

This Policy
is an
Aircraft Insurance Policy
provided by

U.S. SPECIALTY INSURANCE COMPANY

ADMINISTRATIVE OFFICES: 13403 NORTHWEST FREEWAY, HOUSTON, TEXAS 77040

This policy is written in language that is easier to understand than language previously used. The provisions of your policy are set forth in detail in the Coverage Identification Page, Parts One through Five and the Endorsements we issued, which together comprise your policy.

This policy may provide you with coverage for Aircraft Physical Damage, Liability to Others and Medical Expense. Be sure to review your Coverage Identification Page to confirm the coverages and limits issued to you. Then read each Part of the policy, and each Endorsement we issued. This will enable you to better understand your policy.

This policy is a legal contract between you and the Company, therefore, **IT IS IMPORTANT THAT YOU READ YOUR POLICY CAREFULLY.**

The next page provides a brief outline of where you will find the important features of your policy.

SPECIMEN

**WHERE TO FIND
COVERAGE IDENTIFICATION PAGE**

- | | |
|---|---|
| Insurance company name | 6. Coverages and limits of liability |
| Your policy number | 7. Premiums |
| Prior policy number | 8. Endorsements attached when policy issued |
| Your agent's name and address | 9. The pilot flying the aircraft |
| 1. Named insured | 10. The use of the aircraft |
| 2. Your address | 11. Additional interest |
| 3. Your policy period | Signatures of an authorized representative |
| 4. Location of aircraft | |
| 5. Description of aircraft and physical damage coverage | |

**PART ONE
GENERAL PROVISIONS AND CONDITIONS
(Starts on Page 3)**

- | | |
|--|---|
| 1. Words and phrases | 9. Other coverage |
| 2. Our obligations and your duties | 10. Transfer of interest in your policy |
| 3. The pilot flying the aircraft | 11. Our right of recovery |
| 4. The use of the aircraft | 12. State insurance statutes |
| 5. When and where you are covered | 13. Legal action against us |
| 6. If you have an accident or occurrence | 14. Concealment or misrepresentation |
| 7. Changing your policy | 15. Inspection and audit |
| 8. Cancelling your policy | |

**PART TWO
AIRCRAFT PHYSICAL DAMAGE
(Starts on Page 5)**

- | | |
|---|------------------------------|
| 1. What we cover | 6. When we will pay |
| 2. What you must pay or bear (deductible) | 7. Theft |
| 3. What we will pay (less deductible) | 8. Disappearance |
| 4. What we will not pay | 9. Reinstatement of coverage |
| 5. What you must do | |

**PART THREE
LIABILITY TO OTHERS
(Starts on Page 7)**

- | | |
|-------------------------|--------------------------|
| 1. What we cover | 4. What is not covered |
| 2. Who is protected | 5. Additional protection |
| 3. Who is not protected | |

**PART FOUR
MEDICAL EXPENSE
(Starts on Page 9)**

- | | |
|-------------------------|-------------------------------------|
| 1. What we will pay | 4. Effect of payment |
| 2. Whom we will pay | 5. Proof of claim |
| 3. What we will not pay | 6. Legal action for medical expense |

**PART FIVE
SPECIAL PROVISIONS AND CONDITIONS
(Starts on Page 9)**

- | | |
|---|-----------------------------|
| 1. Newly acquired aircraft | 4. We will provide you with |
| 2. Temporary use of substitute aircraft | 5. What we will not cover |
| 3. Use of another aircraft | |

ENDORSEMENTS

**PART ONE
GENERAL PROVISIONS AND CONDITIONS**

1. Words and Phrases

The following words and phrases have special meaning throughout the policy:

- a. **You** and **your** means the person(s) or organization(s) named in Item 1 of the Coverage Identification Page under the heading "Named Insured."
- b. **Anyone** means any person or organization other than **you**;
- c. **We, our** and **us** mean the insurance company named on the Coverage Identification Page;
- d. **Air carrier** means a person who undertakes directly by lease, or other arrangement, to engage in air transportation;
- e. **Aircraft** means the aircraft shown in Item 5 of **your** Coverage Identification Page or qualifying under PART FIVE of **your** policy. It includes the airframe; landing gear; propulsion system (including engine(s), accessories and propeller(s) or rotor(s)); flight and engine instruments; communication/navigation system; electrical system; flight control system; fuel system; hydraulic system; and pressurization system.

