

AVIATION PRODUCTS LIABILITY INDEX

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SAMPLE

AVIATION PRODUCTS LIABILITY 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

LIABILITY COVERAGE

COVERAGE A - Single Limit Bodily Injury and Property Damage Liability

To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Bodily Injury** or **Property Damage** to which this insurance applies, caused by an **Occurrence** during the policy period arising out of the **Products Hazard** or **Completed Operations Hazard** and the Company shall have the right and duty to defend any **Suit** against the **Insured** seeking damages on account of such **Bodily Injury** or **Property Damage**, even if any of the allegations of the **Suit** are groundless, false or fraudulent and may make such investigations or settlement of any claim or **Suit** as it deems expedient; but the Company shall not be obligated to pay any claim or judgment or to defend any **Suit** after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

COVERAGE B - Grounding Liability

To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages for the loss of use of completed aircraft occurring during the policy period after delivery to and acceptance by a purchaser or purchasers or operator or operators of such aircraft, and caused by a **Grounding** arising out of the **Products Hazard** or **Completed Operations Hazard** and the Company shall have the right and duty to defend any **Suit** against the **Insured** seeking damages on account of such loss of use, even if any of the allegations of the **Suit** are groundless, false or fraudulent, and may make such investigations or settlement of any claim or **Suit** as it deems expedient; but the Company shall not be obligated to pay any claim or judgment or to defend any **Suit** after the applicable limit of the Company's liability has been exhausted by payment of judgment or settlements.

POLICY PERIOD

1. Under **Coverage A - Single Limit Bodily Injury and Property Damage** - This policy applies only with respect to **Occurrences** that take place during the policy period, provided that an **Occurrence** involving a missing or unreported aircraft shall be deemed to occur at the time such aircraft commences flight or is last reported, whichever last occurs.
2. Under **Coverage B - Grounding Liability** - This policy applies only with respect to **Groundings** that commence during the policy period regardless of the duration of each such **Grounding**.
3. The expiration or termination of the policy period shall not prejudice the insurance with respect to the **Grounding** of aircraft commencing during the policy period.

POLICY TERRITORY

This policy applies to **Occurrences** and **Grounding** anywhere, but if a claim is made or **Suit** is brought anywhere other than within the United States of America, its territories or possessions, or Canada, the Company shall have the right but not the duty to investigate and settle such claim and to defend such **Suits**. In any such case in which the Company elects not to investigate, settle or defend, the **Insured**, under the supervision of the Company, will make or cause to be made such investigation and defense as are reasonably necessary, and subject to prior authorization by the Company, will affect to the extent possible such settlements as the Company deems prudent. The Company shall reimburse the **Insured** for the reasonable costs of such investigation and defense and within the applicable limits of liability of the policy for the amount of such authorized settlement.

U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE

It is hereby understood and agreed, whenever coverage provided by this policy would violate 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 violate U.S. economic or trade sanctions as described above shall also be null and void.

SUPPLEMENTARY PAYMENTS

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

1. All expenses incurred by the Company, all costs taxed against the **Insured** in any **Suit** defended by the Company, and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon.

2. All premiums on bonds to release attachment for an amount not in excess of the applicable limit of liability of this policy, all premiums on appeal bonds required in any such defended **Suit**, but without any obligation to apply for or furnish any such bonds.
3. Expenses incurred by the **Insured** for first aid to others at the time of an **Occurrence** for **Bodily Injury** to which this policy applies.
4. Reasonable expenses incurred by the **Insured** at the Company's request including actual loss of wages or salary (but not loss of other income) not to exceed \$25.00 per day because they attended hearings or trials at such request; but excluding expenses incurred for the correction or elimination of the cause of a loss of use.

LIMITS OF OUR LIABILITY

LIMITS OF LIABILITY

Regardless of the number of **Insureds** under this policy, persons or organizations who sustain **Bodily Injury**, or **Property Damage** or **Groundings**, or claims made or **Suits** brought on account of **Bodily Injury**, **Property Damage** or **Groundings**, the Company's liability is limited as follows:

1. **Coverage A. Single Limit Bodily Injury and Property Damage Liability**

The total liability of the Company for all damages because of all **Bodily Injury** and all **Property Damage** sustained by one or more persons or organizations as the result of any one **Occurrence** shall not exceed the combined single limit of liability stated in the Declarations as applicable "**Per Occurrence**".

