



Administrative Offices
 301 E 4th Street
 Cincinnati OH 45202-4201
 513 369 5000 ph

Policy Number: _____

AIRCRAFT COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the named insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the Definitions section.

COVERED AIRCRAFT

The Declarations shows the "aircraft" that are covered "aircraft" for each of your coverages. Covered "aircraft" may also include those "aircraft" specified in the Special Insuring Agreements, if applicable.

INSURING AGREEMENTS

I. LIABILITY COVERAGES

Coverage A - Bodily Injury Excluding Passengers - We will pay those sums that an "insured" becomes legally obligated to pay as damages because of "bodily injury" sustained by any person excluding any "passenger", caused by an "occurrence" and resulting from the ownership, maintenance or use of a covered "aircraft".

Coverage B - Property Damage Liability - We will pay those sums that an "insured" becomes legally obligated to pay as damages because of "property damage", caused by an "occurrence" and resulting from the ownership maintenance or use of a covered "aircraft".

Coverage C - Passenger Bodily Injury Liability - We will pay those sums that an "insured" becomes legally obligated to pay as damages because of "bodily injury" sustained by any "passenger" caused by an "occurrence" and resulting from the ownership, maintenance or use of a covered "aircraft".

Coverage D - Single Limit Bodily Injury and Property Damage Liability - We will pay those sums an "insured" becomes legally obligated to pay as damages because of "bodily injury" sustained by any person (excluding any "passenger" unless the words "Including Passengers" appear in the Declarations) and "property damage", caused by an "occurrence" and resulting from the ownership, maintenance or use of a covered "aircraft".

II. MEDICAL EXPENSE COVERAGE

Coverage E - Medical Expense - We will pay all reasonable "medical expenses" incurred within one year from the date of injury, to or for each "passenger" who sustains "bodily injury" caused by an "occurrence" provided the covered "aircraft" is being used by or with the express permission of the "named insured".

III. PHYSICAL DAMAGE COVERAGES

Coverage F - Physical Damage All Risk Basis - We will pay for any "physical damage" to or loss of the "aircraft", including "disappearance" of the "aircraft".

Coverage G - Physical Damage All Risk Basis Not In Motion - We pay for any "physical damage" to or loss of the "aircraft" sustained while the "aircraft" is not "in motion" and which is not the result of fire or explosion following crash or collision while the "aircraft" was "in motion".

DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS

IV. DEFENSE



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The following provisions apply to Coverages A, B, C and D:

We have the right and duty to defend any "insured" against a "suit" seeking damages because of "bodily injury" or "property damage" covered by this Policy. However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the applicable Limit of Liability has been exhausted by payment of judgments or settlements.

We will pay for the "insured":

- a. All expenses incurred we incur.
- b. All court costs taxed against the "insured" in any "suit" against the "insured" we defend. Our obligation to pay court costs taxed against the "insured" under this section, however, does not include any obligation to pay attorney's fees or attorney's expenses taxed against the "insured".
- c. All interest upon that portion of the judgment falling within the Policy Limits that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our limit of liability.
- d. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our limit of insurance.
- e. Up to \$2000 for cost of bail bonds required because of an "occurrence" or violation of law or a regulation for civil aviation arising out of the use of the "aircraft". We do not have to furnish these bonds.
- f. Expenses incurred by the "insured" for first aid to others at the time of an accident, for "bodily injury" to which this Policy applies;
- g. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off work.

V. DEPARTMENT OF DEFENSE INSURANCE REQUIREMENTS

The following provisions apply to Coverages A, B, C and D:

If we issue a Certificate of Insurance as required by United States Navy OPNAV Form 3770 or United States Air Force Regulation 55-20 or any replacement of either, then the insurance policy provisions required by such regulation shall be deemed to be incorporated herein and substituted for any policy provision inconsistent therewith.

VI. POLICY PERIOD AND TERRITORY

The following provisions apply to all coverages:

This Policy applies only to "bodily injury", "property damage", or "physical damage" sustained during the policy period shown in the Declarations and while the "aircraft" is within North America or while enroute between points therein, excluding Cuba.

VII. TWO OR MORE AIRCRAFT

The following provisions apply to all coverages:

When two or more "aircraft" are insured under this Policy the terms of this Policy shall apply separately to each.