Parts usually mounted or attached to the aircraft are included while temporarily removed as long as they are not replaced by other parts;

- f. **Agreed value** means the amount of money shown in Item 5 of the Coverage Identification Page. It is the amount that **you** and **we** have agreed **your aircraft** is worth and the maximum amount of Aircraft Physical Damage coverage **we** provide;
- g. **In motion** means when the **aircraft** is moving under its own power or the resulting momentum;
- h. **In flight** means when the **aircraft** movement begins for takeoff until completion of the landing run;
- i. **Passenger** means any person who is in the **aircraft** or getting in or out of it;
- j. **Bodily injury** means physical injury to a person, including sickness, disease or death;
- k. **Property damage** means damage to or destruction of property including any resulting loss of use of the property. It does not include damage to or destruction of the **aircraft** or any other property **you** or **anyone we** protect under **your** policy owns; has charge of or transports;

- l. **Accident** means a sudden event during the policy period, neither expected nor intended by **you**, that involves **your aircraft** and causes physical damage to or loss of the **aircraft** during the policy period;
- m. **Occurrence** means a sudden event or repeated exposure to the same general conditions, involving the **aircraft** during the policy period, neither expected nor intended by **you**, that causes **bodily injury** or **property damage** to others during the policy period. All **bodily injury** or **property damage** resulting from the same general conditions will be considered to be caused by one occurrence;
- n. **Student pilot** means any pilot meeting the requirements of Item 9 of **your** Coverage Identification Page who is receiving instruction, either dual or solo, under the direct supervision of an **FAA** Certificated Flight Instructor;
- o. **Renter pilot** means any pilot meeting the requirements of Item 9 of **your** Coverage Identification Page who is renting one of **your aircraft** from **you**;
- p. **Federal Aviation Administration (FAA)** means the authority of the United States of America having jurisdiction over civil aviation or its counterpart in another country;
- q. **Pleasure and Business** means personal and business related purposes where no charge is made for such use;
- r. **Instruction and/or Rental** means use of the **aircraft** for instruction of, or rental to, others for their **Pleasure and Business** use. **You** may also use the **aircraft** for **your Pleasure and Business** use;
- s. **Charter/Air Taxi** means use of the **aircraft** for transporting **passengers** and/or freight for hire. **You** may also use the **aircraft** for **your Pleasure and Business** use;
- t. **Commercial** means use of the **aircraft** for **Instruction and/or Rental** use, **Charter/Air Taxi** use and **your Pleasure and Business** use;
- u. **Flying Club** means use of the **aircraft** by **your** members for their **Pleasure and Business** use. A member is any person having an ownership interest in or owning stock in, the organization shown in Item 1 of the Coverage Identification Page. **You** may charge membership fees and dues and **you** may also charge the members fees for use of the **aircraft**;

2. **Our Obligations and Your Duties**

We agree to provide coverage in **your** policy if **you** pay the premium and comply fully with the policy requirements, but if **you** do not, then **we** are not obligated to **you** or **anyone**. **We** have the right to deduct any premium or other debts **you** owe under this policy from any payment **we** make.

3. The Pilot Flying the **Aircraft**

You must make certain that the pilot operating the **aircraft in flight** meets the requirements shown in Item 9 of the Coverage Identification Page. There is no coverage under the policy if the pilot does not meet these requirements.

4. The use of the **Aircraft**

You must make certain that the **aircraft** is used for the purposes stated in item 10 of the Coverage Identification Page. There is no coverage under the policy if the **aircraft**:

- a. Is used for any purpose not stated in Item 10 of the Coverage Identification Page;
- b. Is used for any unlawful purpose;
- c. Use requires a special permit or waiver from the **FAA**;
- d. Airworthiness certificate is not in full force and effect or has been converted to restricted or experimental unless stated in Item 5 of the Coverage Identification Page.

5. When and Where **You** are Covered

You are covered during the policy period shown in Item 3 of the Coverage Identification Page while the **aircraft** is within the United States (excluding Alaska and Hawaii), Canada, Mexico, or while enroute between these points excluding U.S. Sanctioned Countries.

