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# Helicopter Insurance Policy Booklet

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## Introduction

Thank you for insuring your aircraft through Visicover.

This **Policy** is underwritten by Allianz Global Corporate & Specialty SE who is authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and regulated by the Financial Conduct Authority for the conduct of business in the UK.

This Policy Booklet describes your contract of aviation insurance so please read it carefully along with your current **Policy Schedule** and Certificate of Insurance. This Policy Booklet is structured as follows:

- ✓ Definitions – These are terms which have specific meanings and are marked in bold in this Booklet.
- ✓ Sections – These are the different cover options available, and each describes what the Section does and does not cover, plus any special conditions or terms which apply to that Section. If **You** have selected a Section it will be shown as ‘In Force’ in **Your Policy Schedule**.
- ✓ General Exclusions – This defines circumstances which are not covered under any of the Sections such as using the **Aircraft** for illegal purposes or outside the agreed Geographical Limits.
- ✓ General Conditions – This describes various contractual obligations and rights which exist such as the requirement to keep the **Aircraft** airworthy and to notify the **Insurer** of a potential claim.
- ✓ General Clauses – These define the way in which the **Policy** operates and address issues such as how the **Policy** can be cancelled and under which country’s laws it operates.
- ✓ Privacy Notice – This provides information on your data, how it is stored and how it may be used.
- ✓ Other Important Information – Details on how to modify your **Policy** or make a claim or complaint.

Headings throughout the Policy Booklet are included for ease of reference only and as such they should not be regarded as part of this **Policy**.

## Definitions

### General Definitions

- 1) **“Abandonment”** means ceding the **Policyholder’s** rights over the property insured.
- 2) **“Aircraft”** means the aircraft specified in the **Policy Schedule** together with the engine(s) and standard instruments and equipment (including any spare parts kit) usually installed in or on the aircraft whilst:
  - (a) installed in or on the aircraft;
  - (b) temporarily detached from the aircraft and not replaced;
  - (c) detached from the aircraft for replacement, until the **Commencement of the Operation of Fitting** the replacement item, at which time the replacement item shall be considered part of the aircraft.
- 3) **“Aviation Incident”** means a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place during the **Period of Insurance** and arises whilst the **Insured Person** is in, on or boarding the **Aircraft** for the purpose of flying therein or alighting therefrom following a **Flight**.
 

**Aviation Incident** shall also include:

  - (a) unavoidable exposure resulting from a mishap to the **Aircraft**.
  - (b) disappearance.
- 4) **“Bodily Injury”** means physical injury, disease or disability, including death at any time arising therefrom. For the avoidance of doubt, physical injury shall include psychiatric injury.
- 5) **“Commencement of the Operation of Fitting”** means from the moment that the replacement item ceases to be in contact with the ground or the trolley/stand on which it is located when the process of fitting it to the **Aircraft** is commenced.
- 6) **“Contract Party(ies)”** means the financier(s), lessor(s) or lease servicer manager(s) named in the **Policy Schedule**.
- 7) **“Cover End Date”** the date and time stated in the **Policy Schedule** at which the cover detailed within that **Policy Schedule** ends.
- 8) **“Cover Start Date”** the date and time stated in the **Policy Schedule** at which the cover detailed within that **Policy Schedule** starts.
- 9) **“Deductible”** means the amount that is to be paid by the **Policyholder** as specified in the **Policy Schedule** and will be deducted from each claim. If a claim is less than the amount of the **Deductible** then the **Policyholder** will bear the entire claim.
- 10) **“Fair Presentation”** means disclosing in a reasonably clear and accessible manner all material facts which the **Policyholder** knows or ought to know following a reasonable search.
- 11) **“Finance / Lease Contract(s)”** means the contract between the **Policyholder** and the **Contract Party(ies)** in relation to the **Subject Matter**, specified in the **Policy Schedule**.
- 12) **“Finance / Lease Contract Premium”** means the additional premium specified in the **Policy Schedule**, receipt of which is acknowledged by the **Insurer**.
- 13) **“Flight”** The Aircraft shall be deemed to be in Flight when the rotors are in motion as a result of engine power, the momentum generated thereby, or autorotation for any purpose other than Taxiing. However, for the purpose of paragraph (f) of Section 3.1.1 only, the **Aircraft** is considered to be in **Flight** at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation or when the **Aircraft** is in motion.
- 14) **“Flying Clothing and Effects”** means flying clothing, maps, navigating equipment and instruments, headsets, safety equipment or similar equipment (not being fixtures in the **Aircraft**) and baggage (including

contents) actually in or on the **Aircraft** being the property of the **Policyholder** or any pilot described in the **Policy Schedule**, but excluding money, credit cards, securities, jewellery and furs of all kinds.

- 15) “**Force Majeure**” means unusual and unforeseeable circumstances beyond the control of the **Policyholder** which could not have been avoided having taken all reasonable measures.
- 16) “**Geographical Limits**” means the area within which the **Aircraft** may be operated as specified in the **Policy Schedule**.
- 17) “**Ground**” means whilst the **Aircraft** is not in **Flight, Taxiing, or Moored** and shall include cover for maintenance/testing and engine running other than for the purpose of **Flight** by any person competent for that purpose.
- 18) “**Inception / Renewal Date**” means the date and time from which any cover is first provided under this **Policy** or the most recent date from which cover under this **Policy** has been **renewed**, whichever is the later.
- 19) “**INDEM3.81/Form4a**” is a Ministry of Defence (MOD) document which sets out the insurance requirements for civilian aircraft using MOD airfields.
- 20) “**Insured Person**” means any crew member and / or passenger of the **Aircraft**.
- 21) “**Insurer**” means Allianz Global Corporate & Specialty SE.
- 22) “**Limit of Liability**” means the maximum limit of the Insurer's liability under the Policy for a specified type of cover, as provided in the **Policy Schedule**, such limit to apply to each claim and in the aggregate.
- 23) “**Loss of Limb**” means permanent loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle and includes permanent total and irrecoverable loss of use of hand, arm or leg.
- 24) “**Medical and Related Expenses**” means necessary and reasonable medical, surgical, ambulance, hospital, professional nursing, repatriation and funeral expenses.
- 25) “**Mid-Term Amendment**” means a change to the cover provided or risk protected by this **Policy** which takes effect prior to the end of the **Period of Insurance**.
- 26) “**Moored**” means, in the case of **Aircraft** designed to land on water, whilst the **Aircraft** is afloat and is not in **Flight** or **Taxiing**, and includes the risks of launching and hauling up.
- 27) “**Occurrence**” means an accident or a continuous or repeated exposure to conditions occurring during the **Period of Insurance** which results in **Bodily Injury** and/or **Property Damage** which is neither expected nor intended from the standpoint of the **Policyholder**. All **Bodily Injury** and/or **Property Damage** arising out of such exposure to substantially the same general conditions shall be deemed to arise out of one **Occurrence**.
- 28) “**Overhaul Cost**” means the cost of labour and materials which are or would be incurred in overhaul or replacement (whichever is necessary) at the end of the **Overhaul Life** of the damaged or a similar **Unit**.
- 29) “**Overhaul Life**” means the amount of use, or operational and/or calendar time which, according to the aviation authority having jurisdiction over the **Aircraft**, determines when overhaul or replacement of a **Unit** is required.
- 30) “**Period of Assembly**” means the moment from which construction commences on the **Aircraft** until the moment a Certificate of Airworthiness (issued by the aviation authority having jurisdiction over the **Aircraft**) is received by the **Policyholder**.
- 31) “**Period of Insurance**” means the period between the **Cover Start Date** and the **Cover End Date** (both as specified in the **Policy Schedule**).
- 32) “**Permanent Total Disablement**” means disablement which entirely prevents the **Insured Person** from attending to their usual business or occupation or, if the **Insured Person** has no business or occupation, from attending to their usual duties, if any, and which lasts 12 months and at the end of that period is assessed by appropriate medical professionals as having no prospect of improvement.

33) **“Physical Injury”** means identifiable physical injury caused by an **Aviation Incident** which, solely and independently of any other cause, occasions the death or disablement of the **Insured Person**.

However, death or disablement of the **Insured Person** caused by

- (a) sickness or disease directly resulting from such injury, or
  - (b) medical or surgical treatment rendered necessary by such injury
- shall also be covered.

All death or disablement must occur within 12 months from the date of the **Aviation Incident**.

34) **“Policy”** means this Policy Booklet as updated by any amendments to it that we have provided **You** with, **Your current Policy Schedule**, and, if applicable, **Your** current Certificate of Insurance.

35) **“Policy Schedule”** means the document which identifies the **Policyholder** and sets out the specific details of the cover provided by this **Policy**.

36) **“Policyholder”** means the person or organisation or group named in the **Policy Schedule**. For the purposes of Section 6 (Third Party Legal Liability), Section 7 (Passenger Legal Liability) and Section 10 (Airside Vehicle Liability) of this **Policy**, the term **“Policyholder”** shall also include servants, agents or employees of the Policyholder and the crew of the **Aircraft** whilst acting within the scope of their duties on behalf of or where permitted by the **Policyholder**. If the **Policyholder** is a group, for the purposes of Section 6 (Third Party Legal Liability), Section 7 (Passenger Legal Liability) and Section 10 (Airside Vehicle Liability) of this **Policy**, the term **“Policyholder”** shall also include all members of such group.

37) **“Property Damage”** means physical loss of or damage to or destruction of tangible property, including the resultant loss of use of such property.

38) **“Spares and Equipment”** means spare engines, spare parts, components and equipment destined to be fitted to or form part of the **Aircraft**, and shall include mechanics' tools and ground handling equipment for use in connection with the **Aircraft**.

39) **“Sum Insured”** means the maximum level of insurance cover available under a specific section of this Policy. The applicable **Sum Insured** for each applicable section of the **Policy** will be specified in the **Policy Schedule**.

40) **“Subject Matter”** means the property which is the subject of the **Finance / Lease Contracts**.

41) **“Taxiing”** means movement of the **Aircraft** under its own power excluding any time at which the **Aircraft** is airborne. **Taxiing** shall not be deemed to cease merely by reason of the temporary halting of the **Aircraft**.

42) **“Total Loss”** means when

- (a) the **Aircraft** is damaged to such an extent that it cannot be repaired; or
- (b) the cost of repair is estimated to exceed the applicable **Sum Insured**; or
- (c) the **Aircraft** is missing and not reported for a period of 30 days or more after
  - i. the commencement of **Flight**; or
  - ii. the date on which the theft was reported to the **Insurer**.