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

Annual aggregate is the total limit of the Company's liability on account of all **Occurrences** to which this policy applies.

2. **Coverage B. Grounding Liability**

The total liability of the Company for all damages because of all aircraft loss of use sustained by one or more persons or organizations as the result of any one **Grounding** shall not exceed the limit of liability stated in the Declarations as applicable "**Per Occurrence**".

Annual Aggregate is the total limit of the Company's liability on account of all **Groundings** to which this policy applies.

3. Annual Aggregate under **Coverage A** and **Coverage B** is the total limit of the Company's liability on account of all **Occurrences** and **Groundings** to which this policy applies.

The insurance afforded by this policy for more than one **Insured** shall not operate to increase the limit of the Company's liability.

POLICY CONDITIONS

1. NOTICE OF **OCCURRENCE** OR GROUNDING - When an **Occurrence** or **Grounding** likely to give rise to a claim hereunder occurs, written notice shall be given by or on behalf of the **Insured** to the Aviation Insurance Managers or the Company as soon as practicable after such **Occurrence** or **Grounding** becomes known to any person or persons charged with the administration of such duties for the **Insured**. Such notice shall contain particulars sufficient to identify the **Insured** and also reasonable obtainable information respecting the time, place, and circumstances of the **Occurrence** or **Grounding**, the names, and addresses of the injured, and available witnesses.
2. NOTICE OF CLAIM OR **SUIT** - If a claim is made or a **Suit** is brought against the **Insured**, the **Insured** shall as soon as practicable forward to the Company or the Aviation Insurance Managers every demand, notice, summons, or other process received by him or his representatives.
3. ASSISTANCE AND COOPERATION OF THE INSURED - The **Insured** shall cooperate with the Company and upon the Company's request shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of **Suits**. The **Insured** shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense.
4. ACTION AGAINST INSURER - No action shall lie against the Company unless as a condition precedent thereto, the **Insured** shall have fully complied with all the terms of this policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after an actual trial or by written agreement of the **Insured**, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the Company as a co-defendant in any action against the **Insured** to determine the **Insured's** liability.

Bankruptcy or insolvency of the **Insured** shall not relieve the Company of any of its obligations under this policy.
5. INSPECTION - Subject to security regulations of the United States Government, the Company or its representative shall be permitted to inspect the **Insured's** premises and operations and to examine and audit the **Insured's** books and records at any time during the policy period and any extension thereof, and within three (3) years after the final termination of this policy, so far as they relate to the premium basis or the subject matter of this insurance.

6. OTHER INSURANCE - If there is any other insurance against a loss covered by this policy, the insurance under this policy shall be excess insurance over any other valid and collectible insurance available to the **Insured**; provided, however, that as to any insurance specifically arranged to provide excess insurance over the insurance afforded under this policy, this insurance shall be the primary insurance.
7. ACTION AGAINST THE NAMED INSURED - The Company or the Aviation Insurance Managers shall have the power to institute and maintain **Suits** in its own name against the **Insured** named herein for non-payment of premiums or breach of any other obligation arising from or by reason of this insurance, and any judgment so obtained or release or receipt of the Company or the Aviation Insurance Managers shall be binding on the Company and the Aviation Insurance Managers.
8. SUBROGATION - In the event of any payment under this policy, the Company shall be subrogated to all the **Insured's** rights of recovery therefor against any person or organization, and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after loss to prejudice such rights.
9. CHANGES - Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy approved by the Aviation Insurance Managers.
10. ASSIGNMENT - Assignment of interest under this policy shall not bind the Company until their consent is endorsed hereon by the Aviation Insurance Managers.
11. 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.

