

ADVISORY NOTICE TO POLICYHOLDERS

**UNITED STATES DEPARTMENT OF THE TREASURY
OFFICE OF FOREIGN ASSETS CONTROL**

THIS NOTICE PROVIDES INFORMATION CONCERNING THE LAW OF THE UNITED STATES THAT MAY HAVE AN IMPACT ON YOUR INSURANCE COVERAGE.

PLEASE READ THIS NOTICE CAREFULLY

The Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury administers and enforces economic sanctions and embargo programs against targeted foreign countries, groups and individuals that pose a threat to the national security and foreign policy of the United States. This includes agents, instrumentalities and controlled entities of targeted countries and individuals and entities acting for or on their behalf. Economic sanctions are also designed to target terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction. OFAC acts under Presidential wartime and national emergency powers, as well as authority granted by specific legislation, to impose controls on economic transactions of any nature including the authority to freeze the assets of sanctions targets that are within US jurisdiction. The United Nations and other international organizations also impose economic sanctions that involve close cooperation with allied governments. The OFAC sanctions and embargo programs apply comprehensively and not just to insurance transactions.

OFAC maintains a list of Specially Designated Nationals and Blocked Persons (the "SDN" list). The SDN list identifies numerous individuals and entities, including:

- Foreign Agents;
- Front Organizations;
- Terrorists and terrorist organizations; and
- Narcotics traffickers,

The completed SDN list and other information relating to economic sanctions and embargo programs administered by OFAC is located at www.treas.gov/offices/enforcement/ofac.

If it is determined that your policy or any coverage issued under it is prohibited by OFAC regulations or that payment of policy benefits to any insured, additional insured, or any person or entity claiming that benefits under your policy violates any rule, regulation or executive order administered by OFAC, your policy may be deemed null and void and/or payments under your policy may be blocked. In addition, such action will be reported to OFAC, as required by OFAC regulation.

REMOVE THIS PAGE FROM YOUR POLICY AND PLACE IN YOUR AIRCRAFT FOR YOUR REFERENCE.



For emergency claim or loss service, call collect, the nearest office

NEW YORK	212-952-0100	MEMPHIS	901-873-0228
ATLANTA	404-365-7000	SAN FRANCISCO	415-788-6300
CHICAGO	312-267-8700	SEATTLE	206-621-8506
DALLAS	972-239-7100	ST. LOUIS	314-576-2960
DENVER	303-773-1606	TOLEDO	419-531-7000
LOS ANGELES	626-229-5200	WICHITA	316-267-1325



TORONTO 416-865-0252

If you need to report a claim after regular business hours, or on a weekend or holiday, or cannot get in touch with the nearest regional office to your location, please call the following toll-free number.

Emergency Number 866-789-1986

Thank you for placing your business with us
and your trust and confidence in **USAIG/CAIG**.

America's First Name in Aviation Insurance.®

USAIG/CAIG AIRCRAFT INSURANCE IDENTIFICATION

Policyholder's Name: Policyholder
Policy Number: 400AC-SAMPLE
Policy Period: Policy Inception to Policy Expiration
Year, Make and Model: 1982 Cessna TU206G Soloy
FAA Identification Number: N NUMBER 1

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USAIG/CAIG AIRCRAFT INSURANCE IDENTIFICATION

Policyholder's Name: Policyholder
Policy Number: 400AC-SAMPLE
Policy Period: Policy Inception to Policy Expiration
Year, Make and Model: 1988 Aviat Husky
FAA Identification Number: N NUMBER 2

UNITED STATES AVIATION UNDERWRITERS, INC.

To: USAIG Policy Holders

THIS NOTICE IS FOR YOUR INFORMATION. IT IS PROVIDED ON BEHALF OF THE COMPANY ABOVE. NO RESPONSE IS REQUIRED.

Privacy Notice To Our Customers:

United States Aviation Underwriters, Inc. (“USAU”) sends this notice on behalf of itself and as manager of the United States Aircraft Insurance Group (“USAIG”). USAU and USAIG will be referred to collectively in this letter as “USAU”. USAU believes in protecting the confidentiality and security of any Nonpublic Personal Information that it collects about its customers. Nonpublic Personal Information generally means information that is provided by our customers or obtained by USAU in the course of underwriting a policy or managing a claim. It does not include information available to the general public. Please read this letter to learn how USAU will handle Nonpublic Personal Information.

The Nonpublic Information That USAU Collects

USAU collects information for business purposes with respect to its insurance and other business relationships. These business purposes include underwriting insurance, evaluating and paying claims, and processing transactions in the course of doing business with you.

USAU collects this information from the following sources (examples under each source are not necessarily a complete list):

- **Application Information:** This is information USAU received concerning you on applications or other forms related to your application. It may include your name, address and telephone number, e-mail address, social security number, employment information, driving record, FAA information, information concerning your experience as a pilot, date of birth, names and ages of your dependents, medical information and background information (including criminal investigations). In addition to the information that was supplied by you in the application, information may be obtained from inspections, medical reports, credit reports and background checks reports that you authorized when you applied for insurance.
- **Claim Information:** In the event that there is a claim, USAU will collect other Nonpublic Personal Information. This includes medical records, evaluations, surveillance and experts reports and related information.

The Nonpublic Information That USAU Discloses

USAU may disclose any Nonpublic Personal Information it believes is necessary for the conduct of its business, or where disclosure is required by law. For example, Nonpublic Personal Information may be disclosed to others to enable them to provide business services for us, such as helping us to evaluate requests for insurance or benefits, performing general administrative activities for us, and assisting us in processing a transaction requested by you. Information may also be disclosed for audit or research purposes or, for example, to law enforcement and regulatory

agencies to help prevent fraud. Information may be disclosed to others that are outside of the USAU pool companies, such as companies that process data, companies that provide general administrative services, other insurers, and consumer reporting agencies. Information also may be disclosed to affiliates; USAU's affiliates include financial services companies such as life and property and casualty insurers and securities firms, as well as companies that are not financial services companies. USAU may make other disclosures of information as permitted by law.

How USAU Protects Nonpublic Personal Information

USAU treats Nonpublic Personal Information in a confidential manner. Employees are required to protect the confidentiality of Nonpublic Personal Information. Employees may access Nonpublic Personal Information only when there is an appropriate reason to do so, such as to administer or offer our products or services. USAU also maintains physical, electronic and procedural safeguards to protect Nonpublic Personal Information; these safeguards comply with all applicable laws. Employees are required to comply with our established policies.

Independent USAU Representatives

The Insurance Agents authorized to sell USAU products are not USAU employees and not subject to USAU's Privacy Policy. Because they have a unique business relationship with you, they may have additional Nonpublic Personal Information about you that USAU does not have. They may use this information differently than USAU. Contact your USAU agent to learn more about their privacy practices.

This privacy policy applies to products or services provided for personal, family or household use in the United States by any of the companies listed above.

UNITED STATES AVIATION UNDERWRITERS, INC.

USAIG All-Clear Aircraft Policy Policy No. 400AC-SAMPLE **(A Several Liability Combination Policy)** **Coverage Summary Page**

Former Policy No. 400AC-54261

The Coverage Summary Pages, along with your policy and any attached forms and endorsements you have, form your complete insurance policy.

Name and Address of "Policyholder:"

Policyholder
Address 1
Address 2
XXX, Alaska 99XXX

Your Policy Period is from **Policy Inception** to **Policy Expiration** beginning and ending at 12:01 A.M. Local Standard Time at the address shown above.

"Policyholder" is (A.) A. Individual B. Corporation C. Partnership A.

Your business is: Dentist.

You own the aircraft by yourself.

Aircraft Use. Non-Commercial use.

Aircraft.

Year, Make and Model	Type	Airworthiness Certificate	FAA Identification	Passenger Capacity Excluding Crew
1982 Cessna TU206G Soloy	Land/Sea	Standard	N NUMBER 1	5
1988 Aviat Husky	Land/Ski	Standard	N NUMBER 2	1

You keep your aircraft principally in the state of **Alaska**.

Pilots:

Only with respect to 1982 Cessna TU206G Soloy, N NUMBER 1:

Policyholder, holding an FAA Commercial Pilot Certificate with FAA Multi-engine Land, Single Engine Sea and Instrument Rating.

Pilot 2, holding an FAA Commercial Pilot Certificate with FAA Multi-engine Land, Single Engine Sea, and Instrument Rating.

Only with respect to 1988 Aviat Husky, N NUMBER 2:

Policyholder, holding an FAA Commercial Pilot Certificate with FAA Multi-engine Land, Single Engine Sea and Instrument Rating.

Pilot 2, holding an FAA Commercial Pilot Certificate with FAA Multi-engine Land, Single Engine Sea, and Instrument Rating.

Pilot 3, holding an FAA Airline Transport Pilot Certificate with FAA Multi-engine Land Rating, and an FAA Commercial Pilot Certificate with Single Engine Sea Rating.

Whom We'll Pay. Payments for loss covered under "**Your Aircraft Physical Damage Coverage**" will be made to you.

USAIG All-Clear Aircraft Policy Policy No. 400AC-SAMPLE (A Several Liability Combination Policy) Coverage Summary Page

Limits of Your Coverage. You are insured up to the Limits shown below. The limits may be altered by the policy or by any attached endorsements.

Coverage	Limits of Coverage	
Combined Liability Coverage for bodily injury and property damage Subject to a maximum of	\$ 1,000,000	Each Occurrence
	\$ 100,000	Each Person (Part of and not in addition to Combined Liability Coverage)
Personal Injury	\$ 1,000,000	Each Occurrence and Aggregate
	\$ 100,000	Each Person (Part of and not in addition to Combined Liability Coverage)
Medical Coverage	\$ 5,000	Each Person

Aircraft Physical Damage Coverage:

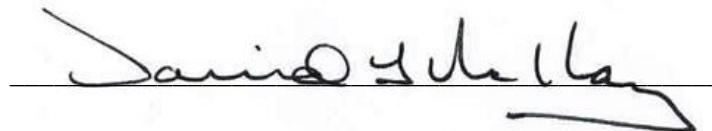
<u>FAA Identification</u>	<u>Not In-Motion Deductible</u>	<u>In-Motion Deductible</u>	<u>Limit</u>
N NUMBER 1	See Endorsement No. 17 See Endorsement No. 17	See Endorsement No. 17 See Endorsement No. 17	\$322,000 on floats \$312,000 on wheels
N NUMBER 2	See Endorsement No. 17 See Endorsement No. 17	See Endorsement No. 17 See Endorsement No. 17	\$ 80,000 on wheels \$ 80,000 on skis

This policy contains the following Endorsements which are part of your policy: 1 through 20.