43) **“Total Loss of Sight”** means loss of sight which is certified as being entire and irrecoverable by a licensed ophthalmologist.

44) **“Unit”** means a part or an assembly of parts (including any sub-assemblies) which has been assigned an **Overhaul Life** as a part or an assembly. Nevertheless, an engine complete with all parts normally attached when removed for the purpose of overhaul or replacement shall together constitute a single **Unit**.

45) **“You”** or **“Your”** means the **Policyholder**.

## Use Related Definitions

- (a) **“Private, Pleasure and Business”** means use of the aircraft for private, pleasure and business purposes but NOT for any form of hire and reward, **Ab Initio Instruction, Advanced Instruction, Aerial Survey, Air Display, Commercial Aerial Photography/Filming, Commercial Cargo, Commercial Passenger, Hazardous Activity, Medevac, Pipeline Patrol, Rental for Private, Pleasure and Business or Rental for Extended Uses.**
- (b) **“Ab Initio Instruction”** means use of the **Aircraft** for flight training of a pilot for the purpose of their obtaining a licence necessary to command the **Aircraft**.
- (c) **“Advanced Instruction”** means use of the **Aircraft** for flight training of a pilot for a purpose other than their obtaining a licence necessary to command the **Aircraft**.
- (d) **“Aerial Survey”** means use of the **Aircraft** for the collection of information through photography, filming, lidar or remote sensing equipment for hire and reward.
- (e) **“Air Display”** means use of the **Aircraft** for any flying activity deliberately performed for the purpose of providing an exhibition or entertainment at an advertised event open to the public but excluding **Aerobatics** unless this use is also specified under the Permitted Uses in the **Policy Schedule**.
- (f) **“Commercial Aerial Photography/Filming”** means use of the **Aircraft** for the taking of photographs or filming for hire or reward.
- (g) **“Commercial Cargo”** means use of the **Aircraft** for the carriage of cargo for hire or reward.
- (h) **“Commercial Passenger”** means use of the **Aircraft** for the carriage of passengers and baggage accompanying passengers for hire or reward.
- (i) **“Hazardous Use”** means use of the **Aircraft** for hunting, patrol, fire-fighting, the intentional dropping, spraying or release of anything, any form of experimental flying, any form of flying which requires the pilot to hold a current mountain rating and any other use involving abnormal hazard.
- (j) **“Medevac”** means use of the **Aircraft** for emergency medical evacuation of any injured person.
- (k) **“Pipeline Patrol”** means use of the **Aircraft** for the collection of information through observation, photography, filming or remote sensing equipment to identify leaks or other abnormal conditions along the route of a pipeline.
- (l) **“Rental for Private, Pleasure and Business”** means rental, lease, charter or hire of the **Aircraft** by the **Policyholder** to any person, company or organisation for **Private, Pleasure and Business** uses only, where the operation of the **Aircraft** is not under the control of the **Policyholder**. Rental for any other purpose is NOT insured.
- (m) **“Rental for Extended Uses”** means rental, lease, charter or hire of the **Aircraft** by the **Policyholder** to any person, company or organisation for **Private, Pleasure and Business, Ab Initio Instruction, Advanced Instruction, Aerial Survey, Air Display, Commercial Aerial Photography/Filming, Commercial Cargo, Commercial Passenger, Medevac or Pipeline Patrol** uses only, where the operation of the **Aircraft** is not under the control of the **Policyholder**. Rental for any other purpose is NOT insured.

## Section 1: Aircraft Loss or Damage

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

### 1.1. What is covered under this Section

- (a) The **Insurer** will at its option pay for, replace or repair, physical loss of or damage to the **Aircraft** occurring during the **Period of Insurance** and arising from the risks covered, but not exceeding the applicable **Sum Insured** less any applicable amount specified in Conditions 1.3 (b) and 1.3 (e) below.
- (b) If the **Aircraft** is insured for the risks of **Flight**
- i. the **Insurer** will, in addition, pay reasonable emergency expenses necessarily incurred by the **Policyholder** for the immediate safety of the **Aircraft** consequent upon damage or forced landing, up to 10% of the applicable **Sum Insured**.
  - ii. in the event of the **Aircraft** making a forced landing, including as a result of **Force Majeure**, in any place where subsequent take-off cannot be made safely, the **Insurer** will pay all reasonable costs, expenses or expenditure for the removal of the **Aircraft** to the nearest suitable take-off area even if no damage has been sustained, provided always that the **Insurer's** liability for such costs, expenses or expenditure, and for any loss of or damage to the **Aircraft**, shall not exceed the lesser of the applicable **Sum Insured** or GBP1,000,000 each and every loss.

### 1.2. What is not covered under this Section

The **Insurer** will not pay for

- (a) wear and tear, deterioration, breakdown, defect or failure howsoever caused in any **Unit** of the **Aircraft** and the consequences thereof within that **Unit**;
- (b) damage to any **Unit** of the **Aircraft** by anything which has a progressive or cumulative effect, but damage attributable to a single recorded event is covered. For a single recorded incident to be covered with respect to an engine Unit the damage must be of such severity that it requires the engine Unit to be immediately withdrawn from service upon first landing of the Aircraft to which it is attached.

HOWEVER, physical loss of or damage to the **Aircraft** consequent upon sub-paragraphs 1.2(a) or 1.2(b) above is covered.

- (c) theft of the **Aircraft** by a **Policyholder** or with their knowledge or consent.
- (d) loss of or damage to the **Aircraft** occurring during the **Period of Assembly** of the **Aircraft** and caused by negligence of the **Policyholder** or work incorrectly carried out by the **Policyholder**.
- (e) losses arising as a result of practice autorotation on piston engined aircraft, unless the pilot is accompanied by a suitably qualified flying instructor.

### 1.3 Conditions applicable to this Section

- (a) If the **Aircraft** is damaged
- i. no dismantling or repairs shall be commenced without the consent of the **Insurer** except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority;
  - ii. the **Insurer** will pay only for repairs and transport of labour and materials by the most economical method, unless the **Insurer** agrees otherwise with the **Policyholder**.
- (b) If the **Insurer** settles a claim on the basis of a **Total Loss**, they will pay the applicable **Sum Insured**, less any applicable **Deductible**. Following such payment, the **Aircraft** will no longer be insured under this **Policy** and the **Insurer** may take the **Aircraft** (together with all documents of record, registration and title) as salvage.
- (c) Unless the **Insurer** elects to take the **Aircraft** as salvage the **Aircraft** shall at all times remain the property of the **Policyholder** who shall have no right of **Abandonment** to the **Insurer**.

- (d) In the event of theft of the **Aircraft**, the **Policyholder** shall report details to the police as soon as reasonably practicable. If the **Aircraft** is found undamaged before the **Insurer** has paid any claim in relation to the theft, the **Insurer** will pay the cost of returning the **Aircraft** to the **Policyholder's** home airport or airfield by the most economical means.
- (e) If the **Insurer** settles a claim which is not on the basis of a **Total Loss** they will pay the cost of repairing the **Aircraft** less
  - i. any applicable **Deductible**;
  - ii. such proportion of the **Overhaul Cost** of any **Unit** repaired or replaced as the used time bears to the **Overhaul Life** of the **Unit**.

## Section 2. Betterment

**Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.**

Condition 1.3 (e) of Section 1 (Aircraft Loss or Damage) is deleted and replaced with the following:

- (e) Without prejudice to clause 1.3(a)(ii), if the **Insurer** settles a claim which is not on the basis of a **Total Loss** they will pay the cost of repairing the **Aircraft** less
  - i. any applicable **Deductible**;
  - ii. for any damaged **Unit** repaired or replaced whose hours had exceeded, prior to the time the damage to the **Unit** was sustained, the manufacturers original prescribed Overhaul Life (ignoring any life extension agreed by the manufacturer or any relevant authority) the **Overhaul Cost** of the **Unit**.
  - iii. for any **Unit** repaired or replaced, other than a **Unit** to which 1.3(e)(ii) applies, which is damaged other than as a result of an Occurrence, such proportion of the **Overhaul Cost** of the **Unit** as it bears to the **Overhaul Life** of the **Unit**,
  - iv. it being understood that nothing in this clause shall oblige the **Insurer** to replace a damaged **Unit** with a similar **Unit** of better condition if the repair or replacement of the damaged **Unit** can be achieved by a more economical method.

## Section 3: War and Allied Perils

**Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.**

**General Exclusion (b) will not apply to any claim made under this Section**

### 3.1 What is covered under this Section

#### 3.1.1 War, hi-jacking and other perils coverage

The **Insurer** will pay for physical loss of or damage to the **Aircraft** insured under Section 1 (Aircraft Loss or Damage) against claims otherwise excluded from that Section as caused by

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Strikes, riots, civil commotions or labour disturbances.
- (c) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (d) Any malicious act or act of sabotage.
- (e) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority.

- (f) Hi-jacking 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 **Policyholder**.

If Section 11 (Spares and Equipment) is shown to be In Force in the **Policy Schedule**, the **Insurer** will also pay for physical loss of or damage to the **Spares and Equipment** insured under Section 11 (Spares and Equipment) of this **Policy** against claims otherwise excluded from that Section as caused by sub-paragraphs 3.1.1 (b), 3.1.1 (c), 3.1.1 (d), 3.1.1 (e) and 3.1.1 (f) above.

Furthermore this Section covers claims excluded from Section 1 (Aircraft Loss or Damage) and Section 11 (Spares and Equipment) of this **Policy**, if in each case Section 1 and Section 11 are shown as In Force in the **Policy Schedule**, from **Occurrences** whilst the **Aircraft** or **Spares and Equipment** are outside the control of the **Policyholder** by reason of any of the above insured perils. The **Aircraft** shall be deemed to have been restored to the control of the **Policyholder** on the safe return of the **Aircraft** to the **Policyholder** at an airfield not excluded by the Geographical Limits as specified in the **Policy Schedule**, 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).

### 3.1.2 Extortion coverage

The **Insurer** may, at its sole discretion, agree under this Section to indemnify the **Policyholder** in respect of 90% of any payment made by or on behalf of the **Policyholder** for the purpose of avoiding or otherwise minimising threats against the safety of the **Aircraft** or its occupants or **Spares and Equipment** made during the **Period of Insurance** up to the applicable **Sum Insured**, It is warranted that should the Insurer agree to provide such indemnification the remaining 10% of any such payment shall remain uninsured.