12. **CONFLICTING STATUTES** - The terms of this policy that conflict with the statutes of the State wherein the **Insured** has its principal place of business as set forth in the Declarations are hereby amended to conform to such statutes.
13. **INADVERTENT ERRORS OR OMISSIONS** - Inadvertent errors, omissions, or failure to give notice to Insurers as herein required shall not relieve the Insurers of liability under this policy, provided that any such error or omission shall be corrected as soon as discovered.
14. **DECLARATIONS** - By acceptance of this policy, the **Insured** agrees that the statements in the Declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing directly between himself and the Company relating to this insurance.
15. **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 liability arising out of the handling or use of or the existence of any condition in any **Aircraft Products Owned By**, loaned to, or, except with respect to **Coverage B - Grounding Liability** - in possession or control of, or **In Flight** by the **Insured**.
2. To **Property Damage** to property owned, rented, leased, occupied, or used by or in the care, custody, or control of any **Insured** at the time of the **Occurrence** causing injury to or destruction of such property.
3. To liability assumed by the **Insured** under any contract or agreement, except a warranty of fitness or quality of the **Named Insured's** products or a warranty that work performed by or on behalf of the **Named Insured** will be done in a workmanlike manner, in which case the policy applies only to resultant damages and not to damage to the **Named Insured's** products.
4. Under **Coverage A**, to any obligation for which the **Insured** or any carrier as his insurer may be held liable under worker's compensation law, unemployment compensation or disability benefits law or under any similar law, or to **Bodily Injury** to any employee of the **Insured** arising out of and in the course of his employment by the **Insured**.
5. Under **Coverage A**, to **Property Damage** to any **Missile, Spacecraft, or Military** aircraft arising out of **Aircraft Products** or any part thereof furnished by the **Insured**.

6. Under **Coverage A**, to liability with respect to which insurance is or can be afforded under **Coverage B**, or except with respect to an aircraft which has made an emergency landing, to loss of use of any aircraft which has not been physically injured or destroyed.
7. Under **Coverage A**, to damages claimed for the withdrawal, inspection, repair, replacement, modification, loss of use, or restricted use of **Aircraft Products** or work completed by or for the **Named Insured** or any property of which such products or work form a part, if such products, work or property are withdrawn from the market, or use, or subject to restricted use because of any known or suspected defect or deficiency therein.
8. Under **Coverage A**, to liability imposed upon the **Insured** solely by reason of its ownership of an **Aircraft Product**.
9. Under **Coverage B**, to any **Military Aircraft Product**.
10. Under **Coverage B**, to the loss of use of any aircraft while withdrawn from service for the primary purpose of maintenance, routine overhaul, alteration, or **Current Modification** of the aircraft.
11. Under **Coverage B**, to the loss of use of any aircraft caused by the culpable failure of the **Insured** to perform any obligation with respect to making available or delivering **Aircraft Products** to the purchaser or operator of such aircraft.
12. To the loss of use of any aircraft occurring during the period that the **Insured** does not use reasonable diligence to eliminate the cause of the loss of use.
13. To **Bodily Injury** or **Property Damage** arising out of the environmental disturbance hazard or to sums claimed or awarded as damages to the extent that such sums represent payment or compensation for the taking of or exercise of rights with respect to the property of others.

Environmental Disturbance Hazard means:

- a) Noise (whether audible to the human ear or not) or vibration, including sonic boom and similar phenomena associated with transonic and supersonic movement, generated by the movement or operation of aircraft or any part thereof;
- b) Pollutants released into the earth, air, water, or any disposal system;
- c) Interference with the quiet enjoyment of property by overflight or other operation of aircraft in proximity thereto;

But the Environmental Disturbance Hazard does not include such noise, vibration, pollutants, or interference resulting from a crash or collision of a vehicle or an aircraft from an emergency causing abnormal aircraft operations;

14. To **Property Damage** arising out of the improper or inadequate performance, design, or specification. However, this Exclusion shall not apply to physical injury to or destruction of tangible property caused by an **Occurrence** including the loss of use of such injured or destroyed property.

15. Under **Coverage B**, to costs incurred for the correction or elimination of the cause of the loss of use.

16. 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, defoliant, 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.

17. 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.

18. 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.

19. 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**.