Premium	\$
Endorsement Premium	\$ Included
Total Premium	\$

This policy is written through the Aviation Managers on **May 16, 2016**.

Approved by: **United States Aviation Underwriters, Inc.**
Aviation Managers



***400 All-Clear Aircraft Policy
(A Several Liability Combination Policy)***

**Issued to:
Policyholder
155 Smith Way, Suite 102
PO Box 1916
Soldotna, Alaska 99669**

Underwritten by:

ACE American Insurance Company

General Reinsurance Corporation

Liberty Mutual Insurance Company

National Liability & Fire Insurance Company

**Arranged by:
Denali Alaskan Insurance
440 East 36th Avenue, Suite 300
Anchorage, Alaska 99503**



United States Aircraft Insurance Group
USAIG is managed by United States Aviation Underwriters, Incorporated
Home Office: 125 Broad Street, 6th Floor, New York, NY 10004

**400 ALL CLEAR AIRCRAFT POLICY
(A Several Liability Combination Policy)
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(A Several Liability Combination Policy)
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USAIG ALL-CLEAR AIRCRAFT POLICY

(A Several Liability Combination Policy)

Your 400 All-Clear Aircraft Policy. Throughout this policy the words “you” and “your” refer to the person or organization named on the Coverage Summary Page as “Policyholder.” The words “we,” “us” and “our” refer to the Companies executing this policy (collectively the “Companies” and each individually a “Company”). “Aviation Managers” means United States Aviation Underwriters, Incorporated.

Provisions Specially Applicable to this Combination Policy. Each of the Companies shall be severally (but not jointly) liable solely for its own pro rata share, as set forth in the Participating Company Schedule, for any loss hereunder. Each Company’s liability hereunder for its pro rata share of the losses shall be separate and apart from the liability for the pro rata shares of the other Companies so that each Company shall be liable solely for its own pro rata share of losses and not for the pro rata shares of any other Company.

Service of process or of any notice or proof of loss required by this policy, made upon any one of the Companies, or upon a duly authorized agent of any one of the Companies, shall constitute service upon all Companies. Each of the Companies hereby appoints Aviation Managers as its duly authorized agent for receipt of service of process or any notice or proof of loss hereunder.

Upon cancellation by any Company of its liability under the policy, the return premium (if any) to be paid by such Company shall be based upon the proportions set forth in the Participating Company Schedule.

Even if a mutual insurance company is included among the Companies executing this policy, you will not be required to pay any assessment or other contingent liability by virtue of the fact that you are a policyholder of such a mutual insurance company.

Policy period. Your policy will begin and end at the time and on the dates shown on the Coverage Summary Page.

When and where you are covered. You are covered for occurrences that take place during your policy period while your aircraft described on the Coverage Summary Page is in the United States and its territories and possessions, Canada, Mexico, the Bahamas and the islands of the West Indies, or while enroute between these places. By an occurrence we mean any accident or continuous or repeated exposure to conditions which you don’t expect to happen resulting in bodily injury, property damage or loss of or damage to your aircraft. All injuries or damage resulting from generally the same conditions will be considered one occurrence.

Policy limits. The limits of your Coverage are shown on the Coverage Summary Page. These limits are the most we’ll pay for: (1) damage to or loss of your aircraft; (2) bodily injury caused by your aircraft, including sickness, disease, mental anguish, personal injury or death; (3) property damage caused by your aircraft, including loss of use of the damaged property.

If two or more aircraft are protected under your policy, the “Limits of Coverage” apply separately to each aircraft.

What is an aircraft? Your aircraft includes your airplane or rotorcraft and any operating, navigating or radio equipment that’s usually attached to the aircraft. Parts of your aircraft that are temporarily removed are also included as long as they’re not replaced by other parts. Any tools and repair equipment standard for your type of aircraft are also included. In addition, we will cover personal property, carried in your aircraft, which is used in the operation of your aircraft. If you have other insurance covering a loss to a replaced part or personal property, this coverage shall be excess of the other insurance. And, personal property does not include wearing apparel and other personal property not used in the operation, communication or navigation of your aircraft.

If you have a loss. If an occurrence happens, you should notify the Aviation Managers, in writing, as soon as reasonably possible. Include the time and place of the occurrence and the names and addresses of any injured people and witnesses.

What you must do. You agree to notify the police if your aircraft, or any of its parts, is stolen. You will send us copies of all legal documents if you’re sued or someone files a claim against you. You agree to help us in obtaining and giving evidence, attending hearings and trials, and getting witnesses to testify. And you won’t make any statements without our permission, except to government officials. In addition, you agree not to voluntarily make any payments or take on any other legal responsibility without our permission. If you do, we may not reimburse you - even if the loss or expense would have been covered by your policy. We will reimburse you for money spent for emergency first aid to others at the time of an accident.

USAIG ALL-CLEAR AIRCRAFT POLICY

(A Several Liability Combination Policy)

Assignment-transfer. Neither you nor any other person or organization covered under your policy can transfer your interest under the policy without the written consent of the Aviation Managers. If you die during your policy period, your legal representatives are covered while settling your estate, provided the Aviation Managers are notified within sixty (60) days of your death.

Changing this policy. You can change your Coverage by having the Aviation Managers add an endorsement to your policy. Notice to your agent will not change the terms of your policy nor stop us or the Aviation Managers from enforcing our rights under it.

Cancelling this policy. You can cancel your policy at any time. We or the Aviation Managers have the same right. You can cancel your policy by telling us, in writing, when in the future you want your Coverage to end. We will compute the premium we've earned using the customary short rate table and procedure. Any premium we have not yet earned will be returned to you.

We or the Aviation Managers can cancel your policy by mailing or delivering notice to you at the address shown on the Coverage Summary Page at least thirty (30) days before the cancellation date. If, however, your policy is being cancelled because you didn't pay a premium, only ten (10) days notice will be provided. The mailing or delivery of the notice will be sufficient proof that you were notified. We will compute the premium we've earned based on the percentage of your policy period that has been used at the time of cancellation. Any premium we have not yet earned will be returned to you.

Legal actions. Each of us named in the Participating Company Schedule, or the Aviation Managers, can bring suit against you if you fail to pay a premium when it's due, or fail to live up to the terms of your policy in any other way.

State law. If any terms of your policy conflict with state law, we'll comply with that law.

Limitations on use. To be covered under your policy the aircraft must be owned, maintained or used only for the aircraft use described on the Coverage Summary Page and described below and flown only by a pilot or pilots described on the Coverage Summary Page. The aircraft must also be registered under a Standard Airworthiness Certificate issued by the Federal Aviation Administration (FAA), or its foreign equivalent. While your aircraft is in the care, custody or control of an FAA Approved Repair Station for the purpose of maintenance or repair, the "Pilots" section appearing on the Coverage Summary Page will not apply, provided you do nothing which would affect the "Rights against third parties" section of your policy.

Non-Commercial use. You may not charge any person or organization for using your aircraft. However, you may be reimbursed for operating expenses.

Air Taxi Commercial use means in addition to Non-Commercial use, you may charge for using the aircraft to transport passengers or freight only.

Commercial use means you may use the aircraft for Non-Commercial purposes and you may charge for any use of the aircraft.

Special use means you may use the aircraft only for the specific purposes described on the Coverage Summary Page.

Claims we won't cover. We won't cover claims for damage to your aircraft or any liability claims made against you while the aircraft is in flight under conditions requiring a special permit or waiver from the FAA even if a permit or waiver has been granted by the FAA.

If you have other insurance. If you have other insurance covering a loss that's also covered by your policy, we'll pay only our share of any claim. We will compute what percentage the applicable "Limits of Coverage" for your policy is of the total amount of all valid and collectible insurance covering the loss. We will pay this percentage. This section does not apply to any insurance purchased as excess insurance. Excess insurance is insurance which becomes effective only when all other valid and collectible insurance covering the loss has been exhausted. Other insurance includes any retained limit under any self insurance or deductible program you have established. If any other insurance covering the loss is written through the Aviation Managers, the "Limit of Coverage" that applies under your policy will be reduced by the "Limit of Coverage" under the other insurance.

Our right of recovery. If we pay a claim under your policy, we will take over your right to recover that amount from any other person or organization. You agree to cooperate with us and not do anything that will interfere with our chances of recovery.

USAIG ALL-CLEAR AIRCRAFT POLICY

(A Several Liability Combination Policy)

YOUR LIABILITY COVERAGE

Following is a description of your Coverage under your policy for liability claims made against you. The "Limits of Coverage" you have purchased are shown on the Coverage Summary Page.

Combined Liability Coverage for bodily injury and property damage. If you have this Coverage, we'll pay claims for those sums that you become legally obligated to pay as damages for bodily injury, mental anguish, personal injury and damage to someone else's property resulting from the ownership, maintenance or use of the aircraft. But we won't pay more for all injuries and damage in any one occurrence than the "Limits of Coverage" shown on the Coverage Summary Page.

This coverage includes bodily injury, mental anguish and personal injury to persons or passengers. A passenger is anyone who enters your aircraft to ride in or operate it.

Combined Liability Coverage for bodily injury (except to passengers) and property damage. If you have this Coverage, we'll pay claims for those sums that you become legally obligated to pay as damages for bodily injury, mental anguish and personal injury to anyone - except a passenger - and damage to someone else's property resulting from the ownership, maintenance or use of the aircraft. But we won't pay more for all injuries and damage in any one occurrence than the "Limits of Coverage" shown on the Coverage Summary Page.

This coverage excludes bodily injury, mental anguish and personal injury to passengers. A passenger is anyone who enters your aircraft to ride in or operate it.

