is considered breakdown malfunction, or failure of the entire electrical system containing such electronic component, accessory, or electrically powered equipment. Loss or damage resulting from the breakdown, failure, or malfunction of any engine component, accessory, or part is considered mechanical breakdown, malfunction, or failure of the entire engine.

- e) To loss or damage due to conversion, embezzlement, or secretion by any person in possession of the **Aircraft** under a bailment, lease, rental agreement, conditional sale, purchase agreement, mortgage, or other encumbrance, nor for any loss or damage during or resulting therefrom.
- f) To loss or damage arising from capture, confiscation, seizure, arrest, restraint or detention or the consequences thereof or of any attempt, threat, or any taking of the property **Insured** or damage to or destruction thereof by any government or governmental authority or agent (whether secret or otherwise) or by any military, naval or usurped power, whether any of the foregoing to be done by way of requisition or otherwise and whether in time of peace or war and whether lawful or unlawful.

16. **War, Hijacking, and Other Perils Exclusion Clause**

This Policy does not cover any claim, **Suit**, demand, loss, or damage caused by:

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

- b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- c) Strikes, riots, civil commotions, or labor disturbances.
- d) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- e) Any malicious act or act of sabotage.
- f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government (whether civil, military, or de facto) or public or local authority.
- g) Hijacking or any unlawful seizure or wrongful exercise of control of the **Aircraft** or crew **In-Flight** (including any attempt at such seizure or control) made by any person or persons on board the **Aircraft** acting without the consent of the **Insured**.

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

#### 17. **Date Recognition Exclusion Clause**

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

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

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

## DEFINITIONS

Whenever used in this Policy,

1. **Aircraft** means the **Aircraft** described in the Declarations and includes propulsion systems, operating, navigation, and radio equipment usually attached thereto, and parts and repair equipment which are standard for the make and type of **Aircraft**. Parts temporarily detached from the **Aircraft** which have not been replaced by other similar parts will be deemed part of the **Aircraft**. Portable equipment, not specifically designed for the make and model of the **Aircraft**, including but not limited to headsets, electronic devices, and oxygen systems, are not considered to be part of the **Aircraft**.
2. **Aviation Managers** means Eiger Insurance Services, Inc.
3. **Betterment** means the improvement if the repair or replacement of the damaged parts results in better than "like, kind or quality," the insurers will not pay for this net improvement.
4. **Bodily Injury** means **Bodily Injury**, sickness, disease, or mental anguish sustained by any person which occurs during the Policy Period, including death at any time resulting therefrom.
5. **Communicable Disease** means any infectious disease that is transmissible by any substance or agent from any organism to another organism including but not limited to a virus, bacterium parasite, or other organism or any variation thereof, whether deemed living or not, and regardless of transmission whether direct or indirect including but not limited to airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid, gas, or between organisms.
6. **Disappearance** means missing and not reported by sixty (60) days after commencing the last known flight.
7. **Federal Aviation Administration (FAA)** means the duly constituted authority of the United States of America having jurisdiction over civil aviation, or its duly constituted equivalent in any other country.
8. **Aviation Manager Approved Flight School** means ground and flight training at a school approved by the **Aviation Manager**.

9. **Guest** means any person, including an employee of the **Insured** whether or not in the course of their employment, who has received an express or implied invitation from the **Named Insured** to enter the **Aircraft** for the purpose of riding or flying therein.
10. **In-Flight** means the time commencing with the actual takeoff run of the **Aircraft** and continuing thereafter until it has completed its landing roll. If the **Aircraft** is a rotorcraft, from the time the rotors start to revolve under power for the purpose of flight until they subsequently cease to revolve.
11. **In Motion** means anytime the **Aircraft** is moving under its own power, or the momentum generated by its own power, or while it is **In-Flight**. If the **Aircraft** is a rotorcraft, **In Motion** shall mean any time that the rotors are rotating.
12. **Ingestion** is defined as the sudden and unforeseen absorption of foreign material not part of the engine itself.
13. **Instrument Proficiency Check ("IPC")** as defined by FAR 61.57 ("IPC") of the Federal Aviation Regulations to be conducted by a Certified Flight Instrument Instructor.
14. **Insured** The unqualified word "**Insured**", wherever used in this Policy with respect to **Liability Coverages A, B, C, and D** includes not only the **Named Insured** but also any person while using or riding in the **Aircraft** and any person or organization legally responsible for its use, provided the actual use is with the express permission of the **Named Insured**. Except with respect to the **Named Insured** the provisions of this paragraph do not apply:
- a) To any employee with respect to **Bodily Injury**, sickness, disease, or death of another employee of the same employer injured in the course of such employment.
  - b) To any person or organization or to any agent or employee thereof (other than an employee of the **Named Insured** while acting in the scope and course of his employment by the **Named Insured**) engaged in the manufacture or sale of **Aircraft**, **Aircraft** engines, or **Aircraft** accessories or the operation of an **Aircraft** repair shop, airport hangar, **Aircraft** sales agency, **Aircraft** rental service, commercial flying service or flying school with respect to any **Occurrence** arising out of such manufacture, sale or operations.
  - c) To any person engaged in providing flight instruction for hire or reward.
  - d) To any person operating the **Aircraft** who has paid or agreed to pay the **Named Insured** for the use of said **Aircraft**.
15. **Insured Value** as shown in the policy declarations is the stated and agreed value of your **Aircraft**.
16. **Medical Expense** means expenses for necessary medical, surgical, x-ray, or dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing, and funeral services, but excluding monuments, headstones, or burial plots.