For the avoidance of doubt, and without prejudice to the generality of the Insurer's discretion in the previous paragraph, the Insurer shall not agree to any indemnification under this paragraph in the event that:

- (a) such indemnification by Insurers, or the payment to which such indemnity relates, would be in contravention of any applicable law or regulation of any jurisdiction, and The **Policyholder** is at all times responsible for ensuring that no arrangements of any kind are made which are not permitted by the proper authorities.
- (b) the Policyholder fails to request the Insurer's agreement to indemnification under this section in advance of the payment, to which such request for indemnity relates, being made.

In the event that an indemnity is paid by Insurers pursuant to this clause 3.1.2 and the Aircraft subsequently requires repairs or is declared a Total Loss as a result or in connection with the threat to which the indemnity related, Insurers liability to pay for such repairs or to pay for a Total Loss shall not exceed the **Sum Insured** less the amount of the indemnity paid pursuant to this clause.

### 3.1.3 Confiscation and hi-jacking expenses coverage

This Section will also indemnify the **Policyholder** up to the applicable **Sum Insured**, in respect of any extra expenses necessarily incurred following:

- (a) Confiscation and related perils, as detailed in paragraph 3.1.1 (e), of any **Aircraft** or **Spares and Equipment** insured hereunder or
- (b) Hi-jacking and related perils, as detailed in paragraph 3.1.1 (f), of any **Aircraft** insured hereunder.

In the event that expenses are paid by Insurers pursuant to this clause 3.1.3 and the Aircraft subsequently requires repairs or is declared a Total Loss as a result or in connection with the confiscation or hi-jacking to which the expenses related, Insurers liability to pay for such repairs or to pay for a Total Loss shall not exceed the **Sum Insured** less the amount of the expenses paid.

## 3.2 What is not covered under this Section

The **Insurer** will not pay for loss, damage or expense caused by one or any combinations of any of the following:

- (a) war (whether there be a declaration of war or not) between any of the following States: the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China; nevertheless

if any **Aircraft** is in the air when an outbreak of such war occurs, this exclusion shall not apply in respect of such **Aircraft** until the said **Aircraft** has completed its first landing thereafter;

- (b) confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the authority of the government of the country in which the **Aircraft** is registered, or any public or local authority under its jurisdiction;
- (c) the emission, discharge, release or escape of any chemical, biological or biochemical materials or the threat of same but this exclusion shall not apply:
  - i. if such materials are used or threatened to be used solely and directly in:
    - 1. the Hi-jacking, unlawful seizure or wrongful exercise of control of the **Aircraft** in **Flight** and then only in respect of loss of or damage to such **Aircraft** the subject of a valid claim under paragraph 3.1.1 (f) above; or
    - 2. any threat against the **Aircraft** or its occupants or **Spares and Equipment** and then only in respect of payments as Insurers agree to indemnify under paragraph 3.1.2 above;
  - ii. other than as provided for in sub-paragraph 1 above, to loss of or damage to the **Aircraft** if the use of such materials is hostile and originates solely and directly:
    - 1. on board such **Aircraft**, whether it is on the ground or in the air; or
    - 2. external to such **Aircraft** and causes physical damage to the **Aircraft** whilst the **Aircraft's** wheels are not in contact with the ground.

Any emission, discharge, release or escape originating external to the **Aircraft** that causes damage to the **Aircraft** as a result of contamination without other physical damage to the **Aircraft** exterior is not covered by this Section.

- (d) any debt, failure to provide bond or security or any other financial cause under court order or otherwise;
- (e) the repossession or attempted repossession of the **Aircraft** or **Spares and Equipment** either by any title holder, or arising out of any contractual agreement to which any **Policyholder** protected under this Section may be party;
- (f) delay, loss of use, or except as specifically provided in paragraphs 3.1.2 and 3.1.3 above any other consequential loss; whether following upon loss of or damage to the **Aircraft** or **Spares and Equipment** or otherwise;
- (g) any use, hostile or otherwise, of radioactive contamination or matter but this exclusion shall not apply to loss of or damage to the **Aircraft** if such use is hostile and originates solely and directly:
  - i. on board such **Aircraft**, whether it is on the ground or in the air, or
  - ii. external to such **Aircraft** and causes physical damage to the **Aircraft** whilst the **Aircraft's** wheels are no longer in contact with the ground

Any such use originating external to the **Aircraft** that causes damage to the **Aircraft** as a result of contamination without other physical damage to the **Aircraft** exterior is not covered by this Section;

- (h) any use, hostile or otherwise, of an electromagnetic pulse but this exclusion shall not apply to loss of or damage to the **Aircraft** if such use originates solely and directly on board such **Aircraft**, whether it is on the ground or in the air;
- (i) any detonation, hostile or otherwise, of any device employing atomic or nuclear fission and/or fusion or other like reaction, and notwithstanding (g) and (h) above, any radioactive contamination and electromagnetic pulse resulting directly from such detonation is also excluded by this Section.

### 3.3 Conditions applicable to this Section

- (a) This Section is subject to the same warranties, terms and conditions (except as regards the premium, the obligations to investigate and defend, the renewal agreement (if any), the amount of deductible or self-

insurance provision where applicable and except as otherwise provided herein) as are contained in or may be added to Section 1 (Aircraft Loss or Damage) or Section 11 (Spares and Equipment).

- (b) The **Policyholder** should use all reasonable efforts to ensure that he complies and continues to comply with the laws (local or otherwise) of any country within whose jurisdiction the **Aircraft** or **Spares and Equipment** may be, and to obtain all permits necessary for the lawful operation of the **Aircraft**.

### 3.4 Cancellation, revision and automatic termination of this Section

#### 3.4.1 Amendment of terms or cancellation

The **Insurer** may give notice, effective on the expiry of 7 days from midnight G.M.T. on the day on which notice is issued, to review the rate of premium and/or Geographical Limits. In the event of the review of the rate of premium and/or Geographical Limits not being accepted by the **Policyholder** then at the expiry of the said 7 days, this Section shall become cancelled at that date. The **Policyholder** will receive a pro rata return of premium for this Section from that date. However, no return of premium will be made if there has been notification of an event likely to give rise to a claim under this Section.

#### 3.4.2 Automatic review of terms or cancellation

Notwithstanding 3.4.1, this Section is subject to automatic review by the **Insurer** of the rate of premium and/or conditions and/or Geographical Limits effective on the expiry of 7 days from the time of any hostile detonation of any device including any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter where so ever or when so ever such detonation may occur and whether or not the **Aircraft** or **Spares and Equipment** may be directly affected. In the event of the review of the rate of premium and/or conditions and/or Geographical Limits not being accepted by the **Policyholder** then at the expiry of the said 7 days, this Section shall become cancelled at that date. The **Policyholder** will receive a pro rata return of premium for this Section from that date. However, no return of premium will be made if there has been notification of an event likely to give rise to a claim under this Section.

#### 3.4.3 Cancellation by notice

- (a) This Section may be cancelled by the **Policyholder** or the **Insurer** giving notice not less than 7 days prior to the end of each period of 3 months from inception. The **Policyholder** will receive a pro rata return of premium for this Section up to the end of the relevant 3-month period. However, no return of premium will be made if there has been notification of an event likely to give rise to a claim under this Section.
- (b) A **Policyholder** wishing to cancel under this sub-paragraph 3.4.3 may do so by following the instructions in the "Other Important Information" part of this document below.

#### 3.4.4 Automatic cancellation

- (a) Whether or not such notice of cancellation has been given paragraph 3.1.1 (a) only of this Section shall terminate automatically upon the outbreak of war (whether there be a declaration of war or not) between any of the following States: the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China.

PROVIDED THAT

If the **Aircraft** is in the air when such outbreak of war occurs then this Section, subject to its terms and conditions and provided not otherwise cancelled, terminated or suspended, will be continued in respect of such **Aircraft** until the said **Aircraft** has completed its first landing thereafter.

- (b) In the event of the cancellation of Section 1 (Aircraft Loss or Damage) of this **Policy**, this Section will automatically cancel at the same date.

#### 3.4.5 Return of premium

In the event of cancellation or termination of this Section as specified in 3.4.4 (a), pro rata of the premium applicable to this Section shall be returned to the **Policyholder**.

### 3.5 Additional clauses applicable to this Section

#### 3.5.1 Innocent operators coverage clause

This **Policy** is extended to cover physical damage to the **Aircraft** hereby insured arising from the action of any government, government department, authority or agency by reason of actual or alleged infringement of customs, quarantine or public health regulations. It is warranted that the **Policyholder** shall

- (a) Not knowingly carry cargo incorrectly described or labelled;
- (b) Take reasonable precautions to adhere to any customs, quarantine or public health regulations.

## Section 4: Road Transportation

**Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.**

Notwithstanding General Exclusion (a) vi of this **Policy**, the **Insurer** agrees to provide coverage during the **Period of Insurance** for physical loss of or damage to the **Aircraft** occurring whilst the **Aircraft** is being transported at any time by any suitable means of road conveyance, subject to all precautions being taken to ensure the safety of the **Aircraft** during the period of transportation.

Provided always that the **Insurer's** liability shall not exceed the applicable **Sum Insured**, less any applicable **Deductible**.

## Section 5: Courtesy Aircraft

**Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.**

If the **Aircraft** sustains physical loss or damage covered by Section 1 (Aircraft Loss or Damage) of this **Policy**, the **Insurer** will pay reasonable expenses necessarily incurred by the **Policyholder** for the renting or leasing of a temporary replacement aircraft of an equivalent type for the period of repair of the **Aircraft**. For the avoidance of doubt, the Insurer shall not be responsible under this section for any expenses incurred by the Policyholder relating to the crewing of the replacement aircraft, nor for any costs of insurance, storage, airport and handling fees, fuel or maintenance or other costs incurred ancillary to the Insured's operation of the replacement aircraft.

This coverage does not apply to extra expense(s) incurred:

- (a) unless the actual time required to repair the damaged **Aircraft** exceeds 30 days from the date of the loss or damage;
- (b) if another aircraft is available at no extra charge for its use;
- (c) if the **Policyholder** acquires through ownership, lease, lease-purchase option, or otherwise, a permanent replacement for the damaged **Aircraft**;
- (d) if the **Insurer** has agreed to pay for a **Total Loss** of the **Aircraft**;
- (e) whilst the temporary replacement aircraft is on standby;
- (f) which would otherwise have been incurred had the **Policyholder** been able to operate the **Aircraft**;
- (g) after completion of repair or after repair would have been completed but for work carried out which was not necessary to the repair.

Provided always that the **Insurer's** liability shall not exceed the applicable **Sum Insured**.