6. If **You** Have An **Accident** or **Occurrence**

In the event of an **accident** or **occurrence**, **you** and **anyone we** protect must:

- a. Immediately notify **us** describing how, when and where the **accident** or **occurrence** happened and giving names and addresses of witnesses, injured persons and all persons aboard the **aircraft**;
- b. Cooperate with **us** in the investigation, settlement or defense of any claim or suit;
- c. Answer under oath, questions asked by **us** or **anyone we** designate;
- d. Immediately send **us** copies of any notices or legal papers that **you** receive;

- e. Help **us** in obtaining and giving evidence, attending hearings and trials, and getting witnesses to testify;
- f. Immediately notify the police if **your aircraft** or any part of it is stolen or vandalized.

In the event of an **accident** or **occurrence**, **you** and **anyone we** protect must not:

- g. Make any statement about the **accident** or **occurrence** to others without **our** permission, except to government authorities making an official investigation;
- h. Make any voluntary payments, assume any obligation or incur any expense without **our** permission, except for emergency first aid to others and protection of **your aircraft** from further loss.

7. Changing **Your** Policy

If **you** wish to change anything in **your** policy, **you** or **your** representative should contact **us**, but no change occurs until **you** or **your** representative is notified by **us** of **our** agreement to the change.

8. Cancelling **Your** Policy

You may cancel **your** policy at any time by telling **us** in writing in advance of the date **you** want **your** coverage to end. **We** will compute the premium earned by **us** using the customary short rate table.

We can cancel this policy at any time by mailing or delivering a notice of cancellation to **you** at the address shown in Item 2 of the Coverage Identification Page at least:

- a. 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if **we** cancel for any other reason.

Proof of mailing or delivery of the notice is sufficient proof of notice. **We** will compute the premium earned by **us** based on the percentage of the original policy period that **we** provided coverage.

If, however, **we** pay or have paid as much as the **agreed value** less the applicable deductible under the Aircraft Physical Damage Coverage, **we** are entitled to the total Aircraft Physical Damage premium shown on the Coverage Identification Page for the **aircraft** on which **we** made the payment. **You** agree to pay any premium that may be due or permit **us** to deduct such premium from **our** loss payment.

We will return to **you** any premium **you** have paid that **we** have not earned, but making the refund is not a condition of cancellation.

9. Other Coverage

If there is other coverage protecting **you** or **anyone we** protect for an **accident** or **occurrence** covered by this policy, **we** will pay only the percentage portion that the applicable limit of coverage of this policy bears to the total of the applicable limit of coverage of all policies.

If there is an **accident** or **occurrence** covered by **your** policy involving Temporary Use of Substitute Aircraft or Use of Another Aircraft, **your** policy will be excess over any other coverage protecting **you**.

If there is other insurance covering the **accident** or **occurrence** issued through **us**, **we** will not pay more than the limits of liability of the policy having the greatest limits.

10. Transfer of Interest in **Your** Policy

Neither **you** nor **anyone we** protect can transfer an interest in this policy without **our** written consent. If **you** die during the policy period, **your** legal representative will have all of **your** rights and duties under the policy while settling **your** estate if **we** are notified within 60 days of **your** death.

11. **Our** Right of Recovery

If **we** make any payment, **we** will take over **your** right to recover the payment from **anyone** who is responsible for the **accident** or **occurrence**. **You** and **anyone we** protect must do everything necessary to transfer this right of recovery to **us**, including allowing suit to be brought in the name of the person or organization protected. **You** and **anyone we** protect must do nothing that will interfere with **our** efforts to recover.

12. State Statutes

Statements in this policy conflicting with statutes of the state shown in Item 2 of the Coverage Identification Page are hereby amended by **us** to conform to the statutes.

13. Legal Action Against **Us**

No legal action shall be brought against **us** until the policy provisions have been complied with fully. No one shall have any right to:

- a. Join **us** as a party to any legal action against **you** or **anyone we** protect; or
- b. Bring **us** into any legal action to determine **your** liability or the liability of **anyone we** protect.

14. Concealment or Misrepresentation

We do not provide coverage for **you** or **anyone** who has concealed or misrepresented any material fact or circumstance relating to this policy either before or after an **accident** or **occurrence**.