SPECIAL INSURING AGREEMENTS (APPLICABLE ONLY IF THE PURPOSE OF USE SHOWN IN THE DECLARATIONS IS PLEASURE AND BUSINESS)

I. TEMPORARY USE OF SUBSTITUTE AIRCRAFT

While an "aircraft" described the Declarations is withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction, such insurance as is afforded under Coverages A, B, C, D and E is extended to apply with respect to the use, by or on behalf of the "named insured" of any other "aircraft" of similar type, horsepower and



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seating capacity not owned in whole or in part by the "named insured", while temporarily used as a substitute therefore.

This insuring agreement does not cover as an "insured" the owner of the substitute "aircraft" or any agent or employee of such owner.

II. USE OF OTHER AIRCRAFT

The insurance afforded under Coverages A, B, C, D and E with respect to the "aircraft" described the Declarations is extended to apply with respect to the use, by or on behalf of the "named insured", of any other "aircraft" not owned in whole or in part by, or furnished for regular use to, such "named insured". The insurance provided by this Agreement shall apply only to the "named insured".

EXCLUSIONS

This Policy does not apply to any of the following:

1. "Bodily injury", "property damage" or "physical damage" arising out of use of the "aircraft" for any unlawful purpose, or any purpose not designated in the Declarations, if such use is with the knowledge and consent of any "insured" or of any executive officer, partner, or managing agent.
2. "Bodily injury", "property damage" or "physical damage" arising out of the use of the "aircraft":
 - a. if piloted by anyone other than:
 1. the pilot(s) designated in the Declarations; or
 2. a pilot employed by a "Federal Aviation Administration" approved repair station while the "aircraft" is in their care, custody or control for the purpose of maintenance, repair or test flight;
 - b. if piloted by a pilot not properly certificated, qualified and rated under the current applicable Federal Aviation Regulations for the operation involved, whether or not said pilot is designated in the Declarations;
 - c. if the Airworthiness Certificate of the "aircraft" is not in full force and effect. This Exclusion shall not apply while the "aircraft" is operated on a reposition, ferry or test flight provided a special permit or waiver has been granted by the "Federal Aviation Administration" for such flights and such flights are for the sole purpose of reinstatement or renewal of the Airworthiness Certificate.; or
 - d. if the "aircraft" has not been subjected to appropriate airworthiness inspection(s) as required under current applicable Federal Aviation Regulations for the operation involved.
3. "Bodily injury", "property damage" or "physical damage" arising from war, invasions, civil war, revolution, rebellion, insurrection or warlike operations, whether there be a declaration of war or not.
4. "Bodily injury", "property damage" or "physical damage" due to radioactive contamination.

The following Exclusions apply to Coverages A, B, C, D, and E:

5. Liability assumed under any contract or agreement. But this exclusion does not apply to the assumption by the "named insured" of the liability of others for "bodily injury" or "property damage" in any written hold harmless agreement required by a military or governmental authority as a prerequisite to the use of an airport or an airport facility.
6.
 - (i) Claims arising out of :
 1. noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
 2. pollution and contamination of any kind whatsoever,
 3. electrical and electromagnetic interference,
 4. interference with the use of property, unless caused by a crash or collision of "aircraft" or a recorded "in flight" emergency causing abnormal "aircraft" operation.
 - (ii) With respect to any provision in the policy concerning any right and duty of the Company to investigate or defend claims, such provision shall not apply and the Company shall not be required to defend:



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1. claims excluded by paragraph 6. (i) or
 2. a claim or claims, otherwise covered by the Policy, when combined with any claims excluded by paragraph 6.) (i) referred to below as Combined Claims.
- (iii) In respect of any Combined Claims, the Company shall (subject to proof of loss and the limits of the Policy) reimburse the "insured" for that portion of the following items which may be allocated to the claim or claims covered by the Policy,
1. damages awarded against the "insured" and
 2. defense fees and expenses incurred by the "insured".
7. Claims arising out of "bodily injury" of any person or persons and/or damage to or destruction of property caused by or resulting from the use by the "insured" or his agent of any forms of chemical dispersed from the "aircraft".
8. "Bodily injury" or "property damage" arising out of:
1. Inhaling, ingesting, or prolonged physical exposure to asbestos or asbestos dust or goods or products containing asbestos; or
 2. The use of asbestos in constructing or manufacturing any good, product or structure; or
 3. The removal of asbestos from any good, product or structure; or
 4. The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos.
- It is further agreed upon that the insurance afforded by this policy does not apply to payment for the investigation or defenses of any loss, injury or damage or any cost, fine or penalty or for any expense claim or suit related to the above.
9. "Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:
- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - c. The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
 - d. Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