Liability Coverage for bodily injury to anyone but passengers. If you have this Coverage, we'll pay claims for those sums that you become legally obligated to pay as damages for bodily injury, mental anguish and personal injury to anyone - except a passenger - who is injured resulting from the ownership, maintenance or use of the aircraft. This coverage excludes bodily injury, mental anguish and personal injury to passengers. A passenger is anyone who enters your aircraft to ride in or operate it.

Two limits apply to this coverage. The "each person" limit, which is the most we'll pay for injury to any one person resulting from any one occurrence including damages for care and loss of services; and, the "each occurrence" limit which is the most we'll pay in any one occurrence regardless of how many people or organizations are involved.

Liability Coverage for bodily injury to passengers only. If you have this Coverage, we'll pay claims for those sums that you become legally obligated to pay as damages for bodily injury, mental anguish and personal injury to any passenger who is injured resulting from the ownership, maintenance or use of the aircraft. A passenger is anyone who enters your aircraft to ride in or operate it.

Two limits apply to this coverage. The "each passenger" limit, which is the most we'll pay for injury to any one passenger resulting from any one occurrence including damages for care and loss of services; and, the "each occurrence" limit which is the most we'll pay in any one occurrence regardless of how many people are involved.

Liability Coverage for property damage. If you have this Coverage, we'll pay claims for those sums that you become legally obligated to pay as damages for damage to someone else's property resulting from the ownership, maintenance or use of the aircraft.

The term "mental anguish" means the mental sensation of pain, distress, fright or anxiety, but only when the result of an occurrence covered under your policy.

As respects personal injury, the most we'll pay for all occurrences during your policy period is the "Aggregate Limit of Coverage" shown on the Coverage Summary Page. "Personal injury" means one or more of the following offenses: false arrest, detention or imprisonment, malicious prosecution, damage to someone's reputation or violation of someone's right to privacy, caused by publication or public statement; entering someone's residence, place of business or other property, or evicting someone from their home or place of business when you had no right to do so; or discrimination against someone on racial or religious grounds, where the law permits us to cover you for this type of discrimination committed by you or at your direction.

USAIG ALL-CLEAR AIRCRAFT POLICY

(A Several Liability Combination Policy)

Who's covered. Besides you, the "Policyholder," and your employees, while performing duties as part of their work for you, certain other people and organizations are also covered under "Your Liability Coverage," they are:

1. anyone who is using or riding in your aircraft with your permission; or
2. any person, including your employees or directors working or acting within the scope of their duties for you, or any organization that is legally responsible for the aircraft.

Each person or organization is covered separately. But we won't pay more for all injuries and damage in any one occurrence than the "Limits of Coverage" shown on the Coverage Summary Page.

Who's not covered. We will not cover any liability claim against the following persons or organizations, or their agents or employees, regardless of their inclusion under paragraphs 1. or 2. of the "Who's covered" section, while acting in their capacity as:

1. manufacturer or seller of aircraft, aircraft engines or accessories; or
2. operator of an aircraft repair shop, aircraft sales agency, aircraft rental service, flying school, flying service or pilot service; or
3. operator of any airport, hangar, or other aviation facility; or
4. a person whose services are paid for, contracted for or solicited from any of the operations listed in paragraphs 1., 2., or 3.; or
5. any person operating the aircraft as a student or renter pilot.
6. Nor will we cover any liability claim against any employee, including your own employees, who, while working within the scope of his or her duties, injures someone who works for the same employer.

Additional liability coverage. All payments described in this section are in addition to the applicable "Limits of Coverage" shown on the Coverage Summary Page.

Defending suits. We will defend any liability suit brought against you for bodily injury, mental anguish, personal injury or damage to property to which this insurance applies, even if the suit is groundless. We will also pay all costs of your defense, including investigation and court costs. We may investigate, negotiate and settle any claim or suit, if we decide this is appropriate. But, we won't be obligated to pay any claim or judgment or to defend any suit after your "Limit of Coverage" has been exhausted by payment of judgments or settlements.

Bonds. We will pay premiums for appeal bonds and bonds to release any property and personal belongings that are being held as security. We will also pay up to \$250 for any bail bond you may require because you violated a law or regulation during your policy period. However, we are not under any obligation to apply for or furnish these bonds.

Interest. We will pay any interest on any part of a judgment we are paying, which accrues after entry of the judgment and before we have paid that part of the judgment, which does not exceed your "Limit of Coverage."

Expenses. We will reimburse you for all reasonable expenses you incur while helping us at our request. We won't, however, pay for the loss of earnings or salaries of you or your employees. We'll pay all medical and surgical expenses you incur while providing immediate medical treatment at the time of an accident or occurrence.

Suits for liability payment. No suit or other legal action to recover payment under your policy can be brought unless you have complied with all its terms and a court has entered a judgment against you.

USAIG ALL-CLEAR AIRCRAFT POLICY

(A Several Liability Combination Policy)

Liability claims we won't cover:

1. **Aircraft.** We won't cover claims for damage to your aircraft under "Your Liability Coverage" section of your policy.
2. **Assumed liability.** We won't cover any liability assumed under a contract or agreement other than an Airport Contract signed with a governmental body so an airport may be used.
3. **Intentional injury.** We won't cover claims for intentional injuries or property damage caused by you or any other person or organization at your or their direction, except to prevent dangerous interference with the operation of an aircraft.
4. **Workers' compensation.** We won't cover any claim that's covered under a workers' compensation, unemployment compensation, disability benefits law or similar law. Nor will we cover claims for injury to your or any other person's or organization's employees while they're actually doing work for you or them, except for liability you or they assume under a contract or agreement you or they sign with a governmental body so you or they may use an airport.
5. **Property damage.** We won't cover damage to any property you or any other person or organization legally responsible for the use of your aircraft owns, rents, controls or transports, including claims for loss of use and consequential damage.
6. **Personal injury.** We won't cover personal injury:
 - a. sustained by any person or organization shown on the Coverage Summary Page as the "Policyholder"; or
 - b. arising from any publication or utterance which first occurred before the effective date of your policy; or
 - c. arising from any publication or utterance made by any person or organization at their direction, knowing the publication or utterance to be false; or
 - d. arising out of any advertising by any person or organization described in the "Who's covered" section of your policy; or
 - e. which does not arise directly from your ownership, maintenance or use of your aircraft; or
 - f. sustained by any person arising directly or indirectly out of applying for, termination of, or related to their employment, including coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, discrimination or other employment related practices, acts or omissions, by any person or organization described in the "Who's covered" section of your policy; or
 - g. arising from liability assumed by any person or organization described in the "Who's covered" section of your policy; or
 - h. arising out of the willful violation of a penal statute or offenses committed by or with the knowledge or consent of any person or organization described in the "Who's covered" section of your policy.

USAIG ALL-CLEAR AIRCRAFT POLICY

(A Several Liability Combination Policy)

7. **Bodily injury.** We won't cover bodily injury arising out of or as a consequence of applying for, termination of, or employment by any person or organization described in the "Who's covered" section of your policy. We won't cover bodily injury arising from coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, discrimination or other employment related practices, policies, acts or omissions.

Financial Responsibility Laws. If your policy is certified as proof of insurance under any aircraft financial responsibility law, we will pay up to the limits of liability required by such law. But we won't pay more than the "Limit of Coverage" that applies under your policy. You agree to reimburse us for any amount we are required to pay under the law which is in excess of what we would otherwise have paid under your policy.

YOUR AIRCRAFT PHYSICAL DAMAGE COVERAGE

If you have this Coverage, we'll cover you against risk of physical loss of or damage to your aircraft as the result of an occurrence both while it's in flight and while it isn't in flight. A fixed wing aircraft is in flight from the time it moves forward for takeoff and until it completes its landing run. A rotorcraft is in flight while its rotors are in-motion as a result of engine power or autorotation.

We will consider an aircraft to be lost in flight if it disappears after takeoff and isn't located or its whereabouts are not reported within sixty (60) days. If your aircraft is stolen, we have the right to return stolen property to you, with payment for any damage resulting from the theft of the aircraft, at anytime before we make payment for the loss.

What we'll pay.

Total loss. If your aircraft is a total loss, we'll pay you the amount shown on the Coverage Summary Page for your Aircraft Physical Damage Limit, less any deductible that applies.

We will consider your aircraft a total loss when the cost of repairs equals or exceeds the limit of "Your Aircraft Physical Damage Coverage" shown on the Coverage Summary Page.

All "Your Aircraft Physical Damage Coverage" for the aircraft will end as soon as we make payment, unless another aircraft is also insured for Aircraft Physical Damage Coverage under your policy.

Partial loss - you make repairs. If the aircraft is only partially damaged and you make repairs, we'll reimburse you for the following items, less any deductible that applies:

1. the cost of necessary material and parts of similar kind and quality;
2. wages paid at the current straight-time rate, at the place of repair, plus 150% of this amount to cover supervision and overhead.

Partial loss - someone else makes repairs. If your aircraft is damaged and the repairs are made by someone else, we'll pay you for the net cost to you of repairing your aircraft with material and parts of similar kind and quality, less any deductible that applies. But we won't pay overtime charges.

In addition, whether you make repairs or someone else makes repairs, we will pay the cost of transporting, by the least expensive means, damaged parts or the aircraft from the site of the loss to the most practical place where repairs can be made; and, the aircraft back to the place of the loss, or your home airport, whichever is closer.

The words "similar kind and quality" mean "similar kind and quality, less an allowance for physical deterioration and depreciation." If repair or replacement of damaged parts results in better than similar kind and quality you must pay the amount of the betterment.

Your not in-motion deductible. The not in-motion deductible shown on the Coverage Summary Page will apply to each loss to your aircraft while it's not in-motion.

Your in-motion deductible. The in-motion deductible shown on the Coverage Summary Page will apply to any loss to your aircraft while it is in-motion. An aircraft is in-motion whenever it is intentionally moving on the ground or in flight as a result of engine power or autorotation.

USAIG ALL-CLEAR AIRCRAFT POLICY

(A Several Liability Combination Policy)

This means you'll first pay an amount equal to the deductible. We will then pay the remainder of your loss up to the limit of "Your Aircraft Physical Damage Coverage."

No deductible will apply, however, to any loss to your aircraft caused by: (1) fire, explosion, lightning, theft, robbery, vandalism; or (2) an accident involving an aircraft we insure that's owned by someone else; or (3) accidental damage to your aircraft while it's being transported after being dismantled.