15. Inspection and Audit

We shall have the right, but shall have no obligation, to inspect the **aircraft** and records during and up to one year after the policy period.

PART TWO AIRCRAFT PHYSICAL DAMAGE

Review Item 5 of **your** Coverage Identification Page to confirm the Aircraft Physical Damage coverage issued to **you**. Please note also the **agreed value** of **your aircraft** and the amount for which **you** are responsible (deductible). This coverage is for **your** benefit and not for the benefit of **anyone** else in possession of **your aircraft**.

1. What **We** Cover

- a. Coverage F covers direct physical loss of or damage to **your aircraft** caused by an **accident** while the **aircraft** is not **in motion**.
- b. Coverage G covers direct physical loss of or damage to **your aircraft** caused by an **accident** while the **aircraft** is **in motion**.

2. What **You** Must Pay or Bear (Deductible)

When **we** pay for loss of or damage to **your aircraft**, **you** must first pay or bear one of the following amounts unless no deductible applies:

a. Not **In Motion** Deductible

The amount shown in Item 5F of **your** Coverage Identification Page must be paid or borne by **you** when loss or damages are under Coverage F.

b. **In Motion** Deductible

The amount shown in item 5G of **your** Coverage Identification Page must be paid or borne by **you** when loss or damages are under Coverage G.

c. No Deductible

We will not subtract either deductible amount if the loss or damage is caused by:

- (1) Fire, lightning, explosion, theft or vandalism;

- (2) An **accident** involving another **aircraft we** insure except those **we** insure for **you**;
- (3) An **accident** when the dismantled **aircraft** is being transported.

3. What **We** Will Pay (Less Deductible)

a. Destroyed **Aircraft**

If the cost of repair when added to the value of the **aircraft** after it is damaged and prior to repairs equals or exceeds the agreed **value** it is a destroyed **aircraft**.

If **your aircraft** is destroyed, **we** will pay the **agreed value** of the **aircraft** less the applicable deductible. **We** will take the destroyed **aircraft**.

b. Damaged **Aircraft**

If **your aircraft** is damaged and not destroyed, **we** will pay the reasonable cost of repair after the **aircraft** is repaired, but **we** will not pay more than the **agreed value** less the applicable deductible.

If **your aircraft** is damaged by hail, **we** will pay the reasonable cost of repair of the hail damage that affects the airworthiness of the **aircraft**, less the applicable deductible. **We** will not, however, pay more than 10% of the **agreed value**, less the applicable deductible, for hail damage that does not affect the airworthiness of the **aircraft**. Payment for hail damage will be made after the **aircraft** is repaired.

If the estimated cost of repair, including any amount payable for hail damage not affecting the airworthiness of the **aircraft**, is more than the **agreed value** of the **aircraft**, **we** will pay the **agreed value** less the applicable deductible and **we** will take the damaged **aircraft**.

Cost of repair includes necessary labor at straight time rates, parts and materials of similar kind and quality and the least expensive transportation charges necessary to the repair of **your aircraft** and its return to the place where the damage occurred or the home airport whichever is nearer. If **you** perform **your** own repairs **you** agree to supply material, parts and labor at **your** cost, excluding any overtime payments. **We** will increase **your** labor at **your** labor costs by 50% to help **you** defray **your** cost of overhead and supervision.

4. What **We** Will Not Pay

We will not pay for physical loss of or damage to **your aircraft**:

a. *Pilots and Use*

Unless the requirements of the Coverage Identification Page regarding Pilots (Item 9) and Use (Item 10) are met;

b. *Wear & Tear*

Caused by wear or tear, deterioration, freezing, mechanical or electrical breakdown or failure, but **we** will pay for other direct physical loss or damage to **your aircraft** that results from any of these causes;

c. *Tires*

Tires, unless caused by theft or vandalism, or unless the loss or damage is the result of other loss or damage **we** cover;

d. *Seaplane - Amphibian*

If it is equipped for water takeoffs and landings unless **your aircraft** is stated to be a seaplane or amphibian in Item 5 of the Coverage Identification Page;

e. *Ownership*

If **you** lease, sell or mortgage all or some of **your** interest in **your aircraft** unless all interests of others are stated in either Item 1 or 11 of the Coverage Identification Page or in an Endorsement;

f. *War - Confiscation*

Caused by terrorist activities or arrest, restraint, seizure, confiscation, detention by or at the direction of any government; or caused by declared or undeclared war;

g. *Radiation*

Directly or indirectly caused by or arising out of ionizing radiations or contamination by radioactivity from any source;

h. *Embezzlement, Conversion or Secretion*

If **anyone** to whom **you** relinquish possession of the **aircraft** embezzles, converts or secretes the **aircraft**.