The following Exclusions apply to Coverages A, C, and D:

10. Any obligation for which the "insured" or the "insured's" insurer may be held liable under any worker's compensation, unemployment compensation or disability benefits law or any similar law;
11. "Bodily injury" to an employee of the "insured" arising out of and in the course of employment by the "insured".
12. "Bodily injury" or death of any person who is a "named insured".

The following Exclusions apply to Coverages B and D:

13. "Property damage" to property owned, occupied, rented or used by, or in the care, custody or control of the "insured" or carried in or on any "aircraft".

The following Exclusions apply to Coverages F and G:

14. "Physical Damage" due to conversion, embezzlement or secretion by any person in possession of the "aircraft" under a bailment, lease, rental agreement, conditional sale, purchase agreement, mortgage or other encumbrance, nor for any loss or damage during or resulting therefrom.
15. "Physical damage" to wearing apparel and other personal effects.



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16. "Physical damage" which is due and confined to wear and tear, deterioration, freezing, mechanical, hydraulic, pneumatic, structural or electrical breakdown or failure, or to tires unless damaged by fire or stolen, unless any such loss or damage is the direct result of other "physical damage" covered by this Policy.

17. "Physical damage" arising from capture, confiscation, seizure, arrest, restraint or detention or the consequences thereof or of any attempt thereat, or any taking of the property "insured" or damage to or destruction thereof by any government or governmental authority or agent (whether secret or otherwise) or by any military, naval or usurped power, whether any of the foregoing be done by way of requisition or otherwise and whether in time of peace or war and whether lawful or unlawful.

18 "Physical damage" to turbine engines caused by excessive heat which results from operations, attempted operation or shutdown of the engine.

19. "Bodily injury", "property damage" or "physical damage" arising out of the use of the "aircraft": if piloted by a Student Pilot:

- a. when there is a "passenger" in your "aircraft" unless there is a Certificated Flight Instructor on board teaching the Student Pilot; or
- b. when the Student Pilot is not under the direct supervision of a Certificated Flight Instructor for the "flight" involved.

20. "Bodily injury", "property damage" or "physical damage" arising out of the use of the "aircraft" for or in connection with:

- a. aerial advertising, towing, or application of any substance;
- b. hunting, herding or spotting of animals of any kind, including birds and fish;
- c. skydiving or parachuting;
- d. closed course racing;
- e. external transportation of persons or property, including wire stringing or construction; or
- f. Patrol or surveillance of any kind; including power lines, pipelines, traffic or fire

Unless such use is specifically approved and defined in the Declarations.

LIMIT OF COMPANY'S LIABILITY

I. OTHER INSURANCE

The following provisions apply to all coverages, except with respect to insurance afforded by Special Insuring Agreements I and II and to insurance specifically purchased by the "named insured" to apply in excess of this Policy. If there is other insurance in the "insured's" name or otherwise, "loss, liability or expenses covered by this Policy, the Company shall not be liable under this Policy for a greater proportion of such loss, liability or expenses than the applicable limit of the Company's liability bears to the total applicable limit of liability of all valid and collectible insurance against such loss, liability or expenses.

Insurance afforded by Special Insuring Agreements I and II shall be excess insurance over any other valid and collectible insurance available to the "insured", either as an "insured" under a policy applicable to the "aircraft" or otherwise and if such other insurance shall have been written through the Company or other affiliates of the Company as primary insurance, then our limits of liability under this Policy shall be reduced by the applicable limits of such other policy.