## Section 6: Third Party Legal Liability

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

### 6.1. What is covered under this Section

The **Insurer** will pay on behalf of the **Policyholder** all sums which the **Policyholder** shall become legally liable to pay as compensatory damages in respect of **Bodily Injury** and/or **Property Damage** to third parties caused by an **Occurrence** arising from the use of the **Aircraft** by the **Policyholder**, but not exceeding the applicable **Limit of Liability**.

### 6.2. What is not covered under this Section

The **Insurer** will not pay for

- (a) **Bodily Injury** or **Property Damage** sustained by any director or employee of the **Policyholder** or partner in the **Policyholder's** business whilst acting in the course of their employment with or duties for the **Policyholder**;
- (b) **Bodily Injury** or **Property Damage** sustained by any member of the flight, cabin or other crew whilst engaged in the operation of the **Aircraft**;
- (c) **Bodily Injury** or **Property Damage** sustained by any passenger whilst entering, on board, or alighting from the **Aircraft**;
- (d) **Property Damage** to any property belonging to or in the care, custody or control of the **Policyholder**. However, this exclusion shall not apply to **Property Damage** to cargo of others in the care, custody or control of the **Policyholder** if **Commercial Cargo** is included under the Permitted Uses in the **Policy Schedule**.

## Section 7: Passenger Legal Liability

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

### 7.1. What is covered under this Section

The **Insurer** will pay on behalf of the **Policyholder** all sums which the **Policyholder** shall become legally liable to pay as compensatory damages in respect of

- (a) **Bodily Injury** to passengers whilst entering, on board, or alighting from the **Aircraft** and
  - (b) **Property Damage** to baggage and personal articles of passengers
- caused by an **Occurrence** but not exceeding the applicable **Limit of Liability**.

Provided always that

- i. before a passenger boards the **Aircraft** the **Policyholder** shall take such measures as are necessary to exclude or limit liability for claims under paragraphs (a) and (b) above to the extent permitted by law, and
- ii. if the measures referred to in proviso i. above include the issue of a passenger ticket/baggage check, the same shall be delivered correctly completed to the passenger a reasonable time before the passenger boards the **Aircraft**.

In the event of failure to comply with proviso i. or ii. the liability of the **Insurer** under this Section shall not exceed the amount of liability, if any, that would have existed had the proviso been complied with.

### 7.2. What is not covered under this Section

The **Insurer** will not pay for

- (a) **Bodily Injury** or **Property Damage** sustained by any director or employee of the **Policyholder** or partner in the **Policyholder's** business whilst acting in the course of their employment with or duties for the **Policyholder**;

- (b) **Bodily Injury** sustained by any member of the flight, cabin or other crew whilst engaged in the operation of the **Aircraft** for which the **Policyholder** or any Company as his insurer may be held liable under workers compensation, employers' liability, unemployment compensation or disability benefits law or any similar law;
- (c) **Property Damage** sustained by any member of the flight, cabin or other crew whilst engaged in the operation of the **Aircraft**.

## Section 8: Crown Indemnity

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

### 8.1 What is covered under this Section

It is noted that the **Policyholder(s)** may wish to use, for civil aircraft purposes, United Kingdom Ministry of Defence (MOD) airfields and be required to enter into an agreement with the Crown incorporating certain conditions for the civil (flying) use of such airfields and to afford an indemnity to the Crown in the form of **INDEM3.81/Form4a**.

The **Insurer** will indemnify the **Policyholder** for all sums which the **Policyholder** shall become legally liable to pay to the Crown under such an agreement as compensatory damages in respect of **Bodily Injury** and/or **Property Damage** caused by an **Occurrence** arising from the use of the **Aircraft** by the **Policyholder** of such airfields.

Provided always that the **Insurer's** liability shall not exceed the applicable **Limit of Liability**, and such **Limit of Liability** shall not be in addition to nor in excess of any other **Limit of Liability** provided in this **Policy**.

### 8.2 Conditions applicable to this Section

If the **Insurer** is called upon to provide coverage to the **Policyholder** in compliance with **INDEM3.81/Form4a** including the defence and legal costs associated therewith and if by reason of the terms conditions limitations and exclusions of this **Policy** such coverage would not have been provided except for this Section then the **Policyholder** will reimburse the **Insurer** for such payments made in providing coverage under **INDEM3.81/Form4a**.

## Section 9: Passenger Voluntary Settlement

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

### 9.1 What is covered under this Section

The **Insurer** will at the request of and regardless of legal liability of the **Policyholder** offer settlement on the basis of the benefits hereinafter specified in respect of **Bodily Injury** sustained by any passenger caused by an **Occurrence** provided that at the time of such **Occurrence** causing such **Bodily Injury** Section 7 (Passenger Legal Liability) of this **Policy** is effective in respect of such **Occurrence**.

- (a) For death or for total **Loss of two Limbs** or **Total Loss of Sight** of two eyes or total **Loss** of one **Limb** and **Total Loss of Sight** of one eye (or any combination thereof) the amount offered shall not exceed the applicable **Sum Insured** per passenger; or
- (b) For total **Loss of one Limb** or **Total Loss of Sight** of one eye the amount offered shall not exceed one half of the applicable **Sum Insured** per passenger.
- (c) For **Permanent Total Disablement** other than by **Loss of Limbs** or **Total Loss of Sight** the amount offered shall not exceed the applicable **Sum Insured** per passenger.

### 9.2 What is not covered under this Section

The **Insurer** shall not be liable for

- (a) any payment which may be used to satisfy that obligation for which the **Policyholder** or any Company as his insurer may be held liable under workers' compensation, employers' liability, unemployment compensation or disability benefits law or any similar law;

- (b) **Bodily Injury** to any passenger
  - i. caused by his suicide or attempted suicide or intentional self-injury or own criminal or felonious act or by his own act whilst in a state of insanity or intoxication;
  - ii. caused by disease or natural causes, or medical or surgical treatment (except where such treatment is rendered necessary by **Bodily Injury** caused by an **Occurrence** within the scope of this Section);
  - iii. carried for hire or reward;
- (c) **Bodily Injury** to any member of the flight or cabin crew.

### 9.3 Conditions applicable to this Section

- (a) The **Policyholder** shall furnish, as soon as practicable after each request from the **Insurer**, reasonably obtainable information pertaining to **Bodily Injury** sustained by passengers. In the event of death immediate notice must be sent to the **Insurer**, by following the instructions in the “Other Important Information” part of this document below.
- (b) In consideration of any settlement under the provisions of this Section and as a condition precedent thereto, the **Insurer** shall be provided with a full legal release for all claims for damages against the **Policyholder** and/or any other party(ies) protected by this **Policy** from the injured passenger and/or any person having a cause of action for such **Bodily Injury**. If the injured passenger or any person claiming by, through or under him shall fail to accept in writing within 30 days from the date of offering the voluntary settlement under the provisions of this Section or to execute the necessary release then the **Insurer** may, at its option, withdraw the offered voluntary settlement, without notice, in which circumstances the **Insurer** will no longer be bound by the undertakings expressed in the preceding paragraphs. If subsequent to an offer of voluntary settlement being made in respect of any passenger any claim suit or demand is made or prosecuted against the **Policyholder** for damages on account of such **Bodily Injury**, such claim suit or demand shall be considered as refusal to accept such voluntary settlement and the obligations of the **Insurer** as expressed in Section 7 (Passenger Legal Liability) of this **Policy**, shall be available as fully and completely as if this Section had not been issued.

## Section 10: Airside Vehicle Liability

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

### 10.1 What is covered under this Section

The **Insurer** will pay on behalf of the **Policyholder** all sums which the **Policyholder** shall become legally liable to pay as compensatory damages in respect of **Bodily Injury** and/or **Property Damage** caused by an **Occurrence** arising out of the authorised use of any vehicle owned by or operated by the **Policyholder** or any permitted pilot as specified in the **Policy Schedule** within the confines of any airport or airfield and in connection with the **Aircraft**, but not exceeding the applicable **Limit of Liability** less any applicable **Deductible**.

### 10.2 What is not covered under this Section

The **Insurer** will not pay for

- (a) **Bodily Injury** or **Property Damage** sustained by any director or employee of the **Policyholder** or partner in the **Policyholder's** business whilst acting in the course of their employment with or duties for the **Policyholder**;
- (b) **Property Damage** to any property belonging to or in the care, custody or control of the **Policyholder**.

## Section 11: Spares and Equipment

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

### 11.1 What is covered under this Section

The **Insurer** will pay for physical loss of or damage to **Spares and Equipment** occurring during the **Period of Insurance**, being the property of the **Policyholder** or the property of others for which the **Policyholder** is responsible, whilst such property is in the care, custody or control of the **Policyholder** on the ground, or is being carried as cargo, but not exceeding the applicable **Sum Insured**, less any applicable **Deductible**.

### 11.2 What is not covered under this Section

The **Insurer** will not pay for

- (a) loss of or damage
  - i. to property occurring at any time after the **Commencement of the Operation of Fitting** it to the **Aircraft** or placing it on board the **Aircraft** to which it is destined;
  - ii. caused by wear and tear, deterioration, breakdown, defect or failure howsoever caused and the consequences thereof within any **Unit**;
  - iii. mechanical or electrical derangement;
  - iv. to an engine occurring during the running or testing thereof
  - v. caused by or resulting from neglect of the **Policyholder** to use reasonable means to save and preserve the property at the time of and after any loss or damage;
  - vi. to property which has been detached from the **Aircraft** and which is intended to be refitted to the **Aircraft** and not to be replaced by other property;
  - vii. to property which may be sustained whilst the same is under any process and directly resulting therefrom.
  - viii. to property carried in the **Aircraft** as a spare parts kit;
  - ix. to property fitted to or forming part of the **Aircraft**;
  - x. to property of others carried or stored by the **Policyholder** for hire or reward.
- (b) mysterious disappearance or unexplained loss or shortage disclosed upon taking inventory.
- (c) theft of the **Spares and Equipment** by a **Policyholder** or with their knowledge or consent.

### 11.3 Conditions applicable to this Section

- (a) The **Policyholder** shall keep a proper record of all items of property from time to time hereby insured and of the value of each item.
- (b) The **Insurer** will pay the lesser of the cost of repair or the cost of replacement or the applicable **Sum Insured**, less any applicable **Deductible**.
- (c) The **Deductible** shall not apply to claims for loss or damage caused by fire, wind, tornado or cyclone which shall be paid in full.
- (d) Unless the **Insurer** elects to take the **Spares and Equipment** as salvage the **Spares and Equipment** shall at all times remain the property of the **Policyholder** who shall have no right of **Abandonment** to the **Insurer**.