We also will not pay for depreciation, loss of use, loss of profits, loss of guaranty or warranty, or any other economic or consequential damage of any kind.

5. What **You** Must Do

If **your aircraft** is damaged **you** must:

a. *Protect the Aircraft*

Do all **you** can do to protect **your aircraft** from further loss, and **we** will pay **you** for all reasonable expenses **you** incur in protecting it. If **you** do not, **we** will not be responsible for further loss;

b. *Proof of Loss*

Give **us** a sworn Proof of Loss statement within 90 days of the loss;

c. *Show Us the Physical Damage*

Show **us** the physical damage to **your aircraft** before repair or disposition;

d. *Show Us the Records*

Show **us** all records **you** have that would prove the amount of loss.

6. When **We** Will Pay

We will pay for loss of or damage to **your** aircraft within 30 days after **you** have given **us** a sworn Proof of Loss statement and **you** and **we** agree on the amount.

7. Theft

If **your aircraft** or any part of it is stolen and recovered before **we** have paid for it, **we** may return it to **you** along with payment for any physical damage to it.

8. Disappearance

We will consider **your aircraft** to be lost in flight if it disappears and its whereabouts is not reported within 60 days.

9. Reinstatement of Coverage

If **your aircraft** is damaged, the amount of coverage for the **aircraft** will be reduced by the amount of the damage. The coverage will be automatically increased, at no additional premium, by the cost of repairs completed until the **agreed value** has been restored or the policy expires. If, however, **we** pay as much as the **agreed value**, less the applicable deductible, **we** are entitled to the total Aircraft Physical Damage premium for the **aircraft** on which **we** made the payment.

PART THREE LIABILITY TO OTHERS

Review Item 6 of **your** Coverage Identification Page to confirm the particular liability coverages and limits issued to **you**.

1. What **We** Cover

We will pay damages **you**, and **anyone we** protect, are legally required to pay for **bodily injury** or **property damage** caused by an **occurrence** during the policy period.

a. Coverage A covers **bodily injury** to persons other than **passengers** in **your aircraft**. The most **we** will pay for **bodily injury** to any one person is shown under Item 6A opposite "each person". The most **we** will pay for **bodily injury** to all persons is shown in Item 6A opposite "each occurrence". **We** will not pay for **bodily injury** to **passengers** under Coverage A.

b. Coverage B covers **bodily injury** to **passengers** in **your aircraft**. The most **we** will pay for **bodily injury** to any one **passenger** is shown under Item 6B opposite "each person". The most **we** will pay for **bodily injury** to all **passengers** is shown under Item 6B opposite "each occurrence". **We** will not pay for **bodily injury** to persons other than **passengers** under Coverage B.

c. Coverage C covers **property damage**. The most **we** will pay for **property damage** is shown under Item 6C opposite "each occurrence".

d. Coverage D covers **bodily injury** and **property damage** in a combined limit of liability for each **occurrence**. Where the word "INcluding" is shown in Item 6D, the most **we** will pay for **bodily injury** to all **passengers** and all others and **property damage** is shown under Item 6D opposite "each

occurrence". Where the word "EXcluding" is shown in Item 6D, the most **we** will pay for **bodily injury** to all persons and **property damage** is shown under Item 6D opposite "each occurrence" but **we** will not pay for **bodily injury** to **passengers**.

e. Coverage DL covers **bodily injury** to **passengers** and others and **property damage** in a combined limit of liability for each **occurrence** which includes a lower limit for each **passenger**.

The most **we** will pay for **bodily injury** to each **passenger** is shown in Item 6DL opposite "each person". The most **we** will pay for all **bodily injury** and **property damage** is shown in Item 6DL opposite "each occurrence".