Emergency landing. If a pilot shown on the Coverage Summary Page is forced to make an emergency landing away from an airport and there is no physical damage to your aircraft, we will pay the cost of transporting your aircraft to an airport nearest the forced landing, by the least expensive means. But we won't pay more than the limit of "Your Aircraft Physical Damage Coverage."

What you must do. You agree to give us a sworn Proof of Loss Statement within ninety (90) days of the loss. You also agree to allow us or anyone we designate to question you under oath and to show us the damaged property and any records you have to prove the loss.

When we'll pay. We will pay for a loss to your aircraft within thirty (30) days from the time agreement is reached on the amount of the loss, provided you have complied with the requirements of your policy. We'll deduct any premiums you owe and other debts you have with us.

Suits for aircraft physical damage payments. No suit or other legal action to recover payment can be brought under your policy unless you have complied with all of its terms and the action is brought within one (1) year after the occurrence which led to the loss or damage.

Rights against third parties. This insurance is for your benefit alone and not for any other person or organization. Except for what you agree to do under an Airport Contract, you promise not to do anything that will take away our right to collect for damages caused by others.

Automatic reinstatement. If your aircraft is damaged, we'll reduce the limit of insurance you have on your aircraft by the amount of damage. Once repairs begin, we'll increase your limit of insurance by the value of the completed repairs until the original limit of insurance on your aircraft is restored or your policy expires, whichever happens first.

Arbitration of disputes. If we can't agree with you on the amount of loss to your aircraft, the following procedure will be used to settle the dispute:

1. You can request in writing that the dispute be submitted for arbitration. We can do the same.
2. Each will then select an appraiser and will inform the other of that choice within twenty (20) days of the initial notification.
3. The appraisers will select a competent and impartial umpire. If the appraisers can't agree on an umpire within fifteen (15) days, a judge of the state in which the property is located can appoint an impartial umpire, if asked to do so by you or us.
4. Each appraiser will appraise the loss for each item. If they don't agree, they'll submit their differences to the umpire. Agreement by two of the three will decide the amount of the loss.

You will then pay your appraiser and we'll pay ours. Any other costs of the appraisal and the umpire will be divided equally.

Salvage. If an aircraft covered under "Your Aircraft Physical Damage Coverage" is damaged, you must do all you can to protect it from further loss. If you don't, we won't be responsible for further loss to the aircraft. We will pay all reasonable expenses you incur in protecting your aircraft from further loss.

USAIG ALL-CLEAR AIRCRAFT POLICY

(A Several Liability Combination Policy)

If we pay you for a total loss, we can elect to take over the salvage as our property. You cannot, however, merely abandon the damaged property to us. If we decide to take the salvage, we can sell it or do whatever else we want with it.

Aircraft damage we won't cover:

1. **Tires.** We won't cover loss or damage to the tires of your aircraft unless caused by theft, vandalism or malicious mischief; or caused directly by other physical damage covered by your policy.
2. **Wear and tear.** We won't cover loss or damage to your aircraft caused by and confined to wear and tear, deterioration, mechanical or electrical breakdown or failure. Damage caused by breakdown, failure or malfunction of any engine component, accessory or part will be considered mechanical breakdown of the entire engine, and is not covered.

Loss or damage to electronic or electrically driven equipment caused by and confined to electrical power surge, failure or malfunction is not covered.

Damage to an engine caused by heat from its operation, attempted operation or shutdown will be considered wear and tear, and is not covered.

Damage to a turbine engine caused by an object which is not part of the engine or its accessories is foreign object damage. If the damage is caused by a single incident of sufficient severity to require immediate repairs in compliance with the requirements of the manufacturer, it is covered. However, if the damage is discovered at the time of inspection or overhaul, the damage must have occurred during your policy period.

Damage to engines covered by your policy is subject to "Your in-motion deductible."

3. **Consequential damage.** We will not cover any loss of use or any residual depreciation in value of your aircraft, either before or after repairs have been made.
4. **Embezzlement.** We won't cover loss or damage to your aircraft or its parts caused when someone with a legal right to possess your aircraft embezzles it.
5. **Ownership.** We won't cover loss or damage to your aircraft if your interest in the aircraft or your ownership changes from that stated on the Coverage Summary Page.

YOUR MEDICAL COVERAGE

We will pay all reasonable medical expenses that passengers, pilots and crew members, including you, incur within one (1) year from the date of an accident. But the aircraft must have been used by you or with your permission when the accident occurred. Reasonable medical expenses include necessary costs of medical, surgical, dental, ambulance, hospital, professional nursing and funeral services.

What we'll pay. The amount shown on the Coverage Summary Page for "each person" is the most we'll pay for all medical expenses for one person in any one accident. We won't, however, provide medical services to anyone or their employees until any medical benefits covered under workers' compensation have been deducted.

Whom we'll pay. We can pay each injured person directly or we can pay the hospital or any other organization that provided service. Any payment we make will be applied against the limits of "Your Medical Coverage" but won't be an admission of your legal responsibility by us.

USAIG ALL-CLEAR AIRCRAFT POLICY

(A Several Liability Combination Policy)

Proof of Loss. As soon as reasonably possible after the accident, an injured person or someone representing him or her must give us written proof of a claim. An injured person must also submit to physical examination by any doctor we select, whenever we reasonably ask. You will also help us obtain medical reports and copies of records.

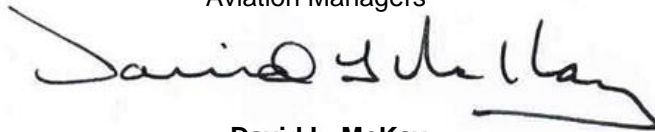
Suits for medical payment. No suit or other legal action to recover payment can be brought under your policy unless you have complied with all its terms and at least thirty (30) days have elapsed since the required proof of claim has been given to the Aviation Managers.

Please note:

Attach Coverage Summary Page and any endorsements.

This policy is not valid or complete unless a Coverage Summary Page, approved by the Aviation Managers, is attached.

United States Aviation Underwriters, Incorporated
Aviation Managers



David L. McKay
President

USAIG All-Clear Aircraft Policy
(A Several Liability Combination Policy)

Policy No. 400AC-SAMPLE

PARTICIPATING COMPANY SCHEDULE

THIS IS A COMBINATION POLICY
THE LIABILITY OF THE COMPANIES IDENTIFIED BELOW IS SEVERAL (AND NOT JOINT).

LIST OF PARTICIPATING COMPANIES


<u>Companies</u>	<u>Pro Rata Share of Liability</u>
ACE American Insurance Company	33.33%
General Reinsurance Corporation	16.67%
Liberty Mutual Insurance Company	33.33%
National Liability & Fire Insurance Company	16.67%

**USAIG All-Clear Aircraft Policy
(A Several Liability Combination Policy)**


Policy No. 400AC-SAMPLE

PARTICIPATING COMPANY SCHEDULE

By signing this Schedule, each of the companies listed above hereby executes the policy to which the Schedule is attached and each endorsement and other attachment thereto, all of which have been signed on its behalf by the Aviation Managers.


Secretary

ACE American Insurance Company
Philadelphia, Pennsylvania


President


Secretary

General Reinsurance Corporation
Stamford, Connecticut


President



Secretary

Liberty Mutual Insurance Company
Boston, Massachusetts


President


Secretary

National Liability & Fire Insurance Company
Omaha, Nebraska


President

USAIG All-Clear
(A Several Liability Combination Policy)
Mexican Warning Notice

If you operate your aircraft in Mexico, you may be jailed or fined and your aircraft impounded unless you have Aircraft Liability Insurance written by a Mexican Insurance Company.

To avoid these possibilities you must obtain additional insurance from a company licensed under the laws of Mexico.

(A Several Liability Combination Policy)**Terrorism Risk Insurance Act, as amended****Policyholder Disclosure****NOTICE OF TERRORISM INSURANCE COVERAGE**

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT AS AMENDED. THIS ENDORSEMENT IS A DISCLOSURE AND DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY.

Notice of Terrorism Insurance Act Coverage.

You are hereby notified that, under the Terrorism Risk Insurance Act, as amended (the Act), you have a right to purchase insurance coverage from us for losses resulting from Acts of Terrorism **as defined in Section 102(1) of the Act.**

The term Act of Terrorism means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States:

- (i) To be an act of terrorism;
- (ii) To be a violent act or an act that is dangerous to human life, property, or infrastructure;
- (iii) To have resulted in damage within the United States, or outside the United States in the case of an air carrier (as defined by section 40102(a)(2) of Title 49 of the United States Code as "a citizen of the United States undertaking by any means, directly or indirectly, to provide air transportation") or a U.S. registered or U.S. flag vessel or the premises of a United States mission; and
- (iv) To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The full text of the Act may be accessed through <http://thomas.loc.gov>.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT TO YOUR INSURER UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER YOUR POLICY MAY CONTAIN CERTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT AS AMENDED CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

USAIG All-Clear
(A Several Liability Combination Policy)
Terrorism Risk Insurance Act, as amended
Policyholder Disclosure
NOTICE OF TERRORISM INSURANCE COVERAGE

If you elect to purchase coverage under the Act, your premium and related terms will be stated on a separate endorsement attached to this policy. Depending upon what you have purchased, the terms of your coverage may appear on:

- a) Limited Write-Back of Coverage including Certified Terrorism Loss Coverage excluded by the War, Hi-jacking and Other Perils Exclusion Clause (Applicable to Your Aircraft Physical Damage Coverage) endorsement; or
- b) Certified Terrorism Loss Coverage (Applicable to Your Liability Coverage and Your Medical Coverage) endorsement.

Please contact your broker or the Aviation Managers if you have any questions.