## Section 12: Flying Clothing and Effects

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

The **Insurer** will cover physical loss of or damage to **Flying Clothing and Effects** by theft or fire (or physical damage to **Flying Clothing and Effects** if the **Aircraft** itself is damaged).

Provided always that the **Insurer's** liability shall not exceed the applicable **Sum Insured**, less any applicable **Deductible**.

## Section 13: Trip Interruption

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

If the **Aircraft** becomes unairworthy as a result of physical loss or damage covered under Section 1 (Aircraft Loss or Damage) of this **Policy**, the **Insurer** will reimburse the **Policyholder** for any reasonable expenses for food and lodging of any **Insured Person** and reasonable travel expenses incurred by or on behalf of the **Policyholder** to transport such **Insured Person** from the place where the **Aircraft** suffers such physical loss or damage to the next scheduled stopping place of the **Aircraft**.

Provided always that the **Insurer's** liability shall not exceed the applicable **Sum Insured**.

## Section 14: Personal Accident

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

### 14.1 What is covered under this Section

If an **Insured Person** sustains **Physical Injury** caused by an **Aviation Incident**, the **Insurer** will pay to the **Policyholder**, or to the **Policyholder's** executors or administrators, according to the Schedule of Benefits shown in paragraph 14.4 of this Section, after the total claim shall be substantiated under this Section.

Provided always that

- (a) No benefit shall be payable to the **Policyholder** under more than one of the items of the Schedule of Benefits in respect of the consequences of one **Aviation Incident** to any one **Insured Person**.
- (b) The total sum payable under this Section to the **Policyholder** in respect of any one or more **Aviation Incident** to any one **Insured Person** shall not exceed in all the largest benefit under any one of the items contained in the Schedule of Benefits.
- (c) If an **Aviation Incident** causes the death of the **Insured Person** within 12 months following the date of the **Aviation Incident** and prior to the definite settlement of the benefit for disablement provided for under items 2 to 5 of the Schedule of Benefits, the **Insurer** shall pay only the benefit to the **Policyholder**.

The **Insurer** will, in addition, pay **Medical and Related Expenses** subject to the limit stated in item 6 of the Schedule of Benefits shown in paragraph 14.4 of this Section.

### 14.2 What is not covered under this Section

The **Insurer** will not pay for death, disablement or **Physical Injury** in any way caused or contributed to by

- (a) war, whether declared or not, hostilities or any act of war or civil war;
- (b) radioactive contamination;
- (c) the **Insured Person's** suicide or attempted suicide or intentional self-injury or the **Insured Person** being in a state of insanity;
- (d) Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or Human Immunodeficiency Virus (HIV) howsoever these have been acquired or may be named;
- (e) the **Insured Person's** deliberate exposure to exceptional danger (except in an attempt to save human life);
- (f) the **Insured Person's** own criminal act;
- (g) the **Insured Person** being under the influence of alcohol or drugs.

### 14.3 Conditions applicable to this Section

- (a) No benefit will be payable for any condition for which the **Insured Person** has sought advice, diagnosis, treatment or counselling or of which the **Insured Person** was or should reasonably have been aware at the **Cover Start Date** as specified in the **Policy Schedule** or for which the **Insured Person** has been treated at any time prior to the **Cover Start Date** as specified in the **Policy Schedule** if later, unless declared to and agreed by the **Insurer**.

- (b) Notice of an **Aviation Incident** likely to give rise to a claim under this Section shall be given as soon as reasonably practicable to the **Insurer**, using the contact details included in the “Other Important Information” part of this document below, and the **Insured Person** must as early as possible seek the attention of a duly qualified medical practitioner.
- (c) All medical records, notes and correspondence referring to the subject of a claim or a related pre-existing condition shall be made available on request to any medical adviser appointed by or on behalf of the **Insurer** and such medical adviser or advisers shall, for the purpose of reviewing the claim, be allowed so often as may be deemed necessary to make examination of the **Insured Person**.
- (d) If the **Insured Person** is not found within 12 months of disappearing as a result of an **Aviation Incident**, and sufficient evidence is produced satisfactory to the **Insurer** that leads it inevitably to the conclusion that the **Insured Person** has sustained **Physical Injury** and that such injury has caused the **Insured Person’s** death, the **Insurer** shall pay any death benefit applicable under this Section provided that the person or persons to whom such sum is paid shall sign an undertaking to refund such sum to the **Insurer** if the **Insured Person** is subsequently found to be living

#### 14.4 Schedule of Benefits

	Percentage of the applicable <b>Sum Insured</b> , being applicable separately to each <b>Insured Person</b>
1. Death	100%
2. <b>Total Loss of Sight</b> in one or both eyes	100%
3. <b>Loss of Limb</b>	100%
4. <b>Total Loss of Sight</b> of one or two eyes and <b>Loss of Limb</b>	100%
5. <b>Permanent Total Disablement</b> (other than <b>Total Loss of Sight</b> of one or both eyes or <b>Loss of Limb(s)</b> )	100%
6. <b>Medical and Related Expenses</b>	10%

### Section 15: No Claims Discount Protection

**Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.**

If a single claim is made on this **Policy** that would otherwise impact your No Claims Discount entitlement it will be disregarded for the purpose of calculating the level of No Claims Discount which will apply to this **Policy** at renewal provided that the **Policyholder** was unaware at the time of effecting cover under this Section of the event which gave rise to such claim.

If more than one claim is made on this **Policy** during the **Period of Insurance** the No Claims Discount applicable to this **Policy** will be reduced to 0% at renewal.

## Section 16: Finance / Lease Contract

Please note this Section is only applicable if it is shown as In Force in the Policy Schedule.

It is noted that the **Contract Party(ies)** has an interest or interests in respect of the **Subject Matter** under the **Finance / Lease Contract(s)**. Accordingly, with respect to losses occurring during the period from the **Cover Start Date** as specified in the **Policy Schedule** until the expiry of this **Policy**, or until the expiry or agreed termination of the **Contract(s)** or until the obligations under the **Contract(s)** are terminated by any action of the **Policyholder** or the **Contract Party(ies)**, whichever shall first occur, in respect of the said interest of the **Contract Party(ies)** and in consideration of the **Finance / Lease Contract Premium** it is confirmed that the Insurance afforded by the **Policy** is in full force and effect and it is further agreed that the following provisions are specifically endorsed to the **Policy**:

### 16.1 Under Section 1 (Aircraft Loss or Damage) and Section 11 (Spares and Equipment)

- (a) In respect of any claim on the **Subject Matter** that becomes payable on the basis of a **Total Loss**, settlement (net of any relevant **Deductible**) shall be made to, or to the order of the **Contract Party(ies)**. In respect of any other claim, settlement (net of any relevant **Deductible**) shall be made with such party(ies) as may be necessary to repair the **Subject Matter** unless otherwise agreed after consultation between the **Insurer** and the **Policyholder** and, where necessary under the terms of the **Finance / Lease Contract(s)**, the **Contract Party(ies)**.

Such payments shall only be made provided they are in compliance with all applicable laws and regulations.

- (b) The **Insurer** shall be entitled to the benefit of salvage in respect of any property for which a claims settlement has been made.

### 16.2 Under Section 6 (Third Party Legal Liability) and Section 7 (Passenger Legal Liability)

- (a) Subject to the provisions of this Section, the **Policy** shall operate in all respects as if a separate **Policy** had been issued covering each party insured hereunder, but this provision shall not operate to include any claim howsoever arising in respect of loss or damage to the **Subject Matter** insured under the **Aircraft or Spares and Equipment** insurance of the **Policyholder**. Notwithstanding the foregoing the total liability of the **Insurer** in respect of any and all **Policyholders** shall not exceed the applicable Limits of Liability as specified in the **Policy Schedule**.
- (b) The insurance provided hereunder shall be primary and without right of contribution from any other insurance which may be available to the **Contract Party(ies)**.
- (c) This Section does not provide coverage for any **Contract Party** with respect to claims arising out of its legal liability as manufacturer of, or performer of maintenance, repairs or other operational activities on, the **Subject Matter**.
- (d) The coverage afforded by the **Policy** is amended by this Section to provide coverage in respect of the liability of the **Contract Party(ies)** to the pilots and crew of the **Subject Matter** (excluding liability to those pilots and crew employed by the **Contract Party(ies)**), on the basis that for the purposes of providing such coverage under this Section, such pilots and crew shall be deemed to be passengers.

### 16.3 Under Section 1 (Aircraft Loss or Damage), Section 11 (Spares and Equipment), Section 6 (Third Party Legal Liability) and Section 7 (Passenger Legal Liability)

- (a) The **Contract Party(ies)** are included as an additional **Policyholder**.
- (b) The cover afforded to each **Contract Party** by the **Policy** in accordance with this Section shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any other person or party which results in a breach of any term, condition or warranty of the **Policy** PROVIDED THAT the **Contract Party** so protected has not caused, contributed to or knowingly condoned the said act or omission.
- (c) Nevertheless, no **Contract Party** shall be entitled to claim a loss by theft or alleged theft of the **Subject Matter** under the **Aircraft** insurance by reason of the actual or alleged dispossession or refusal or failure to redeliver the **Subject Matter** by the **Policyholder** or any other **Contract Party**, but this shall not exclude any

claim by a **Contract Party** by reason of loss of or damage to the **Subject Matter** (other than loss by such theft) during the period that this Section is in force.

- (d) The provisions of this Section apply to each **Contract Party** solely in its capacity as financier, lessor or lease servicer or manager under the **Finance / Lease Contract(s)** and not in any other capacity. Knowledge that any **Contract Party** may have or acquire or actions that it may take or fail to take in that other capacity (pursuant to any other contract or otherwise) shall not be considered as invalidating the cover afforded by this Section. For this purpose "lease servicer or manager" means a **Contract Party** who is appointed by one or more other **Contract Party(ies)** to provide services relating to the **Subject Matter** in connection with the **Finance / Lease Contract(s)** (other than services of a kind specified in paragraph 16.2 (c) above).
- (e) The **Contract Party(ies)** shall have no responsibility for premium, and the **Insurer** shall waive any right of set-off or counterclaim against the **Contract Party(ies)** except in respect of outstanding premium in respect of the **Subject Matter**.
- (f) Upon payment of any loss or claim to or on behalf of any **Contract Party(ies)**, the **Insurer** shall to the extent and in respect of such payment be thereupon subrogated to all legal and equitable rights of the **Contract Party(ies)** indemnified hereby (but not against any **Contract Party**). The **Insurer** shall not exercise such rights without the consent of those indemnified, such consent not to be unreasonably withheld. At the expense of the **Insurer** such **Contract Party(ies)** shall do all things reasonably necessary to assist the **Insurer** to exercise said rights.
- (g) Except in respect of any provision for Cancellation or Automatic Termination specified in the **Policy** or any endorsement thereof, cover provided by this Section may only be cancelled or materially altered in a manner adverse to the **Contract Party(ies)** by the **Insurer** giving not less than 30 days' notice in writing to the **Contract Party(ies)**. Notice shall be deemed to commence from the date such notice is given by the **Insurer**. Such notice will NOT, however, be given at normal expiry date of the **Policy** or any endorsement.