17. **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, lease, or rent including special use vehicles designed for operation on airports.
  - c) Vehicles that travel on crawler treads.
  - d) Vehicles, whether self-propelled or not, that are maintained primarily to provide mobility to permanently mounted:
    - i. Power cranes, shovels, loaders, diggers, or drills; or
    - ii. Road construction or resurfacing equipment such as graders, scrapers, or rollers.
  - e) Vehicles not described in 17 (a, b, c, or d) above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - i. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well service equipment; or
    - ii. Cherry pickers and similar devices used to raise or lower workers.
  - f) Vehicles not described in 17 (a, b, c or d) above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not **Mobile Equipment** but will be considered **autos**:
- i. Equipment designed primarily for:
    - 1) Road maintenance, but not construction or resurfacing; or
    - 2) Street cleaning.
  - ii. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - iii. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well service equipment.
18. **Named Insured** means the person or organization named in the Policy Declarations.
19. **Occurrence** means an accident, including continuous or repeated exposure to conditions, which results in **Bodily Injury** or **Property Damage** during the Policy Period, neither expected nor intended from the standpoint of the **Insured**.
20. **Partial Loss** means any **Physical Damage** loss which is not a **Total Loss**.

21. **Passenger** means any person in, on, or boarding the **Aircraft**, excluding a **Skydiver**, for the purpose of riding or flying in it, or exiting from it after a ride, flight, or attempted flight including pilot(s) or crew member(s).
22. **Physical Damage** means direct and accidental physical loss of or damage to the **Aircraft**, hereinafter called loss, but does not include loss of use or any residual depreciation in value, if any, after repairs have been made.
23. **Premises** means such portions of airports as are designated and used for the parking or storage of **Aircraft**, including **Premises** you own or lease for more than thirty (30) days.
24. **Property Damage** means:
- a) Physical injury to or destruction of tangible property which occurs during the Policy Period, including loss of use thereof at any time resulting therefrom, such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b) Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by a covered **Occurrence**.
25. **Related Claims** means all claims for care and loss of service, loss of society and consortium, emotional distress, loss of support, medical and funeral expenses, and any and all other damage claims by a person or persons arising out of **Bodily Injury** to another person. Notwithstanding anything to the contrary in the definition of **Bodily Injury**, the Company's liability, and coverage for damages for both **Bodily Injury** and **Related Claims** are included and combined within the "each person" and "each **Occurrence**" Limits of Liability specified in the Declarations, as applicable, and there are no separate or additional Limits of Liability for **Related Claims**.
26. **Rotary Wing** or **Rotor Wing** or **Rotorcraft** means an aircraft with an airfoil that rotates in an approximately horizontal plane, providing all or most of the lift such as or similar to a helicopter, autogiro, tiltrotor, or gyroplane.
27. **Spouse** means spouse or individual who is in a domestic partnership recognized under State law of which the policy was issued.
28. **Suit** means a civil proceeding to which this insurance applies is alleged. **Suit** includes:
- a) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
  - b) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
29. **Total Loss** means any **Physical Damage** loss for which the cost to repair when added to the salvage value (the value of the **Aircraft** after **Physical Damage** and prior to repairs) equals or

exceeds the **Insured** value of the **Aircraft** as set forth in the Policy Declarations. **Disappearance** or theft of the entire **Aircraft** will be considered a **Total Loss**.