II. LIMITS OF INSURANCE

The following provision applies to Coverages A, B, C and D:

Regardless of the number of (1) "Insureds" under this Policy, (2) persons or organizations who sustain "bodily injury" or "property damage", (3) claims made or "suits" brought on account of "bodily injury" or "property damage", or (4) "aircraft" to which this Policy applies, the Company's liability is limited as follows:



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The following provision applies to Coverages A and C:

The most we will pay as damages because of "bodily injury" sustained by any person as the result of any one "occurrence" shall not exceed the Limit of Liability stated in the Declarations as applicable to "each person". Subject to the above provision respecting "each person", the most we will pay as damages because of "bodily injury" sustained by two or more persons as the result of any one "occurrence" shall not exceed the limit of liability stated in the declarations as applicable to each "occurrence".

The following provision applies to Coverage B:

The most we will pay as damages because of "property damage" sustained by one or more persons or organizations as the result of any one "occurrence" shall not exceed the limit of liability stated in the Declarations as applicable to each "occurrence".

The following provisions apply to Coverage D:

The most we will pay as damages because of "bodily injury" or "property damages" sustained by one or more persons or organizations as the result of any one "occurrence" shall not exceed the limit of liability stated in the Declarations as applicable to "each "occurrence".

And further provided that if the Declarations are completed to show "Passenger" Liability Limited to, the total liability of the Company for all damages because of "bodily injury" to "passengers" shall not exceed:

- a. as respects any one "passenger", the amount stated in the Declarations as applicable to "each person".
- b. as respects two or more "passengers", subject to the above provisions respecting any one "passenger", the amount stated in the Declarations as applicable to "each person" multiplied by the number of "passengers" on board the "aircraft" or by the number of "passenger" seats as stated in the Declarations for the "aircraft" involved (whichever is less), but in no event shall the Company's liability for all "bodily injury" (including "passenger" "bodily injury" and "property damage" exceed the limits stated in the Declarations as applicable to "each "occurrence".

The following provision applies to Coverage E:

The most we will pay as "medical expenses" sustained by any person who sustains "bodily injury" as the result of any one "occurrence" shall not exceed the Limit of Liability stated in the Declarations as applicable to "each person". Subject to the above provision respecting "each person", the most we will pay as damages because of "bodily injury" sustained by two or more persons as the result of any one "occurrence" shall not exceed the limit of liability stated in the declarations as applicable to each "occurrence".

The following provisions apply to Coverages F and G:

With respect to "total loss", we will pay the Insured Value of the "aircraft", as stated in the Declarations, subject to any applicable deductible.

With respect to "partial loss", we will pay, subject to any applicable deductible:

- a. if repairs are made by other than the "named insured", the reasonable cost to repair the damaged property with material of like kind and quality (excluding any charges for overtime), plus the cost of the least expensive, reasonable method of transporting new and/or damaged parts and/or the damaged "aircraft" to the place of repair and the return of the repaired "aircraft" to the place where the loss occurred or the place where the "aircraft" is regularly based, whichever is nearer;
- b. if repairs are made by the "named insured", the total of the following:
 1. actual cost to the "insured" of material of like kind and quality;
 2. 200% of actual wages paid for labor, excluding any overtime, overhead, supervisory services and all other related services;



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3. cost of the least expensive reasonable method of transporting new and/or damaged parts and/or the damaged "aircraft" to the place of repair and the return of the repaired "aircraft" to the place where the loss occurred or the place where the "aircraft" is regularly based, whichever is nearer.

The amount due under this Policy with respect to "partial loss" shall in no event exceed the amount due were the loss payable as a "total loss". In any event, when the amount paid or payable hereunder is equal to the amount payable as a "total loss", any salvage value remaining shall inure to the benefit of the Company. Equipment installed in the "aircraft" subsequent to the effective date of coverage shall be considered a part of the "aircraft", and the salvage value thereof shall inure to the benefit of the Company. There shall, however, be no abandonment of any damaged property without the consent of the Company.

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

III. DEDUCTIBLE

For each covered "aircraft", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations.

DEFINITIONS

"Aircraft" means the aircraft described in the Declarations or any aircraft qualifying under the provisions of the Special Insuring Agreements and shall include propulsion systems, operating, navigation and radio equipment usually attached thereto, and parts and repair equipment which are standard for the make and type of "aircraft". Parts temporarily detached from the "aircraft" which have not been replaced by other similar parts shall be deemed part of the "aircraft".