Except as specifically varied or provided by the terms of this Section:-

- i. The **Contract Party(ies)** are covered by the **Policy** subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions thereof.
- ii. The **Policy** shall not be varied by any provisions contained in the **Finance / Lease Contract(s)** which purport to serve as an endorsement or amendment to this **Policy**.

## General Exclusions

**Unless stated otherwise the following exclusions apply to the whole of the Policy.**

The following are **not** covered by this **Policy**:

- (a) Claims arising whilst the Aircraft is:
  - i. Being used for any illegal purpose.
  - ii. Being used for hunting, patrol, fire-fighting, the intentional dropping, spraying or release of anything (including parachutists, sky divers, agricultural pesticides or ordnance), any form of experimental flying, any form of flying which requires the pilot to hold a current mountain rating and any other use involving abnormal hazard (such as operating the **Aircraft** outside the manufacturer's authorised flight envelope), unless such use has been specifically agreed with the **Insurer** in writing.
  - iii. Being used for any purpose other than those specified under the Permitted Uses in the **Policy Schedule** or within the 'General Clauses' Section.
  - iv. Outside the Geographical Limits as specified in the **Policy Schedule**, unless due to a forced landing or as a result of **Force Majeure**.
  - v. Being piloted by any person other than as specified in the **Policy Schedule** or within the 'General Clauses' Section except that the **Aircraft** may be operated on the **Ground** by any person competent for that purpose.

- vi. Landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the **Aircraft**, unless due to a forced landing or as a result of **Force Majeure**.
- vii. Carrying a total number of crew / passengers which exceeds the total seats as specified in the **Policy Schedule**.
- viii. Being transported by any means except as the result of an event giving rise to a claim under Section 1 (Aircraft Loss or Damage) of this **Policy**. This exclusion shall not exclude claims arising under Section 4 (Road Transportation) if such Section is shown as being In Force in the **Policy Schedule**.

(b) Claims caused by:

- i. War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- ii. 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.
- iii. Strikes, riots, civil commotions or labour disturbances.
- iv. 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.
- v. Any malicious act or act of sabotage.
- vi. Confiscation, nationalisation, 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.
- vii. Hi-jacking 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 **Policyholder**.

Furthermore this **Policy** does not cover claims arising whilst the **Aircraft** is outside the control of the **Policyholder** by reason of any of the above perils. The **Aircraft** shall be deemed to have been restored to the control of the **Policyholder** on the safe return of the **Aircraft** to the **Policyholder** at an airfield not excluded by the Geographical Limits, 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).

This exclusion (b) does not apply to Section 3 (War and Allied Perils).

(c) 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):

- i. the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the **Policyholder** 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;
- ii. 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 **Policyholder** 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;
- iii. 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 **Policyholder** 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 the **Insurer** to investigate or defend claims shall not apply to any claims so excluded.

- (d) Claims of any kind whatsoever directly or indirectly relating to, arising out of or in consequence of:
- i. the actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain, asbestos; or
  - ii. any obligation, request, demand, order, or statutory or regulatory requirement that any **Policyholder** or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.

However, this exclusion shall not apply to any claim caused by or resulting in a crash fire explosion or collision or a recorded in-**Flight** emergency causing abnormal **Aircraft** operation.

Notwithstanding any other provisions of this **Policy**, the **Insurer** will have no duty to investigate, defend or pay defence costs in respect of any claim excluded in whole or in part under paragraphs i. or ii. of this exclusion.

This exclusion (d) applies only to Section 6 (Third Party Legal Liability), Section 7 (Passenger Legal Liability), Section 8 (Crown Indemnity) and Section 10 (Airside Vehicle Liability).

- (e) Claims for:
- 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:
- iii. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
  - iv. 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;
  - v. ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

It is understood and agreed that such radioactive material or other radioactive source in General Exclusion e) iv) and v) above shall not include:

- vi. depleted uranium and natural uranium in any form;
- vii. radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.

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:

- viii. the **Policyholder** under this **Policy** is also a **Policyholder** or an additional **Policyholder** under any other insurance policy, including any nuclear energy liability policy; or
- ix. any person or organization is required to maintain financial protection pursuant to legislation in any country; or
- x. the **Policyholder** under this **Policy** is, or had this **Policy** not been issued would be, entitled to indemnification from any government or agency thereof.

Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of General Exclusion e) vi) or vii) shall (subject to all other terms, conditions, limitations, warranties and exclusions of this **Policy**) be covered, provided that:

- xi. 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;

- xii. this **Policy** shall only apply to an event happening during the **Period of Insurance** and where any claim by the **Policyholder** against the **Insurer** or by any claimant against the **Policyholder** arising out of such event shall have been made within three years after the date thereof;
- xiii. 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:

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

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

(f) 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.

With respect to any provision in this **Policy** concerning any duty of the **Insurer** to investigate or defend claims, such provision shall not apply and the **Insurer** shall not be required to defend

- (a) claims excluded by clauses i. to iv. of this exclusion; or
- (b) a claim or claims covered by this **Policy** when combined with any claims excluded by clauses i. to iv. of this exclusion (referred to below as "Combined Claims").

In respect of any Combined Claims, the **Insurer** shall (subject to proof of loss and the limits of this **Policy**) reimburse the **Policyholder** for that portion of the following items which may be allocated to the claims covered by this **Policy**:

- (a) damages awarded against the **Policyholder** and
- (b) defence fees and expenses incurred by the **Policyholder**.

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

This exclusion (f) applies only to Section 6 (Third Party Legal Liability), Section 8 (Crown Indemnity) and Section 10 (Airside Vehicle Liability).

- (g) Claims which are payable under any other insurance except in respect of any excess beyond the amount which would have been payable under such other insurance had this **Policy** not been effected.

- (h) Claims arising for liability assumed or rights waived by the **Policyholder** under any agreement (other than a passenger ticket / baggage check issued under Section 7 (Passenger Legal Liability), except to the extent that such liability would have attached to the **Policyholder** in the absence of such agreement.

This exclusion does not apply to Section 8 (Crown Indemnity).

- (i) Should **Medevac** be included under the Permitted Uses specified in the **Policy Schedule**, claims:
- i. arising from malpractice, error or mistake in respect of the treatment of any person, or the omission thereof, by any physician, surgeon, nurse, stewardess or other attendant.
  - ii. for aggravation of existing illness or injury of patients or passengers being carried caused other than by an **Occurrence** involving damage to the **Aircraft**.
  - iii. for any consequential loss arising out of the transport of blood and human organs.

## General Conditions

**Unless stated otherwise the following conditions apply to the whole of the Policy.**

1. The **Policyholder** shall at all times use due diligence and do and concur in doing everything reasonably practicable to avoid or diminish any loss hereon.
2. The **Policyholder** shall comply with all air navigation and airworthiness orders and requirements issued by the aviation authority having jurisdiction over the safe operation of the **Aircraft** and shall ensure that
  - i. the **Aircraft** is airworthy at the commencement of each **Flight**;
  - ii. all log books and other records in connection with the **Aircraft** which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the **Insurer** or its agents on request;
  - iii. the employees and agents of the **Policyholder** comply with such orders and requirements.
3. Notice of any event likely to give rise to a claim under this **Policy** shall be given as soon as reasonably practicable to the **Insurer**, by following the instructions in the "Other Important Information" part of this document below. In all cases the **Policyholder** shall
  - i. provide the **Policy** number and the **Aircraft** registration number;
  - ii. provide full particulars in writing of such event and forward notice of any claim with any letters or documents relating thereto;
  - iii. give notice of any impending prosecution;
  - iv. provide such further information and assistance as the **Insurer** may reasonably require;
  - v. not act in any way to the detriment or prejudice of the interests of the **Insurer**.
4. The **Policyholder** shall not make any admission of liability or payment or offer or promise of payment without the written consent of the **Insurer**.
5. In the event of any payment being made by the **Insurer** under this **Policy**, the **Insurer** shall be subrogated to the rights and remedies of the **Policyholder** who shall co-operate with and do all things necessary to assist the **Insurer** to exercise such rights and remedies.
6. This **Policy** may not be assigned in whole or part except with the prior written agreement of the **Insurer**.
7. In agreeing to insure the **Policyholder**, and in setting the **Policy** terms and premium, the **Insurer** has relied on information given to them by the **Policyholder** about the risk. When applying for, amending or renewing this **Policy**, the **Policyholder** must provide a **Fair Presentation** of the risk by ensuring all questions, including questions that apply to any other person covered by this **Policy**, are answered accurately and completely.
  - i. If the **Insurer** establishes that the **Policyholder** has deliberately or recklessly failed to present the risk fairly, the **Insurer** may treat this **Policy** as if it never existed and refuse to make any payment