2. Who Is Protected

Except for those listed below under Who is Not Protected, **your bodily injury** and **property damage** liability coverage protects **you** and **anyone you** permit to fly **your aircraft**.

You includes:

- a. **Your** partners if **you** are a partnership or joint venture;
- b. **Your** members and managers if **you** are a limited liability company (LLC);
- c. **Your** executive officers and directors while acting as such if **you** are a corporation.

You and **anyone you** permit to fly **your aircraft** are protected separately, but the limits of liability shown in Item 6 of the Coverage Identification Page do not increase regardless of the number protected.

3. Who is Not Protected

Your bodily injury and property damage coverage does not protect:

- a. *Employees*
Any employee for injuries to any person who is in the course and scope of employment by the same employer;
- b. *Aviation Business Activities*
Any person or organization, or employee or agent thereof, other than **you** and any of **your** employees while in the scope of his or her employment whom **you** permit to fly **your aircraft**, that makes, sells, rents, repairs or services aircraft or components, operates an airport facility, or provides instruction, pilot or flight service, where an **occurrence** arises out of any of these activities;
- c. *Student Pilots*
Any **student pilot** using the **aircraft** under any rental agreement or training program for which a charge is made for such use.
- d. *Renter Pilots*
Any **renter pilot**.

4. What Is Not Covered

We do not cover any:

- a. *Pilots and Use*
Bodily injury or **property damage** unless the requirements of the Coverage Identification Page regarding Pilots (Item 9) and Use (Item 10) are met;
- b. *Employees*
Bodily injury to any person in the course and scope of employment either by **you** or by **anyone we** protect.
- c. *Property*
Property damage to property **you** or **anyone we** protect owns, has charge of or transports;
- d. *Cross Liability*
Bodily injury to **you**.
- e. *Intentional Acts*
Bodily injury or **property damage** that is intentionally caused by **you** or **anyone we** protect unless done while **in flight** to prevent dangerous interference with the operation of the **aircraft**;
- f. *Assumed Liability*
Bodily injury or **property damage** liability that **you** or **anyone we** protect has agreed to assume for others;
- g. *Ownership*
Bodily injury or **property damage** liability if **you** lease, sell or mortgage all or some of **your** interest

in **your aircraft** unless all interests of others are stated in Item 1 or 11 of the Coverage Identification Page or in an Endorsement;

- h. *Radiation*
Bodily injury or **property damage** that is directly or indirectly caused by or arises out of ionizing radiations or contamination by radioactivity from any source;
- i. *Noise, Pollution, Electrical and Other Interference*
Bodily injury or **property damage** that is directly or indirectly caused by or arises out of:
 - (1) Noise, vibration or sonic boom;
 - (2) Pollution and/or contamination of any kind;
 - (3) Electrical and/or electromagnetic interference;
 - (4) Interference with the use of property;unless caused by or resulting from an **accident**;
- j. *War – Confiscation*
Bodily injury or **property damage** that is directly or indirectly caused by or arising out of terrorist activities or arrest, restraint, seizure, confiscation, detention by or at the direction of any government; or caused by declared or undeclared war.

5. Additional Protection

We also provide the following additional protection with each coverage under Liability to Others (PART THREE) as long as **we** have not paid, offered to pay, or tendered the limits of liability that **you** purchased:

We will:

- a. *Defense*
Defend, at **our** expense with attorneys **we** choose, any claim or legal action against **you** and **anyone we** protect for **bodily injury** or **property damage** resulting from an **occurrence we** cover. **We** may investigate, negotiate or settle any claim or legal action as **we** elect;
- b. *Expense*
Pay the expense and the court costs in claims or legal actions **we** defend;
- c. *Reimbursement*
Reimburse **you** and **anyone we** protect for all reasonable expenses incurred at **our** request, but **we** will not pay for loss of earnings;
- d. *Interest*
Pay post-judgment interest on the part of a judgment against **you** and **anyone we** protect that **we** are obligated to pay until **we** have made the payment or tendered or deposited it in court;
- e. *Bonds*
Pay premiums on bonds required to release attachments and to appeal from judgments **we** elect to appeal, but **we** will not pay for bonds covering any aggregate amount more than the applicable limit of liability;

f. *Financial Responsibility Laws*

Comply with the provisions of any aircraft financial responsibility statute if **we** certify **your** policy as proof of **your** future financial responsibility under that statute. **We** will not, however, pay more than the limits of liability shown in Item 6 of the Coverage Identification Page. **You** must reimburse **us** for any amount **we** have to pay in complying with the statute that **we** would not otherwise have had to pay.