20. 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 cm²)</u>
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Becquerels / cm ² (10 ⁻⁴ microcuries / cm ²)
All other emitters	Not exceeding 0.4 Becquerels / cm ² (10 ⁻⁵ microcuries / cm ²)

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

21. To **Bodily Injury, Property Damage** or loss of use intentionally caused by the **Insured**.

22. Under Coverage A, to injury to, destruction of, or loss of use of:

- a) Any **Spacecraft**, satellite, or spaceship and any article or **Aircraft Product** furnished for, used in connection with, relating to, or installed in any **Spacecraft**, satellite, or spaceship whether partially or fully completed.
- b) Any **Spacecraft**, satellite, or spaceship belonging to a third party, whether partially or wholly completed, after such **Spacecraft**, satellite, or spaceship has been delivered to a launch site.

23. Under **Coverage A**, to injury to, destruction of, or loss of use of, any **Launch Vehicle**.
24. Under **Coverage B**, to any **Spacecraft**, satellite, spaceship, or **Launch Vehicle**, whether partially or wholly completed, and whether **Owned By** the **Insured** or by a third party.
25. **Grounding** shall not apply to any aircraft after it is designated by the prime manufacturer or required by direction of the F.A.A. or any similar civil airworthiness authority, to be removed from all flight operations due to its certificate of airworthiness being withdrawn by reason of the aircraft's safe operational life having been reached or exceeded.

26. **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).

27. **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

1. **Aircraft Products** means aircraft (including **Missiles** or **Spacecraft** and any ground support or control equipment used therewith), or any article furnished by the **Insured** and installed in aircraft or used in connection with aircraft or for spare parts for aircraft or tooling used for the manufacture thereof, including ground handling tools and equipment and also means training aids, instructions, manuals, blueprints, engineering or other data, and/or any article in respect of which engineering or other advice and/or services and/or labor have been given or supplied by the **Insured** relating to any aircraft or aircraft article.
2. **Allocated Claims Expense** means all loss adjustment expenses that can be directly allocated to a specific claim:
 - a) Outside attorneys' fees
 - b) Court Expenses
 - c) Surveys
 - d) Outside Claims Adjusters' FeesSalaries and expenses of the employees of the Aviation Insurance Managers are excluded.
3. **Aviation Managers** means Eiger Insurance Services, Inc.
4. **Bodily Injury** means **Bodily Injury**, sickness, disease, disability, shock, mental anguish, or mental injury sustained by a person including death resulting therefrom.

5. **Completed Operations** means work, including services and labor performed by the **Insured** in connection with aircraft, **Missiles**, or **Spacecraft**. Operations include materials, parts, or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:
- a) When all operations to be performed by or on behalf of the **Insured** under the contract have been completed.
 - b) When all operations are to be performed by or on behalf of the **Insured** at the site of the operations have been completed.
 - c) When the portion of the work out of which the **Bodily Injury** or **Property Damage** arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged for a principal as a part of the same project.

Operations that may require further service, maintenance, work, correction, repair, or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

6. **Completed Operations Hazard** means **Bodily Injury** and **Property Damage** arising out of **Completed Operations** or reliance upon a representation or warranty at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned and occurs away from premises **Owned By** or rented to the **Insured**. The **Completed Operations hazard** does not include **Bodily Injury** or **Property Damage** arising out of the existence of tools, uninstalled equipment, or abandoned or unused materials.
7. **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.
8. **Current Modification** means modification or changes in **Aircraft Products** which are intended to improve the performance of an **Aircraft Product** but which are not necessary to the airworthiness of the aircraft in which such **Aircraft Products** are installed.
9. **Grounding** means the complete and continuous withdrawal at or about the same time in the interest of safety, of one or more aircraft from flight operation due to a mandatory order by the Federal Aviation Administration (FAA) or any other Civil Airworthiness Authority because of a like defect, fault or condition or suspicion thereof in two or more such aircraft whether such aircraft so withdrawn are owned or operated by the same or different persons, firms or corporations.

Grounding shall be deemed to commence on the date of an accident or **Occurrence** which discloses such defect, fault of condition, or on the date an aircraft is first withdrawn from service on account of such defect, fault, or condition, whichever first occurs.