- under it. The **Policyholder** must reimburse all payments already made by the **Insurer** and the **Insurer** will be entitled to retain all premiums paid.
- ii. If the **Insurer** establishes that the **Policyholder** has failed to present the risk fairly but that such failure was not deliberate or reckless, the remedy available to the **Insurer** will depend on what they would have done had the **Policyholder** made a **Fair Presentation** of the risk, as follows:
    - (a) if the **Insurer** would not have provided this **Policy**, the **Insurer** may treat it as if it never existed and refuse to make any payment under it. The **Policyholder** must reimburse all payments already made by the **Insurer** and the **Insurer** will refund any premiums the **Policyholder** has paid;
    - (b) If the **Insurer** would have provided this **Policy** on different terms (other than as to premium), the **Insurer** will treat it as if it had been provided on such different terms from the date the **Policyholder** failed to present the risk fairly to the **Insurer**. This may result in the **Insurer** making no payment for a particular claim or loss. The **Policyholder** must reimburse all payments already made by the **Insurer** that the **Insurer** would not have paid if such terms had been in effect;
    - (c) if the **Insurer** would have provided this **Policy** but charged a higher premium, the **Insurer** may reduce the amount paid for any claim or loss in the proportion that the premium the **Policyholder** has paid bears to the premium the **Insurer** would have charged if the **Policyholder** had fairly presented the risk. This remedy may apply in addition to 7.ii.(b) above.
8. The **Policy Schedule** includes details of the information provided by the **Policyholder** for the purpose of arranging or renewing this **Policy**. The **Policyholder** must tell the **Insured** as soon as possible about any changes to this information by following the instructions in the “Other Important Information” part of this document below. The **Insurer** may reassess the premium or cover provided by this **Policy** in the light of the notification of such changes. If the **Policyholder** fails to inform the **Insurer** of such changes:
    - i. The **Policy** may be invalidated;
    - ii. A claim under the **Policy** be rejected or not paid in full.
  9. The rights of a person who is not a party to this **Policy** to enforce a term of this **Policy** and/or not to have this **Policy** rescinded, varied or altered without his consent by virtue of the provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded from this **Policy**.
  10. Notwithstanding anything to the contrary in the **Policy** the following shall apply:
    - i. If, by virtue of any law or regulation which is applicable to the **Insurer** at the inception of this **Policy** or becomes applicable at any time thereafter, providing coverage to the **Policyholder** is or would be unlawful because it breaches an embargo or sanction, the **Insurer** shall provide no coverage and have no liability whatsoever nor provide any defence to the **Policyholder** or make any payment of defence costs or provide any form of security on behalf of the **Policyholder**, to the extent that it would be in breach of such law or regulation.
    - ii. In circumstances where it is lawful for the **Insurer** to provide coverage under the **Policy**, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the **Insurer** will take all reasonable measures to obtain the necessary authorisation to make such payment.
    - iii. In the event of any law or regulation becoming applicable during the **Period of Insurance** which will restrict the ability of the **Insurer** to provide coverage as specified in paragraph i. of this condition, then both the **Policyholder** and the **Insurer** shall have the right to cancel its participation on this **Policy** in accordance with the laws and regulations applicable to the **Policy** provided that in respect of cancellation by the **Insurer** a minimum of 30 days’ notice in writing be given. In the event of cancellation by either the **Policyholder** or the **Insurer**, the **Insurer** shall retain the pro rata proportion of the premium for the period that the **Policy** has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the **Insurer**, and in the absence of a more specific provision in the **Policy** relating

to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the **Insurer** shall be effective even though the **Insurer** makes no payment or tender of return premium. A **Policyholder** wishing to cancel under the terms of this condition may do so by following the instructions in the “Other Important Information” part of this document below.

- iv. No claim shall be payable under any section of this Policy if other insurance which is payable in consequence of loss or damage covered by that section has been or shall be effected by or on behalf of the Policyholder without the knowledge or consent of the Insurers.

## General Clauses

Unless stated otherwise the following clauses apply to the whole of the Policy.

### 1. No Claims Discount

The level of No Claims Discount will be determined based on the claims history of the **Policyholder** using the following scale.

Claim free years allocated at the start of the Period of Insurance	No Claims Discount
0	0%
1	12.5%
2	15%
3 or more	20%

If a claim is made on this **Policy** during the **Period of Insurance** the claim free years will be reduced to 0 at the next renewal and the No Claims Discount will also be 0%. If a claim is made on this **Policy** after the renewal premium has been calculated the No Claims Discount will be set to 0% and the renewal premium amended accordingly. No Claims Discount cannot be transferred to anyone else.

### 2. Cancellation

- (a) This **Policy** may be cancelled by the **Policyholder** within 14 days of the “**Inception / Renewal Date**”. Following such cancellation, the **Policyholder** will receive a refund of any premium paid less a charge for the cover provided and a cancellation charge of £25. However, no return of premium will be made if there has been notification of an event likely to give rise to a claim under this **Policy**.
- (b) Once this 14 day period has passed, the **Policyholder** may cancel this **Policy** at any time. Following such cancellation, the **Policyholder** will receive a refund of any premium paid, calculated on a pro rata basis from 30 days after the date of cancellation until the **Cover End Date** as specified in the **Policy Schedule**. However, no return of premium will be made if there has been notification of an event likely to give rise to a claim under this **Policy**.
- (c) A **Policyholder** wishing to cancel under paragraphs (a) and (b) above may do so by following the instructions in the “Other Important Information” part of this document below.
- (d) The **Insurer** or anyone acting with their authorisation may cancel this **Policy** where there is a valid reason to do so, by sending **You** 15 days’ notice in writing of such cancellation. Following such cancellation, the **Insurer** will refund any Premium that **You** have already paid for the period from the date of cancellation to the **Cover End Date** as specified in the **Policy Schedule**, unless there is an instance of fraud, or an event has occurred which may result or has resulted in a claim being made on the **Policy** in the Period of Insurance. Valid reasons for cancellation include but are not limited to:
  - i. **You** fail to pay the premium or a premium instalment by the required;
  - ii. **You** or anyone else covered by this insurance has failed to meet the terms and conditions of this **Policy**;

- iii. A change in **Your** circumstances means that the **Insurer** can no longer provide cover;
- iv. The **Insurer** identifies misrepresentation or fraud or any attempt to gain an advantage under this insurance to which **You** are not entitled,
- v. The **Insurer** identifies **Your** involvement in or association with insurance fraud and/or financial crime;
- vi. **You** behave in a manner that makes it inappropriate for the Insurer to continue to provide **Your** insurance, e.g. if **You** harass or show abusive or threatening behaviour towards staff.

### 3. Mid-Term Amendment

- (a) The **Policyholder** may request a **Mid-Term Amendment** to the **Policy** at any time although the **Insurer** reserves the right to accept or decline any such request.
- (b) A **Policyholder** wishing to make a request for a **Mid-Term Amendment** may do so by following the instructions in the “Other Important Information” part of this document below.
- (c) A **Mid-Term Amendment** which increases the risk or cover provided by the **Policy** will usually result in a premium increase calculated on a pro rata basis from the effective date of the **Mid-Term Amendment**.
- (d) A **Mid-Term Amendment** which reduces the risk or cover provided by the **Policy** will take effect from the effective date of the **Mid-Term Amendment** but the associated reduction in premium will be calculated as though the effective date was 30 days later.

### 4. Law, Jurisdiction and Language

Under European law, **You** and the **Insurer** may choose which law will apply to this **Policy**. Unless both parties have agreed otherwise, in which event the agreed applicable law shall be as stated in of the **Policy Schedule**, the **Policy** shall be governed by and construed in accordance with English law and the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the **Policy**, or its subject matter or formation.

The **Insurer** has supplied this **Policy** and other information to **You** in English and will continue to communicate with **You** in English

### 5. Out of Notified Hours

The coverage provided by this **Policy** shall not be invalidated as a result of the use, by the **Policyholder**, of airfields and/or airports out of the notified hours, subject to prior permission having been granted by the appropriate owner and/or operator of such airfield and/or airport.

### 6. Deductible

In the event of an incident involving the application of more than one **Deductible**, only one **Deductible** shall apply, being the highest **Deductible** applicable to the incident. This **Deductible** shall be applied as an aggregate **Deductible** for all claims arising out of that incident.

### 7. Defence and Settlement

With respect to coverage afforded under Section 6 (Third Party Legal Liability), Section 7 (Passenger Legal Liability), Section 8 (Crown Indemnity and Section 10 (Airside Vehicle Liability) of this **Policy** the **Insurer** shall:

- a) Have the right to defend at their expense in the name of and on behalf of the **Policyholder** any civil claim or legal proceedings brought against the **Policyholder**. However, the **Insurer** shall also have the right (but not the obligation) to make any investigation, negotiation and settlement of any claim or legal proceedings as they deem expedient. Furthermore, the **Insurer** shall pay all expenses incurred by the **Policyholder** with the **Insurer’s** approval (other than the salaries of the **Policyholder’s** employees and the **Policyholder’s** normal expenses) in respect of any such claim or legal proceedings brought against the **Policyholder**. These expenses are payable in full by the **Insurer** in addition to the applicable **Limit of Liability**.
- b) Pay all costs assessed against the **Policyholder** in any civil claim or legal proceedings and all interest accruing after entry of judgment until the **Insurer** has paid, tendered or deposited in court that part of such

judgment as does not exceed the applicable **Limit of Liability**. All costs paid by the **Insurer** under this subparagraph are included within and not in addition to the applicable **Limit of Liability**.

However, with respect to any coverage under this **Policy** which is subject to an aggregate **Limit of Liability**, the **Insurer** shall not be obligated to defend any civil claim or legal proceedings nor to pay any judgment, costs, interest or expenses after the aggregate **Limit of Liability** has been exhausted and in this event the Policyholder shall be obliged, upon the **Insurer's** request to take over control of proceedings from the **Insurer**.

## 8. Supplementary Payments

If Section 1 (Aircraft Loss or Damage) is shown as In Force in the **Policy Schedule** and the **Aircraft** is insured for the risks of **Flight**, the **Insurer** agrees to indemnify the **Policyholder** for:

- (a) any reasonable expenses incurred for the purpose of search and rescue operations for the **Aircraft** determined to be missing and unreported after the computed maximum endurance of the **Flight** has been exceeded;
- (b) any reasonable expenses incurred for the purpose of runway foaming to prevent or mitigate possible loss or damage because of malfunction or suspected malfunction of the **Aircraft**;
- (c) any reasonable expenses incurred for the purpose of attempted or actual raising, removal, disposal or destruction of the wreck of the **Aircraft** and the contents thereof;

Provided that the **Insurer's** liability shall not exceed the limit for supplementary payments stated in the **Policy Schedule** for any one event and in the aggregate during the **Period of Insurance**.

## 9. Training

This **Policy** includes **Advanced Instruction** of permitted pilots at which time any flying instructor is automatically included as a permitted pilot hereon.

In addition:

- (a) any flying instructor providing **Ab Initio Instruction** of permitted pilots is automatically included as a permitted pilot hereon but only for the purpose and duration of such provision and subject to **Ab Initio Instruction** being listed under the Permitted Uses in the **Policy Schedule**;
- (b) notwithstanding exclusion 7.2 (b) of Section 7 (Passenger Legal Liability) and General Exclusion (a) v, in the event of there being an instructor and a student pilot/second pilot on board the **Aircraft**, the instructor shall be deemed to be the pilot and the student pilot/second pilot shall be deemed to be a passenger and shall be covered under Section 7 (Passenger Legal Liability) if such cover is shown as In Force in the Policy Schedule

## 10. Air Testing

It is understood and agreed that the coverage afforded by this **Policy** is extended to apply to flights in the **Aircraft** undertaken by the following persons for the purposes stated below provided they hold the appropriate licence to fly the **Aircraft**:

- (a) any person qualified to maintain the **Aircraft** or repair the **Aircraft** if the flight is in connection with the maintenance or repair
- (b) any pilot or examiner, employed or approved by the aviation authority having jurisdiction over the safe operation of the **Aircraft**, for test, pilot examination or Certificate of Airworthiness flights. In such circumstances the aviation authority is included as an additional **Policyholder** under Section 6 (Third Party Legal Liability) and Section 7 (Passenger Legal Liability) of this **Policy** for the flight.

## 11. Payment of Premiums

**You** must pay any premium required by its due date.

If the premium for this **Policy** is being paid in instalments and a premium instalment is not paid by its due date, the **Insurer** shall have the right to take any or any combination of the following actions:

- (a) terminate the **Policy** by giving **You** not less than 15 days' notice in writing;

- (b) withdraw the option for **You** to pay any outstanding premium for this **Policy** by instalments, in which case the remaining premium shall become payable in full;
- (c) withhold the option for **You** to pay by instalments for any future renewal of this **Policy**;
- (d) withhold or withdraw the option for **You** to pay by instalments for any other policy **You** may currently hold with ourselves or arrange in future with ourselves.

If the premium for this **Policy** is being paid in instalments and there is a claim on the **Policy**, any outstanding premium instalments shall become payable immediately.

## 12. Liability War and Allied Perils

With respect to coverage afforded under Section 6 (Third Party Legal Liability), Section 7 (Passenger Legal Liability) and Section 10 (Airside Vehicle Liability) of this **Policy**:

- (a) All sub-paragraphs of General Exclusion (b) other than sub paragraph ii are deleted subject to all terms and conditions of this Clause.
- (b) Cover extended in respect of the deletion of sub-paragraph i of General Exclusion (b) shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of the **Aircraft**.
- (c) The limit of the **Insurer's** liability in respect of the coverage provided by this Clause will be the applicable **Limit of Liability** for any one **Occurrence** and in the aggregate (the "sub-limit"). This sub-limit shall apply within the applicable **Limit of Liability** for Section 6 (Third Party Legal Liability), Section 7 (Passenger Legal Liability) and Section 10 (Airside Vehicle Liability) and not in addition thereto.

To the extent coverage is afforded to a **Policyholder** under this **Policy**, this sub-limit shall not apply to such **Policyholder's** liability:

- i. to the passengers (and for their baggage and personal effects) of any aircraft operator to whom this **Policy** affords cover for liability to its passengers arising out of its operation of the **Aircraft**;
  - ii. for cargo and mail while it is on board the **Aircraft** of any aircraft operator to whom this **Policy** affords cover for liability for such cargo and mail arising out of its operation of the **Aircraft**.
- (d) To the extent provided below, cover extended by this Clause shall terminate automatically in the following circumstances:
- i. All cover shall terminate automatically upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following States: the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China.
  - ii. Any cover extended in respect of the deletion of sub-paragraph i of General Exclusion (b) shall terminate automatically upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wherever or whenever such detonation may occur and whether or not the **Aircraft** may be involved.
  - iii. All cover in respect of the **Aircraft** requisitioned for either title or use shall terminate automatically upon such requisition.

Provided that if the **Aircraft** is in the air when i, ii or iii occurs, then the cover provided by this Clause (unless otherwise cancelled or terminated) shall continue in respect of the **Aircraft** until completion of its first landing thereafter and any passengers have disembarked.

- (e) The **Insurer** may give written notice to review the premium and/or Geographical Limits - such notice to become effective on the expiry of 7 days from 23.59 hours GMT on the day on which such notice is given.
- (f) Following a hostile detonation as specified in (d) ii. above, the **Insurer** may give notice in writing of cancellation of one or more parts of the cover provided by paragraph (a) of this Clause by reference to sub-paragraphs iii, iv, v, vi and/ or vii of General Exclusion (b) - such notice to become effective on the expiry of 48 hours from 23.59 hours GMT on the day on which such notice is given.
- (g) The cover provided by this Clause may be cancelled by either the **Insurer** or the **Policyholder** giving notice in writing to become effective on the expiry of 7 days from 23.59 hours GMT on the day on which such notice is given.

### 13. Unauthorised Use

No claim under this **Policy** shall be rejected on the grounds that the **Aircraft** was used in a place or in a manner or by a person not permitted under the terms of this **Policy** provided such use was a result of theft and that the **Policyholder** had taken reasonable precautions to prevent such theft.

### 14. Two Way Cross Liability

Section 6 (Third Party Legal Liability), Section 7 (Passenger Legal Liability) and Section 10 (Airside Vehicle Liability) of this **Policy** shall operate as if issued separately to each **Policyholder** insured hereunder but this condition shall not apply to any claims for loss of or damage to **Aircraft, Spares and Equipment** insured under this **Policy**.

However, in no event shall the total liability of the **Insurer** exceed the applicable **Limit of Liability**.

### 15. Exchange Rate Fluctuations

Provided that the **Limit of Liability** selected at the **Inception / Renewal Date** was not less than the limit required at that date to comply with EC Regulation 785/2004, this **Policy** shall automatically provide the exact limit required by EC785/2004 for the period that the required limit has increased above the applicable **Limit of Liability** due to exchange rate fluctuations. At all other times the applicable **Limit of Liability** shall operate.

### 16. Date Recognition Limited Coverage Clause

Subject to all terms and provisions of this Clause, General Exclusion (c) shall not apply:

- (a) to any accidental loss of or damage to the **Aircraft**;
- (b) to any sums which the **Policyholder** shall become legally liable to pay, and (if so required by the **Policy**) shall pay (including costs awarded against the Insured) in respect of:
  - i. accidental bodily injury, fatal or otherwise, to passengers caused by an accident to the **Aircraft**; and/or
  - ii. loss of or damage to baggage and personal articles of passengers, mail and cargo caused by an accident to the **Aircraft**; and/or
  - iii. accidental bodily injury, fatal or otherwise, and accidental damage to property caused by the **Aircraft** or by any person or object falling therefrom.

PROVIDED THAT:

Coverage provided pursuant to this Clause shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the **Policy** (except as specifically provided herein), and nothing in this Clause extends coverage beyond that which is provided by the **Policy**.

Nothing in this Clause shall provide any coverage:

- (a) in respect of grounding of any aircraft; and/or
- (b) in respect of loss of use of any property unless it arises out of physical damage to or destruction of property in the accident giving rise to a claim under the **Policy**.

The **Policyholder** agrees that it has an obligation to disclose in writing to the Insurers during the **Policy** period any material facts relating to the Date Recognition Conformity of the **Policyholder's** operations, equipment and products.

### 17. Maximum Take Off Weight Clause

No claim under the **Policy** shall be rejected on the grounds of any failure to comply with the Maximum Take Off Weight limit of the **Aircraft** provided such failure to comply is not deemed to be a causal factor in such a claim.

## Other Important Information

### 1. How to update or cancel your policy, or make an enquiry.

If you visit our website at <https://visicover.com> and click 'Help' you will find extensive information on:

- (a) How to manage your policy (e.g. how to make changes or cancel your cover)
- (b) How to manage your payment details (e.g. how to change your payment card)
- (c) How does the aircraft policy operate (e.g. What cover is available to fly abroad)
- (d) What are the different cover options (e.g. What does NCD Protection cover)
- (e) How to buy or renew cover (e.g. How long is a quote guaranteed)
- (f) Managing your account (e.g. How to download copies of documents)

If you wish to update your cover or cancel your **Policy**, log in to the website and follow the instructions in the 'Help' menu.

If you have any other enquiry for which you cannot find any information within the 'Help' menu, please email Visicover at [enquiries.uk@visicover.com](mailto:enquiries.uk@visicover.com), providing full details of your query, including your **Policy** number.

### 2. How To Make A Claim.

Should **You** wish to make a claim under this **Policy**, please call the 24-hour claims line shown on **Your Policy Schedule** and Certificate of Insurance.

**Important – Do not make any admission of liability without first receiving written authorisation from the Insurer to do so.**

### 3. Comments and Complaints.

At Visicover we believe you deserve a courteous, fair, prompt and efficient service, and this is what we work hard to deliver. However, we know there is always more we can do to make our service better, so if you have any comments on how we could improve, please send them to [enquiries.uk@visicover.com](mailto:enquiries.uk@visicover.com).

We also realise that things can occasionally go wrong and you may feel we have not provided the service you expect. If you feel this is the case with any aspect of our service, other than in relation to a claim, please send full details of the problem to [complaints.uk@visicover.com](mailto:complaints.uk@visicover.com).

If your complaint relates to a claim under this **Policy**, or if you are not happy with the response you have received to a concern raised with Visicover, please contact the **Insurer** with full details via one of the following routes:

Write to: Allianz Global Corporate & Specialty, 60 Gracechurch Street, London, EC3v 0HR  
 Call: 0203 451 3000

The **Insurer** will acknowledge your complaint within 5 working days and issue a final response within 8 weeks. The Insurer will expect that your complaint will be resolved at this stage but if not they will write to you and advise you if they require anything further.

Sometimes it may not be possible for the **Insurer** to resolve a complaint internally. When this is the case they will write to you to inform you that this is their final response and that they cannot proceed with your complaint.

#### The Financial Ombudsman Service

If you have received a final response or 8 weeks have elapsed since raising your complaint and you are still unhappy you may be eligible to refer your complaint to the Financial Ombudsman Service (FOS). The FOS can provide help with complaints regarding your insurance but only after we or your **Insurer** has had a chance to consider it first. Then you have six months in which to refer your complaint to the Ombudsman.

The Financial Ombudsman Service can be contacted at:

Write to: The Financial Ombudsman Service, Exchange Tower, London, E14 9SR

Call: 0800 023 4567 or 0300 123 9123

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Online: <http://www.fos.org.uk>

Further details are contained in the leaflet “Your Complaint and the Ombudsman”, a copy of which will be provided with a final response letter. Please note the Ombudsman will only consider complaints from individuals and small businesses. A reference to the Ombudsman is without prejudice to your right to take legal proceedings.

If you wish to complain about an insurance policy purchased online you may be able to use the European Commission’s Online Dispute Resolution (ECODR) platform, details of which can be found at <http://ec.europa.eu/consumers/odr/>

If you are not eligible to refer your case to the FOS or use the ECODR, and we are unable to reach agreement, you should seek professional legal advice. Following this complaint procedure does not affect your right to take legal action.