"Bodily Injury" means bodily injury, sickness, disease sustained by any person including death resulting from any of these.

"Charter" means used principally in the business of the "insured", including "passenger" or freight carrying for hire or reward and "pleasure and business" uses, but excluding instruction of or rental to others.

"Commercial" means used principally in the business of the "insured", including student instruction, "passenger" or freight carrying for hire or reward, rental to others for the purpose of "pleasure and business" and those uses defined under "pleasure and business".

"Crew" means the pilot-in-command, co-pilot, flight engineer, flight attendant or anyone else who is in, on or boarding the "aircraft" for assisting in the operation of the "aircraft".

"Disappearance" means missing and not reported found after thirty days since commencing the last known flight.

"Federal Aviation Administration" means the duly constituted authority of the United States of America having jurisdiction over civil aviation, or its duly constituted equivalent in any other country.

"In flight" means the time commencing with the actual takeoff run of the "aircraft" and continuing thereafter until it has completed its landing roll or, if the "aircraft" is a rotorcraft, from the time the rotors start to revolve under power for the purpose of flight until they subsequently cease to revolve.

"In motion" means:

- a. While the "aircraft" is moving under its own power, or
- b. While the "aircraft" is moving as a result of the momentum generated therefrom while it is "in flight", or
- c. While any component of a turbine or jet engine is moving or rotating under its own power, or
- d. If the "aircraft" is a rotorcraft, any time that the rotors are rotating.



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"Ingestion" means foreign object damage to "aircraft" turbine engines or turbine auxiliary power units, if a part of the "aircraft" caused by objects or substances not a part of the engines or its accessories, nor intended to be used in the engine, which occurs during the policy period and is the result of a single recorded incident and of sufficient severity to require (or would require if its severity were known) immediate repair before further use.

"Instruction and rental" means used principally in the business of the "insured", including "pleasure and business", student instruction and rental to others for the purpose of "pleasure and business" uses, but excluding "passenger" or freight carrying for hire or reward.

"Insured" The unqualified word "Insured" wherever used in this Policy with respect to Coverage A, B, C and D, includes not only the "named insured" but also any person while using or riding in the "aircraft" and any person or organization legally responsible for its use, provided the actual use is with the express permission of the "named insured". Except with respect to the "named insured" the provisions of this paragraph do not apply:

- a. to any employee with respect to "bodily injury", sickness, disease or death of another employee of the same employer injured in the course of such employment;
- b. to any person or organization or to any agent or employee thereof (other than any employee of the "named insured" while acting in the scope and course of his employment by the "named insured") engaged in the manufacture or sale of "aircraft", aircraft engines or aircraft accessories or in the operation of an aircraft repair shop, airport hangar, aircraft sales agency, aircraft rental service, "commercial" flying service or flying school with respect to any "occurrence" arising out of such manufacture, sale or operations;
- c. to any person engaged in providing flight instruction for hire or reward;
- d. to any person operating the "aircraft" who has paid or agreed to pay the "named insured" for the use of said "aircraft";
- e. to the owner or lessor, or any agent or employee thereof, of any "aircraft" which is the subject of the provisions of Special Insuring Agreements I and II.

"Medical expense" means expenses for necessary medical, surgical, x-ray or dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services, but excluding monuments, head stones or burial plots.

"Mooring" means while on water, a water alighting "aircraft" is anchored or moored or during launching onto or hauling up from, except while under its own power.

"Named insured" means the person or organization named in the Declarations.

"Occurrence" means an accident, including continuous or repeated exposure to conditions, which results in "bodily injury" or "property damage" during the policy period, neither expected nor intended from the standpoint of the "insured"

"Partial loss" means any "physical damage" loss which is not a "total loss".

"Passenger" means any person in, on, or boarding the "aircraft" for the purpose of riding or flying therein or alighting therefrom after a flight or attempted flight therein, including pilot(s) or "crew" member(s).

"Physical Damage" means direct and accidental physical loss of or damage to the "aircraft", hereinafter called loss, but does not include loss of use or any residual depreciation in value, if any, after repairs have been made.