**PART FOUR
MEDICAL EXPENSES**

Review Item 6E of **your** Coverage Identification Page to confirm the Medical Expense limits issued to **you**.

1. What **We** Will Pay

We will pay the reasonable and necessary medical expense incurred within one year for injuries to **you** and any **passenger** caused by an **occurrence** while the **aircraft** was flown by **you** or **anyone we** protect. Medical expense includes the cost of surgical, dental, hospital, professional nursing, ambulance or funeral services. The most **we** will pay for each person's medical expense is shown under Item 6E opposite "each person". The most **we** will pay for all medical expense is shown under Item 6E opposite "each occurrence".

2. Who **We** Will Pay

We will pay each injured person directly, the person responsible for payment, or the person or organization that provided the service.

3. What **We** Will Not Pay

We will not pay any medical expense to the extent payment is required under any worker's compensation or disability benefits law or similar law.

4. Effect of Payment

We are not admitting that **you** have any legal liability by making medical expense payments.

5. Proof of Claim

The injured person or someone acting for the person must give **us** written proof of the medical expense and must help **us** obtain the medical records and reports **we** need. If **we** ask, the injured person must submit to examination by any doctor **we** select.

6. Legal Action for Medical Expense

A legal action against **us** for medical expense cannot be brought unless **you** and **anyone we** protect have done everything that **you** and **anyone we** protect are required to do and at least 30 days must have passed since the proof of claim has been given to **us**.

**PART FIVE
SPECIAL PROVISIONS AND CONDITIONS**

These Special Provisions and Conditions do not apply unless (Item 10) of the coverage Identification Page states use is limited to Pleasure and Business.

1. Newly Acquired Aircraft

If **you** notify **us** during the policy period and within 30 days after **you** acquire ownership of another aircraft, and pay the additional premium, **we** will cover it and **your** use of it if **we** insure all the **aircraft you** own.

2. Temporary Use of Substitute Aircraft

If **you** are unable to fly **your aircraft** because of its breakdown, repair, servicing, loss or destruction **we** will cover **you** and **your** use of the substitute aircraft.

3. Use of Another Aircraft

If **you** are an individual or, an individual and spouse, and use another aircraft not owned in whole or in part by **you** or furnished for **your** regular use **we** will cover **you** and **your** use of another aircraft.

4. **We** will provide **you** with

a. The same Liability to Others (PART THREE) and Medical Expenses (PART FOUR) coverage as **we** do on the **aircraft** with the greatest seating capacity on **your** Coverage Identification Page;

b. On Newly Acquired Aircraft the same Aircraft Physical Damage (PART TWO) coverage and deductible amounts as **we** do on similar category and class aircraft with the highest **agreed value** shown on **your** Coverage Identification Page. The most **we** will pay for physical damage is the amount **you** paid for the aircraft plus the cost for any repairs or additions **you** made; or in the case of a trade-in, the fair market value of the aircraft plus the cost of any repairs or additions **you** made.

5. What is Not Covered

In addition to What is Not Covered in **your** policy, **we** will not cover Temporary Use of Substitute Aircraft, Use of Another Aircraft or Newly Acquired Aircraft:

a. Unless the requirements of the Coverage Identification Page regarding Pilots (Item 9) and Use (Item 10) are met;

- b. Unless it is licensed under a standard airworthiness certificate issued by the **FAA**;
- c. If it is a multi-engine aircraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a multi-engine aircraft;
- d. If it is turbine powered aircraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a turbine powered aircraft;
- e. If it is a rotorcraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a rotorcraft;
- f. If it is a seaplane or amphibian unless an **aircraft** in Item 5 on the Coverage Identification Page is a seaplane or amphibian.

VALIDATION

Your policy is comprised of the Coverage Identification Page, Parts One through Five and any Endorsements **we** issued. The signature of **our** president and secretary validate **your** policy.

Secretary

President

SPECIMEN