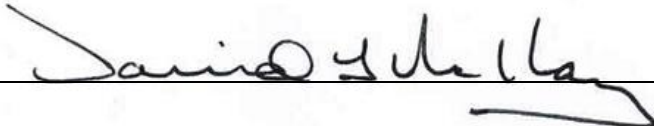
Page 2 of 2 Pages

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

<u>1</u>	<u>400AC-SAMPLE</u>	<u>Policy Inception at 12:01 A.M.</u>
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

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USAIG All-Clear
(A Several Liability Combination Policy)
Your Per Person Sub Limit

The "Each Person" sub limit is the most we'll pay in the aggregate for bodily injury to, or death of, one person and all "related claims" of every type made by any other person or persons arising from or derivative of such bodily injury to, or death of, that one person, no matter how many such separate "related claims" may be raised or claimants may be involved. By way of example, "related claims" made by person "A" and person "B" arising from or derivative of bodily injury to, or death of, person "C" shall be included and combined within the one "Each Person" limit applicable to person "C".

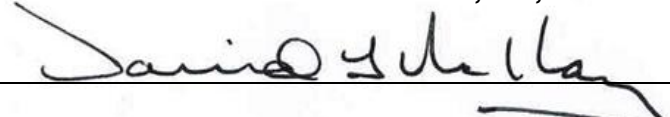
"Related claims" means all claims for care and loss of services, loss of society, companionship or consortium, mental anguish, emotional distress, loss of support, medical and funeral expenses, hedonic damages, and all other claims or damages arising from or derivative of bodily injury or death of each person.

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

2	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

**USAIG All-Clear
(A Several Liability Combination Policy)**

Policy No. 400AC-SAMPLE

Cancellation and Nonrenewal for use in the State of Alaska

The “**Cancelling this policy**” section of your policy is deleted in its entirety and replaced by the following:

Cancelling this policy.

1. The “Policyholder” shown on the Coverage Summary Page may cancel your policy by mailing to us or the Aviation Managers advance written notice of when in the future you want your coverage to end.
2. We or the Aviation Managers may cancel your policy by mailing to you and the agent or broker of record written notice of cancellation. Such notice, stating the reason for cancellation, must be sent by first class mail at least:
 - a. ten (10) days before the effective date of cancellation if we or the Aviation Managers cancel for:
 - (1) conviction of the “Policyholder” of a crime having as one of its necessary elements an act increasing a hazard insured against; or
 - (2) fraud or misrepresentation by the “Policyholder” or a representative of the “Policyholder” in obtaining the insurance or by the “Policyholder” in pursuing a claim under this policy; or
 - b. twenty (20) days before the effective date of cancellation if we or the Aviation Managers cancel for:
 - (1) nonpayment of premium; or
 - (2) failure or refusal of the “Policyholder” to provide the information necessary to confirm exposure and determine the policy premium; or
 - c. sixty (60) days before the effective date of cancellation if we or the Aviation Managers cancel for any other reason.
3. We or the Aviation Managers will mail our notice to your last known address and the last known address of the agent or broker of record.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. A post office certificate of mailing or certified mail receipt will be sufficient proof of mailing of notice.
6. If your policy is cancelled, we or the Aviation Managers will return any premium refund due to the agent or broker of record, or directly to the “Policyholder” or, if applicable, to the premium finance company. If:
 - a. We or the Aviation Managers cancel, the refund will be the pro rata unearned premium. The refund will be returned or credited before the effective date of cancellation. However, if cancellation is for:
 - (1) nonpayment of premium;

**USAIG All-Clear
(A Several Liability Combination Policy)**

Policy No. 400AC-SAMPLE

Cancellation and Nonrenewal for use in the State of Alaska

- (2) conviction of the "Policyholder" of a crime having as one of its necessary elements an act increasing a hazard insured against;
- (3) discovery of fraud or material misrepresentation made by the "Policyholder" or a representative of the "Policyholder" in obtaining the insurance or by the "Policyholder" in pursuing a claim under the policy; or
- (4) failure or refusal of the "Policyholder" to provide the information necessary to confirm exposure or necessary to determine the policy premium.

any unearned premium shall be returned or credited within forty-five (45) days after the cancellation notice is given.

b. The "Policyholder" cancels, the refund:

- (1) will be the pro-rata unearned premium minus a cancellation fee of seven and one-half percent (7.5%) of the pro-rata unearned premium. However, we or the Aviation Managers will not retain this cancellation fee if this policy is cancelled:
 - (a) and rewritten with us or in our company group;
 - (b) at our or the Aviation Managers' request;
 - (c) because you no longer have a financial or insurable interest in the property or business operation that is the subject of this insurance; or
 - (d) after the first year for a prepaid policy written for a term of more than one (1) year; or
- (2) Will be returned or credited:
 - (a) by the effective date of cancellation; or
 - (b) within forty-five (45) days of your request to cancel;

whichever is later.

If the policy is selected for audit, we or the Aviation Managers will complete the audit within forty-five (45) days of receipt of the request for cancellation. The refund will be returned within forty-five (45) days of completion of an audit, or the effective date of cancellation, whichever is later.

USAIG All-Clear
(A Several Liability Combination Policy)
Cancellation and Nonrenewal for use in the State of Alaska

The following is added and supersedes any provision to the contrary:

Nonrenewal.

1. If we or the Aviation Managers decide not to renew your policy, we or the Aviation Managers will mail written notice of nonrenewal, by first class mail, to you and the agent or broker of record at least forty-five (45) days before:
 - a. the expiration date; or
 - b. the anniversary date if your policy has been written for more than one (1) year or with no fixed expiration date.
2. We or the Aviation Managers need not mail notice of nonrenewal if:
 - a. we or the Aviation Managers have manifested in good faith our willingness to renew; or
 - b. the "Policyholder" has failed to pay any premium required for your policy; or
 - c. the "Policyholder" fails to pay the premium required for renewal of your policy.
3. Any notice of nonrenewal will be mailed to your last known address and the last known address of the agent or broker of record. A post office certificate of mailing or certified mail receipt will be sufficient proof of mailing of notice.

The following is added:

Notice of Premium or Coverage Changes on Renewal.

If the premium to renew your policy increases more than ten percent (10%) for a reason other than an increase in coverage or exposure basis, or if after the renewal there will be a material restriction or reduction in coverage not specifically requested by the "Policyholder," we or the Aviation Managers will mail written notice to your last known address and the last known address of the agent or broker of record at least forty-five (45) days before:

1. the expiration date; or
2. the anniversary date if your policy has been written for more than one (1) year or with no fixed expiration date.

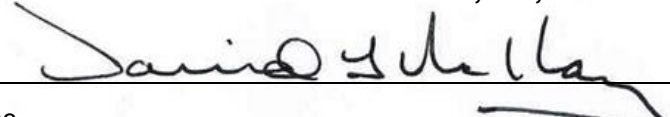
Page 3 of 3 Pages

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

3	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Alaska Rule 82

ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
ATTORNEY FEES COVERAGE NOTICE A

THIS POLICY LIMITS COVERAGE FOR ATTORNEY FEES
UNDER ALASKA RULE OF CIVIL PROCEDURE 82

In any suit in Alaska in which we have the right or duty to defend an insured in addition to the limits of liability, our obligation under the applicable coverage to pay attorneys fees taxable as costs against the insured is limited as follows:

Alaska Rule of Civil Procedure 82 provides that if you are held liable, some or all of the attorney fees of the person making claim against you must be paid by you. The amount that must be paid by you is determined by Alaska Rule of Civil Procedure 82. We provide coverage for attorney fees for which you are liable under Alaska Rule of Civil Procedure 82 subject to the following limitation:

We will not pay that portion of any attorney's fees that is in excess of fees calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the limit of liability of the applicable coverage.

This limitation means the potential costs that may be awarded against you as attorney fees may not be covered in full. You will have to pay any attorney fees not covered directly.

For example, the attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

20% of the first \$25,000 of a judgment;
 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against you in the amount of \$125,000, in addition to that amount you would be liable under Alaska Rule of Civil Procedure 82(b)(1) for attorney fees of \$15,000, calculated as follows:

20% of \$ 25,000	\$ 5,000
10% of \$100,000	\$10,000
Total Award \$125,000	Total Attorney Fees \$15,000

If the limit of liability of the applicable coverage is \$100,000, we would pay \$100,000 of the \$125,000 award, and \$12,500 for Alaska Rule of Civil Procedure 82(b)(1) attorney fees, calculated as follows:

20% of \$25,000	\$5,000
10% of \$75,000	\$7,500
Total Limit of Liability \$100,000	Total Attorney Fees Covered \$12,500

You would be liable to pay, directly and without our assistance, the remaining \$25,000 in liability plus the remaining \$2,500 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this policy.


AKRULE82 (07/01/96)

 This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

<u>4</u>	<u>400AC-SAMPLE</u>	<u>Policy Inception at 12:01 A.M.</u>
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Amendment of Coverage for the State of Alaska

1. The “**What you must do**” paragraph shown under the “**Your Aircraft Physical Damage Coverage**” section of your policy is changed to read:

What you must do. You agree to give us a sworn Proof of Loss Statement within ninety (90) days of the loss. You also agree to allow us or anyone we designate to question you under oath, in the presence of your attorney if you desire, and to show us the damaged property and any records you have to prove the loss.

2. The “**When we’ll pay**” section of your policy is changed to read:

When we’ll pay. We will pay the undisputed amount of loss, for loss to your aircraft, within thirty (30) days after we receive a satisfactory Proof of Loss provided you have complied with the appropriate requirements of your policy.

3. The “**Suits for aircraft physical damage payments**” section of your policy is changed to read:

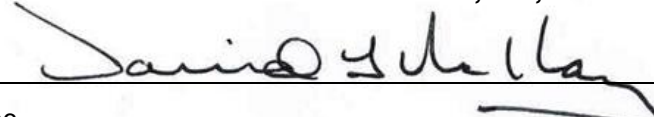
Suits for aircraft physical damage payments. No suit or other legal action to recover payment can be brought under your policy unless you have complied with all of its terms and the action is brought within three (3) years after the occurrence which led to the loss or damage.

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the “Policyholder’s” address.