"Pleasure and business" means used in the business of the "Insured", including personal and pleasure uses, but excluding any operation for hire or reward. Cost reimbursement shall be included within the definition of "pleasure and business" provided that such cost reimbursement is limited to:

- a. Fuel, oil, lubricants, and other additives;
- b. Expenses of the "crew", including food, lodging, and ground transportation, but excluding salary or wages;
- c. Hangar and tie-down costs away from the "aircraft's" base of operation;
- d. Insurance obtained for the specific flight ;
- e. Landing fees and similar assessments;
- f. Customs, foreign permit, and similar fees directly related to the flight;
- g. "In flight" food and beverages; or



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h. An additional charge equal to 100% of the expenses listed in subparagraph a above.

"Premises" means such portions of airports and/or operational areas used in conjunction with the "aircraft" as are designated and used for the parking or storage of "aircraft", including premises owned by, or leased for more than thirty days to the "named insured".

"Property Damage" means damage to or loss of use of tangible property.

"Sales Demonstration" means a flight, at no charge, for the sole purpose of demonstrating the flight characteristics of the "aircraft" to a prospective "aircraft" purchaser. On each such flight, the prospective purchaser shall be accompanied by an employee of the "named insured", or a pilot contracted for by the "named insured", meeting the pilot requirements as stated in the Declarations.

"Suit" means a civil proceeding in which damages because of "bodily injury" or "property damage" to which this insurance applies, are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

"Total loss" means any "physical damage" loss for which the cost to repair when added to the salvage value (the value of the "aircraft" after "physical damage" and prior to repairs) equals or exceeds the Insured Value of the "aircraft" as set forth of the Declarations. "Disappearance" or theft of the entire "aircraft" shall be considered as a "total loss".

CONDITIONS

The following provisions apply to Coverages A, B, C and D:

1. Duties in the Event of Occurrence, Offense, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim.

To the extent possible, notice should include:

1. how, when and where the "occurrence" took place;
 2. the names and addresses of any injured persons and witnesses; and
 3. the nature and location of any injury or damage arising out of the "occurrence".
- b. If a claim is made or "suit" is brought against any insured, you must:
 1. immediately record the specifics of the claim or "suit" and the date received; and
 2. notify us as soon as practicable.

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

- c. You and any other involved "insured" must:

1. immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 2. authorize us to obtain records and other information;
 3. cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 4. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury or damage to which this insurance may also apply.
- d. No "insured" will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than f o r first aid, without our consent.

2. Severability of Interest

The term "insured" is used severally and not collectively, but the inclusion herein of more than one "insured" shall not operate to increase the limits of the Company's liability.

3. Bankruptcy and Insolvency

Bankruptcy or insolvency of the "insured" or of the "insured's" estate will not relieve us of any of obligations under this coverage form.



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4. Financial Responsibility Laws

Such insurance as is afforded by this Policy shall comply with the provisions of any financial responsibility law of any State or Province which shall be applicable to "aircraft" with respect to any such liability arising out of the ownership, maintenance or use of the "aircraft" during the policy period, to the extent of the coverage and limits of liability required by such law, but in no event in excess of the limits of liability stated in this Policy. The "insured" agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this Policy except for such law or the agreement contained in this paragraph.

The following provision applies to Coverage E:

6. Medical Reports: Proof and Payment of Claim

As soon as practicable the injured person or someone on his behalf shall give to the Company written proof of claim, under oath if required, and shall, after each request from the Company, execute authorization to enable the Company to obtain medical reports and copies of records. The injured person shall submit to physical examination by a physician selected by the Company when and as often as the Company may reasonably require. The Company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute admission of liability of the "insured", or except hereunder, of the Company.

The following provisions apply to Coverages F and G:

7. Duties in the Event of Accident, Claim, Suit or Loss

When loss occurs, the "insured" shall:

- a. protect the "aircraft", provided the "insured" is able to do so, whether or not the loss is covered by this Policy, and any further loss due to the "insured's" failure to protect shall not be recoverable under this Policy; reasonable expense incurred in affording such protection shall be deemed incurred at the Company's request;
- b. give notice thereof as soon as practicable to the Company and also, in the event of theft, to the police, but shall not, except at his own cost, offer to pay any reward for recovery of the "aircraft";
- c. file proof of loss with the Company within sixty (60) days after the "occurrence" of loss, unless such time is extended in writing by the Company or the Company, in the form of a sworn statement of the "named insured" setting forth the interest of the "named insured" and of all others in the property affected, any encumbrances thereon, the actual cash value thereof at time of loss, the amount, place, time and cause of such loss, and the description and amounts of all other insurance covering such property. Upon the Company's request, the "named insured" shall exhibit the damaged property to the Company, and produce for the Company's examination all pertinent records and sales invoices, or certified copies if originals are lost, permitting copies thereof to be made, all at such reasonable times and places as the Company shall designate.