10. **In Flight** means an aircraft shall be deemed to be **In Flight** from the start of its actual take-off run until it has completed its landing run, or in the case of a helicopter, from the time the rotors of the helicopter start to revolve preparatory to take-off until its rotors cease revolving after landing. A VTOL aircraft shall be deemed **In Flight** from the time commencing when engine thrust is applied in attempting to lift the aircraft from a supporting surface and continuing thereafter until the aircraft is again returned to the condition of being supported by a surface.
11. **Insured** - The unqualified word **Insured** includes the **Named Insured** and also includes any partner, executive officer, employee, director, or stockholder thereof while acting within the scope of his duties as such. Such insurance as is afforded any employee other than an executive officer of the **Insured** by virtue of this Exclusion (10) shall not apply to **Bodily Injury** sustained by another employee of the same **Insured** in the course of and arising out of his employment by such **Insured**. The first **Insured** named of the Policy Declarations shall be liable to the Company for the payment of the policy premium and shall alone be entitled to receive any return premium due from the Company. Every notice required or permitted by this policy to be given to or by the **Insured** shall be sufficient if given to or by the first **Insured** named of the Policy Declarations.
12. **Launch Vehicle** as applied to **Aircraft Products** means any vehicle including parts detached en route, designed, constructed, or intended to place into space any **Spacecraft**, satellite, or spaceship and shall include both manned and unmanned vehicles.
13. **Military**, as applied to **Aircraft Products**, means such products while owned or used by or in the possession of the Armed Services of the United States or the Armed Services of any foreign government; provided that an **Aircraft Product** is injured or destroyed while leased or chartered to the Armed Services of the United States or any foreign government, shall be deemed not to be a **Military Aircraft Product**.
14. **Missiles or Spacecraft:**
 - a) **Missiles or Spacecraft** shall mean a device other than an aircraft, wholly or partly self-propelled, which is designed to operate through air or space and whose path and direction are guided during all or part of its flight by a partly or completely self-contained electronics, celestial, inertial or other guidance systems.
 - b) After the arrival of a **Missile or Spacecraft** at a launching site, such **Missile or Spacecraft** shall be deemed not to be **Owned By**, loaned to, in the possession or control of, or **In Flight** by the **Insured**.
 - c) When the **Insured** removes a **Missile or Spacecraft** from the launching site or recovers a **Missile or Spacecraft** after completion of its flight for the purpose of returning it to the **Insured's** premises other than a launching site, such **Missile or Spacecraft** shall be deemed

to be in the possession or control of the **Insured** (except when such **Missile** or **Spacecraft** is being transported by others) until such **Missile** or **Spacecraft** again arrives at a launching site or the **Insured** surrenders possession of such **Missile** or **Spacecraft** to a person or organization who is not an **Insured** under the policy.

15. **Occurrence** means an accident or event including injurious exposure to conditions (other than **Grounding**) which arises out of the **Products Hazard** or **Completed Operations Hazard** and which results during the policy period in **Bodily Injury** or **Property Damage**, neither expected nor intended from the standpoint of the **Insured**. A series of accidents or **Occurrences** following as a consequence of one **Occurrence**, shall, with such **Occurrence**, be deemed to be one **Occurrence**.

16. **Owned By** means:

With respect to any **Aircraft Product** to which an **Insured** has retained title pursuant to -

- a) a conditional sales contract, chattel mortgage, or similar lien,
- b) a lease agreement, or
- c) a consignment agreement or similar contract of bailment, such product shall be deemed not to be **Owned By** the **Insured**.

17. **Products Hazard** means the handling or use of (other than by an **Insured**) or the existence of any condition in an **Aircraft Product** when such **Aircraft Product**:

- a) is not in the possession of the **Insured**; and
- b) is away from premises owned, rented, or controlled by the **Insured**.

With respect to **Coverage A - Single Limit Bodily Injury** and **Property Damage Liability - Subsection b)** recited in the foregoing paragraph does not apply to a completed aircraft or any **Aircraft Product** forming a part thereof; with respect to **Coverage B - Grounding Liability - Subsections a) and b)** recited in the foregoing paragraph do not apply to a completed aircraft or any **Aircraft Product** forming a part thereof.

18. **Property Damage** means injury to or destruction of tangible property including the loss of use of such injured or destroyed property.

19. **Spouse** means spouse or individual who is in a domestic partnership recognized under State law of which the policy was issued.

20. **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.