Policy Issued to: **Policyholder**

<u>5</u>	<u>400AC-SAMPLE</u>	<u>Policy Inception at 12:01 A.M.</u>
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Amendment of Coverage for the State of Alaska

The "Arbitration of disputes" section of your policy is changed to read as follows:

Mandatory appraisal of amount of loss. If we can't agree with you on the amount of loss covered under your policy, the following appraisal procedure will be used:

1. You can demand in writing that the dispute be submitted for appraisal. We can do the same.
2. Within ten (10) days of the written demand, each of us will notify the other in writing of the competent appraiser each has selected.
3. The two appraisers will promptly choose a competent and impartial umpire. If the appraisers can't agree on an umpire within fifteen (15) days, a judge of the state in which the property is located can appoint an impartial umpire, if asked to do so by you or us.
4. Not later than fifteen (15) days after the umpire has been chosen, unless the time period is extended by the umpire, each appraiser will separately state in writing the amount of the loss. If the appraisers submit a written report of agreement on the amount of the loss, the agreed amount will be binding upon the "Policyholder" and the Companies. If the appraisers fail to agree, the appraisers will promptly submit their differences to the umpire. A decision agreed to by one of the appraisers and the umpire will be binding upon the "Policyholder" and the Companies.
5. The appraisal will take place in the state of Alaska. You have the right to be represented by your attorney at the proceedings and hearings.

All expenses and fees, not including counsel or adjuster fees, incurred because of the appraisal shall be paid as determined by the umpire. Except as specifically provided, nothing in this endorsement is intended to or shall in any manner limit or restrict the rights of the "Policyholder" or the Companies or confer any rights to the "Policyholder" or the Companies.

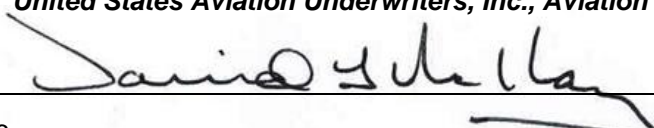
This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

6	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By _____



USAIG All-Clear
(A Several Liability Combination Policy)
Assignment/Bankruptcy/Insolvency

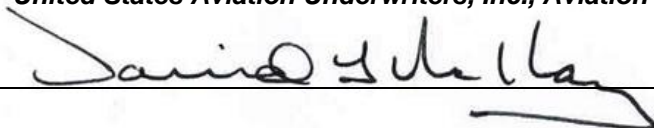
An assignment of interest under this policy shall not bind the Companies until their consent is endorsed hereon; however, the bankruptcy or insolvency of the "Policyholder" will not relieve the Companies of their obligations under the policy absent an order of the appropriate court or regulatory authority.

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

7	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Date Change Recognition Exclusion

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

- A) Any actual or alleged failure, malfunction or inadequacy of:
 - 1) Any of the following, whether belonging to you, to any person or organization covered under your policy, or to others, whether or not part of any computer system or whether in your possession, or of any person or organization covered under your policy, or of any third party;
 - a) computer hardware, including microprocessors; or
 - b) computer application software; or
 - c) computer operating systems and related software; or
 - d) computer networks; or
 - e) microprocessors, computer chips, integrated circuits or other information technology equipment or systems; or
 - 2) Any other products or systems and any services, data, or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A) 1) of this exclusion;

due to the inability to correctly recognize, process, distinguish, interpret or accept:

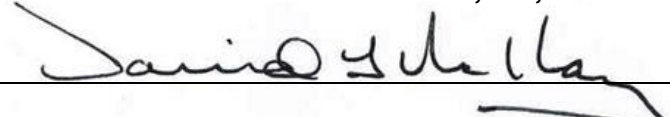
- the change of year from 1999 to 2000; or
 - the change of date from August 21, 1999 to August 22, 1999; or
 - any other change of year, date or time;
- B) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify, or test for any potential or actual problems described in Paragraph A) of this exclusion.

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

8	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Date Change Recognition Exclusion Limited Write-Back Provisions

Applicable to **Your Aircraft Physical Damage** and **Your Liability Coverages**:

The Date Change Recognition Exclusion shall not apply to:

1. any accidental loss of or damage to an aircraft covered under your policy;
2. any sums which you or any person or organization covered under your policy shall become legally liable to pay as damages because of:
 - A) accidental bodily injury to passengers directly caused by an accident to an aircraft covered under your policy; and/or
 - B) loss of or damage to baggage and personal articles of passengers, mail and cargo directly caused by an accident to an aircraft covered under your policy; and/or
 - C) accidental bodily injury and accidental property damage directly caused by an aircraft covered under your policy or by any person or object falling therefrom.

Applicable to other Coverages:

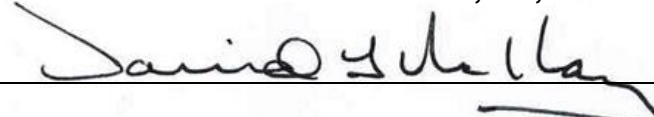
The Date Change Recognition Exclusion shall not apply to any sums which you or any person or organization covered under your policy shall become legally liable to pay as damages because of bodily injury or physical injury to or destruction of tangible property resulting from a covered occurrence.

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

<u>9</u>	<u>400AC-SAMPLE</u>	<u>Policy Inception at 12:01 A.M.</u>
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Noise and Pollution and Other Perils Exclusion

Policy No. 400AC-SAMPLE

1. This insurance does not apply to any liability, including liability arising out of or assumed under contract, or any injury, loss or damage, including bodily injury, fear of bodily injury, damage or fear of damage, personal injury, advertising injury, sickness, disease, occupational disease, disability, shock, death, mental anguish, mental injury, property damage or any loss, cost or expense, loss of use including grounding, or any other claim, cost or expense whatsoever, directly or indirectly arising out of, resulting from, caused or occasioned by, happening through, in consequence of, or in any way involving:
 - a. Noise (whether audible to the human ear or not), vibration, sonic boom, and any phenomena associated with the foregoing; or
 - b. "Pollution or Contamination" of any kind whatsoever, or the exposure to "Pollution or Contamination," or the fear of exposure to or the effects of "Pollution or Contamination" or the existence of "Pollution or Contamination" in any place or thing or in the atmosphere, land, or any watercourse or body of water, as well as any claim or suit by or on behalf of or any direction, demand or request or any statutory or regulatory requirement, or any voluntary decision, by or on behalf of any governmental authority or other alleged responsible party, that any "Policyholder" or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of "Pollutants or Contaminants"; or
 - c. Electrical or electromagnetic emission or interference of any kind whatsoever; or
 - d. Interference with the use of property.

For purposes of this Exclusion:

- i. "Pollution or Contamination" means any actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration, disposal or the mere presence of "Pollutants or Contaminants" in any form.
- ii. "Pollutants or Contaminants" means any pollutant, contaminant or irritant, including, without limitation, any solid, liquid, gaseous or thermal pollutant, contaminant or irritant, or any air emission, smoke, vapor, soot, fume, acid, alkali, chemical, or nuclear material alleged to be a possible or probable carcinogenic, odor, oil or other petroleum product, fungus (including mold or mildew or any mycotoxin, spore, scent or byproduct produced or released by fungi, other than any fungi intended by the "Policyholder" for human consumption), or "Waste" of any kind whatsoever, including solid waste, waste water, waste oil, infectious medical waste, and human, animal or vegetable waste.
- iii. "Waste" means any waste including material to be recycled, reconditioned or reclaimed, whether or not the material has been disposed of by the "Policyholder" or any person handling the "Waste".

USAIG All-Clear
(A Several Liability Combination Policy)
Noise and Pollution and Other Perils Exclusion

- 2. With respect to any provision in this policy concerning the duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend claims excluded by paragraph 1.

- 3. This Exclusion shall not apply to any claim for bodily injury or physical injury to tangible property that results from a crash, fire, explosion or collision of "Completed Aircraft," or results from a recorded in-flight emergency causing abnormal aircraft operation of "Completed Aircraft." For purposes of this subsection, "Completed Aircraft" means an aircraft completely assembled and capable of motion under its own power.

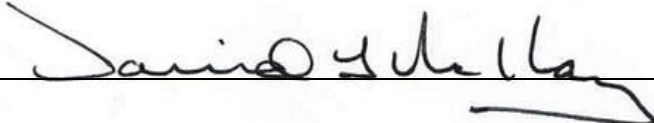
Page 2 of 2 Pages

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

10	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

**USAIG All-Clear
(A Several Liability Combination Policy)
Asbestos Exclusion**

This insurance does not apply to:

1. any liability, including liability arising out of or assumed under contract, or any injury, loss or damage, including bodily injury, fear of bodily injury, damage or fear of damage, personal injury, advertising injury, sickness, disease, occupational disease, disability, shock, death, mental anguish, mental injury, property damage or any loss, cost or expense, loss of use including grounding, or any other claim, cost or expense whatsoever directly or indirectly arising out of, resulting from, caused or occasioned by, happening through, in consequence of, or in any way involving or related to "asbestos" or the use of or exposure to asbestos, including the failure of any product or material containing asbestos, or the existence or presence of asbestos in any place or thing or in the atmosphere, land, or any watercourse or body of water; or
2. any damages or any loss, cost or expense arising out of (i) any claim or suit by or on behalf of any governmental authority or any other allegedly responsible party because of, or (ii) any request, demand, order or statutory or regulatory requirement that any "Policyholder" or any other person or entity should be or is responsible for:
 - (a) assessing the presence, absence, amount or effects of asbestos; or
 - (b) identifying, sampling, testing for, detecting, monitoring, cleaning up, containing, treating, detoxifying, neutralizing, abating, disposing of, mitigating or removing asbestos or any product or material containing asbestos; or
 - (c) responding to asbestos or the potential effects of asbestos in any way other than as described in subparagraph 2.(a) or (b) above; or
3. any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with paragraphs 1. and 2. of this Exclusion; or
4. any obligation to defend or indemnify, or to share damages with or repay someone else due to or arising from, in whole or in part, any claim, action or suit against the "Policyholder" in connection with paragraphs 1., 2. and 3. of this Exclusion.

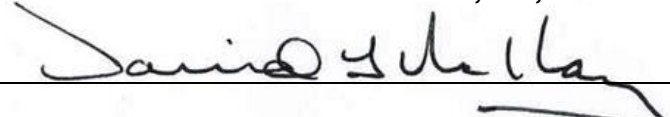
For purposes of this Exclusion, "asbestos" means asbestos, asbestos fibers, asbestos dust or any product or material containing "asbestos."

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

11	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Nuclear Risk Exclusion Endorsement With Exceptions

Policy No. 400AC-SAMPLE

This Endorsement changes your policy. Please read it carefully.