(Aircraft Salvage Value + Cost to Repair  $\geq$  **Insured Value**) = **Total Loss**

### 30. (Uses) Operations:

**Pleasure and Business** ("P&B") means the aircraft will be flown for the owner's personal use for business or pleasure, but excluding any **Aerobatic, Special Use**, or any operations for remuneration or hire. Cost reimbursement, excluding any reimbursement under a lease agreement, will be included within the definition of **Pleasure and Business** provided that such cost reimbursement is limited to:

- a) Fuel, oil, lubricants, and other additives,
- b) Expenses of the crew, including food, lodging, and ground transportation, but excludes salary or wages,
- c) Hangar and tie-down costs away from the **Aircraft's** base of operation,
- d) Insurance obtained for the specific flight,
- e) Landing fees and similar assessments,
- f) Customs, foreign permits, and similar fees directly related to the flight, **In-Flight** food, and beverages,
- g) An additional charge equal to 100% of the expenses listed in items a) through f) above.

**Industrial Aid** ("IA") means the aircraft flown for the transportation of employees and guests of the **Named Insured**, excluding any operations for remuneration or hire, flown by professional pilots who are employed to manage and pilot the **Aircraft** who are not owners, executives, partners of the **Aircraft** or owners, executives, partners of the **Named Insured**. Cost reimbursement, excluding any reimbursement under a lease agreement, will be included within the definition of **Industrial Aid** provided that such cost reimbursement is limited to:

- a) Fuel, oil, lubricants, and other additives,
- b) Expenses of the crew, including food, lodging, and ground transportation, but excludes salary or wages,
- c) Hangar and tie-down costs away from the **Aircraft's** base of operation,
- d) Insurance obtained for the specific flight,
- e) Landing fees and similar assessments,
- f) Customs, foreign permits, and similar fees directly related to the flight, **In-Flight** food, and beverages,
- g) An additional charge equal to 100% of the expenses listed in items a) through f) above.

**Charter** ("CH") means the aircraft operations are for the transportation of passengers for remuneration or hire, excluding **Aerial Work** and operations excluded in **Aerial Work**.

**Cargo** ("CO") means the aircraft operations are for the transport of other goods, which are not passengers, for remuneration or hire, excluding **Aerial Work** and operations excluded in **Aerial Work**.

**Commercial** ("CC") means the aircraft operations are for the transportation of passengers **Charter** and/or **Cargo**, and **Aerial Work** for remuneration or hire.

**Instruction** ("I") means the aircraft is used for the operation and purpose of formal flight instruction and pilot training with an instructor performed by any Instructor, flying clubs, or flight schools for remuneration or hire.

**Rental** ("R") means the aircraft is used in the operation of flying clubs or flight schools in which the aircraft is rented to an individual for receiving flights instruction including student solos or for the renter's **Pleasure and Business** use.

**Aerial Work** ("AW") means other **Commercial** operations and uses such as construction, photography, surveying, observation, patrol, prospecting, advertising, banner towing, firefighting, and search and rescue excluding operations defined in **Charter, Cargo, Instruction, and Rental, Agricultural, Sightseeing and Tours, Aerobatics, Sales and Demo, Skydiving, and Special Use** not listed or defined in this paragraph. Each specific use within **Aerial Work** is to be listed and described in the policy declarations.

**Agricultural** ("AG") means the aircraft is used for operations such as crop dusting, chemical or fertilizer spraying, seed dissemination, insect abatement, frost prevention, and animal herding.

**Sightseeing and Tours** ("SS") means the aircraft operation is used for nonstop flights with passengers for remuneration or hire; the flight must begin and end at the same location and be conducted within a 25-mile radius of the location in which the flight commences.

**Sales and Demo** ("SD") means the aircraft is flown or operated but only as part of the sales process of demonstrating an aircraft to a potential purchaser, excluding remuneration or hire not related to the sale of the aircraft. At no time may a prospective purchaser act as a pilot-in-command.

**Skydiving** ("SK") including parachuting, or any similar activity, is any operation for which any **Passenger**, herein collectively referred to as "**Skydivers**", having the intent of exiting the aircraft while **In-Flight**. **Skydiver** means any person, excluding a passenger, in the process of alighting from the aircraft while **In-Flight**, including pilot(s) or crew member(s).

**Aerobatic** ("AB") is the practice of flying maneuvers involving aircraft attitudes that are not used in normal flights.

**Special Use** (“SU”) means operations not described or defined in any of the operations uses above. Any special operation use must be listed, described, and defined in the Operations Use on the Policy Decelerations as agreed with the **Aviation Manager**.

SAMPLE