8. Appraisal

If you and we disagree on the amount of "physical damage", either may demand an appraisal of the "physical damage" within 60 days after receipt of proof of loss. In this event, each party will select a competent appraiser. If the parties fail to agree upon such umpire within fifteen (15) days, then, on the request of the "named insured" or the Company, such umpire shall be selected by a judge of a court of record in the county and state in which such appraisal is pending. The two appraisers will select a competent and impartial umpire. The appraiser's will state separately the actual cash value and amount of "physical damage". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. pay its own chosen appraiser; and
- b. bear the other expenses of the appraiser and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

9. Payment for Loss

Payment for loss may not be required nor shall action lie against the Company unless as a condition precedent thereto, the "named insured" shall have complied with all the terms of this Policy nor until sixty (60) days after



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proof of loss is filed and the amount of loss is determined as provided in this Policy, nor shall any action lie against the Company unless commenced within twelve (12) months after the happening of the loss.

10. No Benefit to Bailee

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

11. Automatic Reinstatement

In the event of loss, whether or not covered by this Policy, the amount of insurance in respect to any "aircraft" shall be reduced as of the time and date of loss by the amount of such loss and such reduced value shall continue until repairs are commenced when the amount of insurance shall be automatically increased by the value of the completed repairs until the amount of insurance is fully reinstated or the Policy has expired.

The following provisions apply to all coverages:

12. Legal Action Against Us

No one may bring legal action against us under this Coverage Form until:

- a. there has been full compliance with all terms of this Coverage Form;
- b. we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this Policy to bring us into an action to determine the "insured's" liability.

13. Assistance and Cooperation of the Insured

The "insured" shall cooperate with the Company and, upon the Company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of "suits". Further, upon the Company's request, the "insured" shall submit to examinations under oath by anyone designated by the Company.

The "insured" shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of an "occurrence".

14. Inspection and Audit

The Company shall be permitted to inspect the "aircraft" and any records pertaining thereto during the policy period or within one year thereafter.

15. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or loss to impair them.

16. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part hereof signed by the Company.

17. Assignment

Assignment of interest under this Policy shall not bind the Company until its consent is endorsed hereon by the Company. If, however, the "named insured" shall die or be adjudged bankrupt or insolvent within the policy period, this Policy, unless cancelled, shall if written notice be given to the Company within sixty (60) days after the date of such death or adjudication, cover (1) the "named insured's" legal representative as the "named insured", and (2) subject otherwise to the provisions of the definition of "insured", any person having proper temporary custody of the "aircraft", as an "insured", until the appointment and qualification of such legal representative but in no event for a period of more than sixty (60) days after the date of such death or adjudication.



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18. Fraud or Misrepresentation

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

- a. this Coverage Form;
- b. the covered "aircraft";
- c. your interest in the covered "aircraft" or
- d. a claim under this Coverage Form.

19. Terms of Policy Conformed to State Laws

Terms of this Policy which are in conflict with the laws of the State wherein this Policy is issued are hereby amended to conform to such laws.

20. Declaration

By acceptance of this Policy the "named insured" agrees that the statements in the Declarations are the "named insured's" agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the "named insured" and the Company, the Company or any of their agents relating to this insurance.

21. Premium

The first "named insured" shown in the Declarations:

1. is responsible for the payment of all premiums; and
2. will be the payee for any return premiums we pay.

22. Cancellation

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

IMPORTANT NOTICE

WARNING: If you have an accident or "occurrence" in Mexico, you may be jailed and your aircraft impounded unless you have aircraft liability coverage issued by an insurance company licensed in Mexico.

As the Company is not licensed in Mexico, every "insured" must make certain they obtain this additional coverage before they fly any aircraft listed in the Declarations Page in or out of Mexico.