- (1) Your policy does not apply to: (i) the loss or destruction of, or damage to, any property (including aircraft), as well as any expense or consequential damages relating to such loss or destruction of property, or (ii) any legal liability or medical expense of any nature,

directly or indirectly caused or contributed to by or arising from:
 - (i) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - (ii) 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;
 - (iii) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.
- (2) It is agreed that such radioactive material or other radioactive source in paragraph (1), subparagraphs (ii) and (iii) above, shall not include:
 - (i) depleted uranium and natural uranium in any form;
 - (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
- (3) Notwithstanding the exception to this exclusion set forth in paragraph (2), your policy does not cover loss or destruction of, or damage to, any property or any expense or consequential damages related thereto, or legal liability of any nature with respect to which:
 - (i) anyone insured under your policy is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
 - (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
 - (iii) anyone insured under your policy would be entitled to indemnification from any government or agency thereof regardless of whether this policy had been issued to you.
- (4) Loss, destruction, damage, expense or legal liability in respect of the nuclear risks excepted from this exclusion by reason of paragraph (2) shall (subject to all other terms, conditions, limitations, warranties and exclusions of your policy) be covered, provided that:
 - (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air," unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;
 - (ii) the incident giving rise to the loss, destruction, damage, expense or legal liability arises from an event occurring during your policy period and anyone insured under your policy or any claimant have asserted a claim against us within three years of the date of such occurrence; and

USAIG All-Clear
(A Several Liability Combination Policy)
Nuclear Risk Exclusion Endorsement With Exceptions

(iii) in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

<u>Emitter</u> (IAEA Health and Safety Regulations)	<u>Maximum permissible level of non-fixed radioactive surface contamination</u> <u>(Averaged over 300 cm²)</u>
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Becquerels/cm ² (10 ⁻⁴ microcuries/cm ²)
All other emitters	Not exceeding 0.4 Becquerels/cm ² (10 ⁻⁵ microcuries/cm ²)

(5) The coverage afforded by this endorsement may be cancelled by us at any time by giving seven (7) days notice of cancellation or the notice period required by applicable law, whichever is longer.

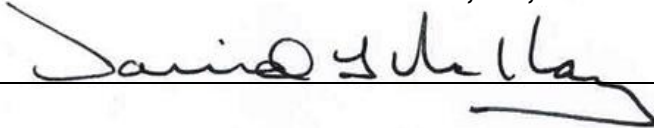
Page 2 of 2 Pages

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

12 400AC-SAMPLE Policy Inception at 12:01 A.M.
 Endorsement No. Policy No. Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
War, Hi-jacking and Other Perils Exclusion Clause

The following Exclusion Clause is added to the sections of your policy entitled, "Liability claims we won't cover"; "Aircraft damage we won't cover"; and "Your Medical Coverage":

We won't cover any claim, damage, injury, loss, cost, expense, or liability of any nature whatsoever arising from, occasioned by, or in consequence of:

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

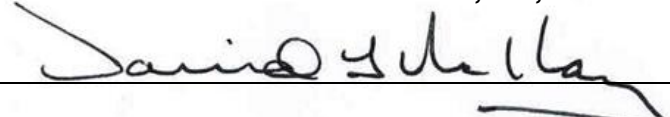
Furthermore, your policy does not cover claims arising while the aircraft is outside of your control by reason of any of the above perils. The aircraft shall be deemed to have been restored to your control upon the safe return of the aircraft to you at an airfield not excluded by the geographical limits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

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

13	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

(A Several Liability Combination Policy)**War, Hi-jacking and Other Perils Exclusion Clause****Limited Write-Back Provisions Aggregate Endorsement****(Applicable to Your Liability Coverage and Your Medical Coverage)**

Only with respect to "**Your Liability Coverage**" and "**Your Medical Coverage**," the "**War, Hi-jacking and Other Perils Exclusion Clause**" shall be amended to delete paragraphs (a), (c), (d), (e), (f), and (g) thereof subject to the following:

1. Only with respect to the deletion of paragraph (a) from the "**War, Hi-jacking and Other Perils Exclusion Clause**," we won't cover claims for damage to any form of property on the ground located outside of the United States of America or Canada, unless caused by or arising out of the use of your aircraft.

2. Limitation of Liability

The limit of the Companies' liability under this Limited Write-Back shall be a sub-limit of \$1,000,000 any one occurrence and in the annual aggregate, except with respect to passengers in your aircraft in which case the Limit of Coverage is as stated on the Coverage Summary Page. **This sub-limit is part of and not in addition to the Limit of Coverage stated on the Coverage Summary Page.**

In no event shall the Companies' liability under this Limited Write-Back exceed \$1,000,000 in the annual aggregate (except with respect to passengers in an aircraft covered hereunder), regardless of the number of (a) people or organizations covered hereunder, (b) occurrences or events, (c) claims made or suits brought, or (d) persons or organizations making claims or bringing suits.

3. Automatic Termination

This Limited Write-Back shall terminate automatically under any of the following circumstances:

- (i) upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following: France, the People's Republic of China, the Russian Federation, the United Kingdom, or the United States of America; or
- (ii) only with respect to the deletion of paragraph (a) from the "**War, Hi-jacking and Other Perils Exclusion Clause**," 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 an aircraft covered under your policy may be involved; or
- (iii) upon the requisitioning of any aircraft covered under your policy for title or use.

However, if any aircraft covered by your policy is in flight when any of the above circumstances occurs, then this Limited Write-Back (unless otherwise cancelled, terminated or suspended) shall remain in effect with respect to such aircraft until completion of its first landing and until its passengers have deplaned.

USAIG All-Clear
(A Several Liability Combination Policy)
War, Hi-jacking and Other Perils Exclusion Clause
Limited Write-Back Provisions Aggregate Endorsement
(Applicable to Your Liability Coverage and Your Medical Coverage)

4. Review and Cancellation

- (a) **Review of Premium and/or Geographical Limits (7 days notice)**
The Companies or the Aviation Managers may give notice to review premium and/or geographical limits by mailing or delivering notice to you at the address shown on the Coverage Summary Page at least seven (7) days before such notice takes effect.
- (b) **Limited Cancellation (2 days notice)**
Following a hostile detonation as set forth in paragraph 3. (ii) above, the Companies or the Aviation Managers may give notice of cancellation of all or part of this Limited Write-Back by mailing or delivering notice to you at the address shown on the Coverage Summary Page at least two (2) days before such cancellation takes effect.
- (c) **Cancellation (7 days notice)**
This Limited Write-Back may be cancelled by either the Companies, the Aviation Managers, or you by mailing or delivering notice seven (7) days before such cancellation takes effect.

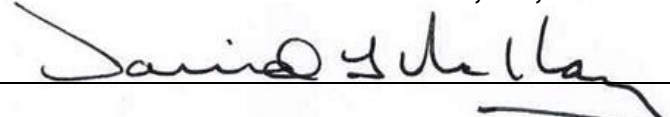
Page 2 of 2 Pages

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

14	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear

(A Several Liability Combination Policy)

Alaska Coverage Expansion

This endorsement expands or adds Coverages to your basic All-Clear Aircraft Policy.

Table of Additions:

- Coverage for bodily injury and property damage for airport premises.
- Property damage.
- Reimbursement of emergency expenses.
- Spare engine and parts Coverage.

Coverage for bodily injury and property damage for airport premises. We will pay claims for bodily injury, mental anguish, personal injury and damage to someone else's property resulting from the ownership, maintenance or use of airport premises. But we won't pay more for all injuries and damage in any one occurrence than the "Limit of Coverage" shown on the Coverage Summary Page. This Coverage for airport premises is part of and not in addition to the Limits of Coverage for "**Combined Liability Coverage for bodily injury and property damage**" shown on the Coverage Summary Page and is in the same amount as the highest limit of Coverage for one aircraft.

You are also covered for use of mobile equipment which you own or lease under written agreement, while it is on airport premises you own, maintain or use. "Mobile equipment" means a land vehicle (including machinery and/or apparatus attached to it), whether or not it's self propelled, used exclusively for the maintenance or handling of aircraft or airport premises, provided it is:

- Not subject to motor vehicle registration; and,
- is designed for use principally off public roads; and,
- is used exclusively on airport premises owned by or rented to you, including roadways immediately adjoining.

Property damage. The "**Property damage**" section of your policy is changed to read:

We won't cover damage to any property you own, rent, control or transport. But we will cover the personal effects and baggage of each passenger in any one occurrence for up to \$5,000 subject to a deductible of \$100 each claim. We will also pay up to \$25,000 in any one occurrence, during the policy period, for damage to hangars and their contents you don't own.

Reimbursement of emergency expenses. We will reimburse you for expenses incurred for the use of foam on a runway or your aircraft, or for fire, crash control and rescue. But we won't pay more than \$10,000 in any one occurrence. We will also reimburse you for expenses incurred by you for search and rescue operations which have been initiated by you and which have the prior approval of the Aviation Managers, but only after search and rescue operations have been discontinued by the governmental authority in charge of these operations. But we won't pay more than \$10,000 in any one occurrence.

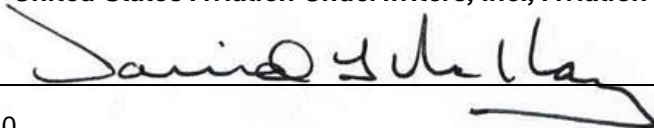
Spare engine and parts Coverage. In addition to the Limit of Coverage for "**Your Aircraft Physical Damage Coverage**," we will cover you against risk of physical loss or damage to spare engines and aircraft parts which are owned by you or for which you are legally responsible and which are intended to be used for your aircraft described on the Coverage Summary Page. But we won't pay more than \$10,000 in any one occurrence subject to a deductible of \$100 each claim. All of the terms and conditions of your policy which apply to "**Your Aircraft Physical Damage Coverage**" also apply to your spare engines and parts Coverage. We won't cover loss of spare engines or parts which disappear mysteriously.

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

15	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Seaplane Limits of Coverage

Only with respect to 1982 Cessna TU206G Soloy, N NUMBER 1:

Coverage provided under "Your Aircraft Physical Damage Coverage" section of your policy shall also apply to the following parts of your aircraft while detached and stored:

<u>Equipment</u>	<u>Limits of Coverage</u>
Floats & Fittings	\$ 20,000
Wheels & Fittings	\$ 10,000

We will apply a deductible of \$500 of the above "Limits of Coverage" to each claim made under this endorsement.

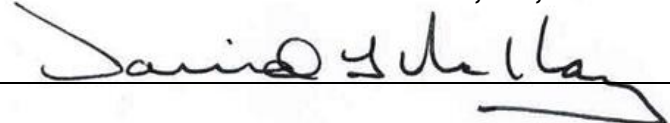
These "Limits of Coverage" are part of and not in addition to your "Limits of Coverage" for your aircraft described on the Coverage Summary Page.

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

16	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Deductible Change for Aircraft Physical Damage Coverage

The “Your not in-motion deductible” and “Your in-motion deductible” sections of your policy are changed to read:

“Your deductible. In the event of loss of or damage to your aircraft, you’ll first pay the amount shown below as your deductible. We will then pay the remainder of your loss, up to the limit of your ‘**Aircraft Physical Damage Coverage.**’

We will apply the following amounts to each and every loss to your aircraft while it is not in-motion or while it is in-motion. An aircraft is in-motion whenever it is moving on the ground or in flight as a result of engine power or autorotation.

<u>Description of Aircraft</u>	<u>Not in-motion deductible</u>	<u>In-motion deductible</u>
1982 Cessna TU206G Soloy, N NUMBER 1	\$ 5,000	\$ 5,000
1988 Aviat Husky, N NUMBER 2	\$ 2,500	\$ 2,500

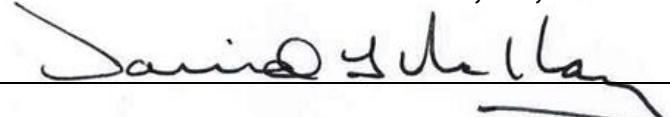
No deductible will apply, however, to any loss to your aircraft caused by an accident involving an aircraft we insure that’s owned by someone else.”

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the “Policyholder’s” address.

Policy Issued to: **Policyholder**

<u>17</u>	<u>400AC-SAMPLE</u>	<u>Policy Inception at 12:01 A.M.</u>
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Seaplane Deductible

Your "In-Motion Deductible" shown on the Coverage Summary Page shall apply while the aircraft is "moored" or "sailing".

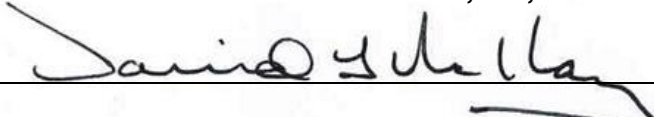
"Moored" means affixed to a dock, mooring or anchoring device. "Sailing" means the aircraft is intentionally moving through the water as a result of wind, current or the combination of the two.

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

<u>18</u>	<u>400AC-SAMPLE</u>	<u>Policy Inception at 12:01 A.M.</u>
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Lienholder's or Lessor's Interest Coverage

This endorsement expands "Your Aircraft Physical Damage Coverage" to protect the interest of the lienholder or lessor of the aircraft listed in the Schedule below. Should you do anything which makes your Coverage invalid, we will still make a payment to that lienholder or lessor to the extent coverage would otherwise apply.

Who's protected. The Coverage under this endorsement is only for the benefit of the lienholder or lessor.

Whom we'll pay. The "Whom we'll pay" section of the Coverage Summary Page is changed to include the lienholder or lessor whether or not we make a payment under this endorsement.

What we'll pay. If we claim your Coverage is invalid, we'll pay the lienholder or lessor either the amount of damages, or the amount of the lien, whichever is less. The most we'll pay is the limit of "Your Aircraft Physical Damage Coverage," less any deductible which applies. We won't, however, make any payment to the lienholder or lessor unless and until their interest in your aircraft is impaired and you are in default.

Determining the amount of lien. The amount of the lien will be reduced by any installments more than thirty (30) days overdue and by any charges not earned by the lienholder or lessor at the time of the occurrence causing loss of or damage to the aircraft.

If we make any payment to a lienholder or lessor because you invalidated your policy:

To the extent we have made a payment, we will be entitled to all rights the lienholder or lessor has against you through the lien or lease. They agree to assign and/or transfer to us all legal rights they have regarding the collateral, security or rights of recovery they have with you regarding loss of or damage to the aircraft.

You agree to pay us back the full amount of any payment we make.

What's not covered. We won't cover any loss of or damage to the aircraft caused by conversion, embezzlement or secretion by you.

What the lienholder or lessor must do. If you don't pay the premium due for your policy, the lienholder or lessor must pay us all premium due for the aircraft scheduled below. If you don't provide us with a proof of loss within the time required, the lienholder or lessor must provide us one within sixty (60) days after the required time.

If we cancel or materially change your policy or "Your Aircraft Physical Damage Coverage," we agree to give the lienholder or lessor thirty (30) days notice before the cancellation or material change takes effect.

Schedule

Aircraft Make and Model

1982 Cessna TU206G Soloy

Lienholder's or Lessor's Name and Address

**Bank of
PO Box xxxx
xxxe, xx xxxxx**

FAA Identification

N NUMBER 1

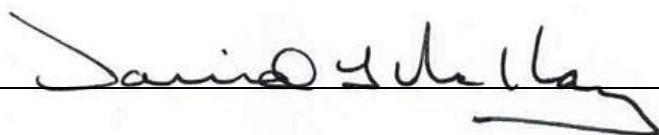
This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

19	400AC-SAMPLE	Policy Inception at 12:01 A.M.
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By _____



USAIG All-Clear
(A Several Liability Combination Policy)
Additional Insured(s)

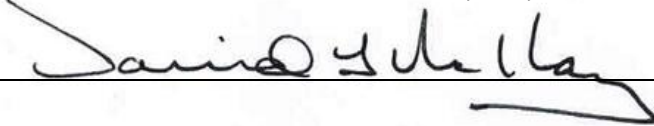
The "Who's covered" section of your policy, under "Your Liability Coverage," shall include **xxx**, but only for claims of bodily injury, mental anguish or property damage and specifically excluding claims for personal injury that result from your ownership, maintenance or use of airport premises.

This endorsement does not change any of your coverage except as stated above. It is effective on the date and hour shown below, local Standard Time at the "Policyholder's" address.

Policy Issued to: **Policyholder**

<u>20</u>	<u>400AC-SAMPLE</u>	<u>Policy Inception at 12:01 A.M.</u>
Endorsement No.	Policy No.	Date and hour endorsement takes effect

Approved: **United States Aviation Underwriters, Inc., Aviation Managers**

By 

USAIG All-Clear
(A Several Liability Combination Policy)
Certificate of Insurance

Policy No. 400AC-SAMPLE

This is to certify that:

Policyholder
Address 1
Address 2
XXX, Alaska 99XXX

is insured with the Several Participating Companies of the United States Aircraft Insurance Group, for the Limits of Coverage shown below. This coverage is effective **Policy Inception** and will expire **Policy Expiration**.

LIMITS OF COVERAGE: The "Policyholder" is insured for Aircraft Physical Damage up to the limits shown below.

Year, Make and Model	FAA Identification	Not In Motion Deductible	In Motion Deductible	Limit
1982 Cessna TU206G Soloy	N NUMBER 1	\$ 5,000	\$ 5,000	\$322,000 on floats
		\$ 5,000	\$ 5,000	\$312,000 on wheels

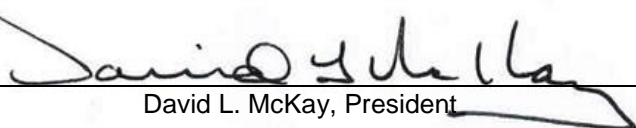
Please see the attached endorsement 16, Seaplane Limits of Coverage.

LIENHOLDER'S Interest Endorsement is in favor of:

Bank of
PO Box xxxx
xxxe, xx xxxxx

The Aviation Managers of the USAIG (United States Aircraft Insurance Group) agree that in the event of cancellation of the policy, they will give the party to whom this certificate is issued thirty (30) days advance notice of such cancellation.

UNITED STATES AVIATION UNDERWRITERS, INC., Aviation Managers
1111 Third Avenue, Suite 2300
Seattle, WA 98101



David L. McKay, President

Dated:

USAIG Certificate of Insurance

This is to certify to: **xxxxr**

whose address is:

that: **Policyholder**

whose address is:

is at this date insured with the Several Participating Companies of the United States Aircraft Insurance Group, for the Limits of Coverage stated below, at the following locations: the United States and its territories and possessions, Canada, Mexico, the Bahamas and the islands of the West Indies, or while enroute between these places.

Descriptive Schedule of Coverages

**1982 Cessna TU206G Soloy, N NUMBER 1
1988 Aviat Husky, N NUMBER 2**

Kind of Insurance	Policy Number	Policy Term	Limits of Coverage		
			Each Passenger	Each Person	Each Occurrence
AIRCRAFT LIABILITY Combined Liability Coverage for bodily injury and property damage Subject to a maximum of	400AC-SAMPLE	Policy Inception - Policy Expiration		\$ 100,000	\$ 1,000,000
Medical Coverage				\$ 5,000	
AIRPORT PREMISES LIABILITY Combined Liability Coverage for bodily injury and property damage	400AC-SAMPLE	Policy Inception - Policy Expiration	Each Aircraft		Each Occurrence \$ Included above

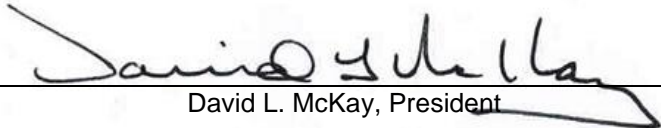
Only with respect to operations by, for or on behalf of the "Policyholder":

The "Who's covered" section of your policy, under "Your Liability Coverage," shall include **XXXX**, but only for claims of bodily injury, mental anguish or property damage and specifically excluding claims for personal injury that result from your ownership, maintenance or use of airport premises.

This certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein regardless of any terms or conditions set forth in any other contract, document or agreement.

UNITED STATES AVIATION UNDERWRITERS, INC., Aviation Managers

Address: 1111 Third Avenue, Suite 2300, Seattle, WA 98101

By 
David L. McKay, President

date: