

**AIRCRAFT POLICY DECLARATIONS**  
**HARCO NATIONAL INSURANCE COMPANY**  
 1314 Douglas Street, Suite 1600  
 OMAHA, NE 68103  
 (888)389-0598

ITEM 1: **NAMED INSURED**  
 MAILING ADDRESS

ITEM 2: POLICY PERIOD: FROM \_\_\_\_\_ TO \_\_\_\_\_  
 at 12:01 a.m. Standard Time at the address in ITEM 1

ITEM 3: The insurance afforded is only with respect to the following coverages as indicated by specific premium charge or charges. The limit of the Company's liability against each such coverage shall be as stated herein, subject to all of the items of this Policy having reference thereto. This Policy is completed by Aircraft Policy Provisions Form AVA 00 01 02 18 and attached endorsements.

ITEM 4. LIABILITY COVERAGES

	Coverages	Limit of Liability		Liability Premium
		Each Person	Each Occurrence	
A.	<b>Bodily Injury</b> Excluding <b>Passengers</b>	XXXX		
B.	<b>Property Damage</b> Liability			
C.	<b>Passenger Bodily Injury</b>			
D.	Single Limit <b>Bodily Injury &amp; Property Damage</b> ___cluding <b>Passenger</b> Liability <b>Passenger</b> Liability Limited to:	XXXX	XXXX	
E.	<b>Medical Expense</b> ___cluding Crew			

ITEM 5. Description of **Aircraft** and **Physical Damage** Coverage Hereunder

Year	Make	Model	FAA Reg. No.	Seats Crew/Pass	Insured Value	Physical Damage Premium

Deductible Not In Motion	Deductible In Motion/Ingestion/Mooring	Physical Damage

Total <b>Physical Damage</b> Premium	
Total Liability Premium	
Endorsement Total	
Total Premium	

ITEM 6. PILOTS: When **In Motion** or **In Flight** the **aircraft** will be **operated** only by the following pilots, provided each has a valid pilot's certificate, including current and valid medical certification appropriate for the flight and **aircraft** insured:

ITEM 7. The **aircraft** will be used for:

ITEM 8. Loss payable endorsement in favor of:

ITEM 9. The **Named Insured** is, and shall remain, the sole and unconditional owner of any **aircraft** declared hereunder, and the **aircraft** is not subject to any encumbrance other than as indicated in ITEM 8.

ITEM 10. Words and phrases which appear in **bold** type have special meaning. Refer to the DEFINITIONS Section starting on page 10 of your Policy.

Endorsements forming a part of this Policy on effective date in ITEM 2 above:

*See attached forms schedule*

Approved By:



Authorized Representative

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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PLEASE READ YOUR POLICY

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## AIRCRAFT POLICY PROVISIONS FORM

IAT Aviation Insurance/IAT Insurance Group (hereinafter called the Company), in consideration of payment of the premium and in reliance upon the statements in the Declarations and subject to the Limits of Liability, Exclusions, Conditions and all other terms of this Policy, agrees with the **Named Insured** identified in the Declarations herein as follows:

### INSURING AGREEMENTS

#### 1. LIABILITY COVERAGES

Coverage A – **Bodily Injury Excluding Passengers** – To pay on behalf of the **Insured** all sums which the **Insured** shall become legally liable to pay as damages caused by operation of aircraft, including damages for care and loss of services because of **bodily injury** sustained by any person excluding any **passenger**.

Coverage B – **Property Damage** Liability – To pay on behalf of the **Insured** all sums which the **Insured** shall become legally liable to pay as damages caused by operation of the aircraft, because of **property damage**, including loss of use therefrom.

Coverage C – **Passenger Bodily Injury** Liability – To pay on behalf of the **Insured** all sums which the **Insured** shall become legally liable to pay as damages caused by operation of aircraft, because of **bodily injury** sustained by any **passenger**.

Coverage D – Single Limit **Bodily Injury** and **Property Damage** Liability – To pay on behalf of the **Insured** all sums which the **Insured** shall become legally liable to pay as damages caused by operation of aircraft, because of **bodily injury** sustained by any person (excluding any **passenger** unless the words “Including **Passengers**” appear in ITEM 4 of the Declarations) and **property damage** caused by an **occurrence** during the policy period and arising out of ownership, maintenance or use of the **aircraft**.

Coverages A, B and D shall also apply to an **occurrence** arising out of the maintenance or use of the **premises** in, or upon, which the **aircraft** is stored.

#### 2. MEDICAL EXPENSE COVERAGE

Coverage E – **Medical Expense** – To pay all reasonable **medical expenses** caused by operation of aircraft, incurred within one (1) year from the date of injury to, or for, each **passenger** who sustains **bodily injury** caused by an **occurrence** during the policy period, provided the **aircraft** is being used by, or with the express permission of, the **Named Insured**.

#### 3. PHYSICAL DAMAGE COVERAGES

Coverage F – All Risk Basis – To pay for any **physical damage** to or loss of the **aircraft**, including **disappearance** of the **aircraft**.

Coverage G – All Risk Basis **Not in Motion** – To pay for any **physical damage** or loss of the **aircraft** sustained while the **aircraft** is **not in motion** and which is not the result of fire or explosion following crash or collision while the **aircraft** was **in motion**.

#### 4. DEFENSE SETTLEMENT AND SUPPLEMENTARY PAYMENTS

Coverages A, B, C and D

The Company shall have the right and duty to defend any suit against the **Insured** seeking damages on account of such **bodily injury** or **property damage** which occurred during the policy period, even if any of the allegations of the suit are groundless, false or fraudulent. The Company shall have the right to investigate, negotiate and settle any claim or suit as it deems expedient, but the Company shall not be liable to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by settlements, tendered into Court of Law, or payments of judgments.

During such times as the Company is obligated to defend a claim or claims under the provisions of the preceding paragraph, the Company will pay with respect to such claim or claims, in addition to the applicable limits of liability:

- a. All expenses incurred by the Company, all costs taxed against the **Insured** in any suit defended by the Company and all interest accruing after judgment upon that portion of the judgment falling within the policy limits before the Company has offered to pay that part of the judgment which does not exceed the limit of the Company's liability thereon, however, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**;
- b. Premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this Policy and the cost of bail bonds required of the **Insured** because of an **occurrence** or violation of law or a regulation for civil aviation arising out of the use of the **aircraft**, not to exceed \$250 per bail bond, however, the Company shall have no obligation to apply for or furnish any such bonds;
- c. Expenses incurred by the **Insured** for first aid rendered to others at the time of the accident for **bodily injury** to which this Policy applies;
- d. All reasonable expenses incurred by the **Insured** at the Company's request, other than for loss of earnings or for wages or salaries of employees of the **Insured**.

#### 5. DEPARTMENT OF DEFENSE INSURANCE REQUIREMENTS

Coverages A, B, C and D

If the Company or **Aviation Managers** issue a Certificate of Insurance as required by United States Navy 32 CFR 766, United States Air Force AFI 10-1001 or United States Army AR 95-2 or any replacement thereof, then the insurance policy provisions required by such regulation shall be deemed to be incorporated herein and substituted for any policy provision inconsistent therewith.

#### 6. POLICY PERIOD AND TERRITORY

All Coverages

This Policy applies only to **bodily injury** and/or **property damage** which **occurs** and to **physical damage** losses to the **aircraft** which are sustained during the policy period while the **aircraft** is within the United States of America, Canada, Mexico and the Islands of the West Indies, excluding Cuba and Haiti, or while enroute between points therein.

7. TWO OR MORE **AIRCRAFT**  
All Coverages

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

SPECIAL INSURING AGREEMENTS  
(APPLICABLE ONLY IF THE PURPOSE OF USE SHOWN IN ITEM 7 OF THE DECLARATIONS IS  
**PLEASURE AND BUSINESS**)

1. TEMPORARY USE OF SUBSTITUTE **AIRCRAFT**

While an **aircraft** described in ITEM 5 of the Declarations is withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction, such insurance as is afforded under Coverages A, B, C, D and E is extended to apply with respect to the use by, or on behalf of, the **Named Insured** of any other **aircraft** of similar type, horsepower and seating capacity not owned in whole or in part by the **Named Insured** while temporarily used as a substitute therefore. This Insuring Agreement does not cover as an **Insured** the owner of the substitute **aircraft** or any agent or employee of such owner.

2. USE OF OTHER **AIRCRAFT**

If the **Named Insured** is one individual, or one individual and spouse, such insurance as is afforded under Coverages A, B, C, D and E with respect to the **aircraft** described in ITEM 5 of the Declarations is extended to apply with respect to the use by, or on behalf of, the **Named Insured** of any other **aircraft** not owned in whole or in part by, or furnished for regular use, to such **Named Insured** and spouse. The insurance provided by this Agreement shall apply only to the **Named Insured** and spouse.

3. AUTOMATIC INSURANCE FOR NEWLY ACQUIRED **AIRCRAFT**

If the **Named Insured** acquires ownership of an **aircraft** in addition to the **aircraft** described in ITEM 5 of the Declarations and within thirty (30) days thereafter reports such acquisition to the Company or **Aviation Managers**, then the insurance afforded by Coverages A, B, C, D, E and F shall apply to such additional **aircraft** as of the time of such acquisition, provided the Company insured all other **aircraft** owned in whole or in part by the **Named Insured** on such acquisition date. Unless the **Named Insured** and the Company agree otherwise, the **physical damage**, **medical expense** coverages and limits of liability pertaining to said additional **aircraft** shall be the same as provided for that **aircraft** which is described in ITEM 5 of the Declarations having the greatest **passenger** carrying capacity. If the **aircraft** is a replacement **aircraft**, the same coverages and limits of liability as the **aircraft** being replaced apply. The **Named Insured** shall pay any additional premium required because of the application of this insurance to such replacement **aircraft**. All coverages provided by this Agreement shall cease to apply upon expiration of the policy to which it is attached.

In no event shall the Company be liable for an amount more than the **Named Insured** paid for the newly acquired additional or replacement **aircraft**.

## EXCLUSIONS

This Policy does not apply:

1. To any **Insured** while the **aircraft** is **in flight** with the knowledge and consent of such **Insured** or any executive officer, partner, or managing agent of such **Insured** for any unlawful purpose, or any purpose not designated in the Declarations.
2. To any **Insured** while the aircraft is **in flight**:
  - a. If **operated** by anyone other than:
    - (1) The pilot or pilots designated in ITEM 6 of the Declarations; or
    - (2) A pilot employed by a **Federal Aviation Administration** approved repair station while the **aircraft** is in their care, custody or control for the purpose of maintenance, repair or test flight;
  - b. If **operated** by a person who, at the time of the occurrence, is not properly certificated, qualified and rated under the current applicable Federal Aviation Regulations for the operation of aircraft involved, whether or not said person is designated in ITEM 6 of the Declarations;
  - c. If the Airworthiness Certificate of the **aircraft** is not in full force and effect. This Exclusion shall not apply while the **aircraft** is **operated** on a reposition, ferry or test flight, provided a special permit or waiver has been granted by the **Federal Aviation Administration** for such flights and such flights are for the sole purpose of reinstatement or renewal of the Airworthiness Certificate;
  - d. If the **aircraft** has not been subjected to appropriate airworthiness inspection(s) as required under current applicable Federal Aviation Regulations for the operation involved.
  - e. If the **aircraft** is operated in violation of any Operating Limitations prescribed and specifically granted by the **Federal Aviation Administration** for your **aircraft**.
3. To any claim, damage, injury, loss, cost, expense, or liability of any nature whatsoever arising from, occasioned by, or in consequence of:
  - a. War, invasion, hostilities (whether or not war be declared), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power; or
  - b. Strikes or labor disturbances; or
  - c. Any malicious act or act of sabotage; or
  - d. Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition by, or under, any government, public or local authority; or
  - e. Hijacking or any unlawful seizure or wrongful exercise of control of an **aircraft**, including any attempted seizure or control, made by any person or persons on board the **aircraft** acting without your consent.

Furthermore, this Policy does not cover claims arising while the **aircraft** is outside of the control of the **Insured** by reason of any of the above perils.

The **aircraft** shall be deemed to have been restored to the control of the **Insured** on the safe return of the **aircraft** to the **Insured** at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the **aircraft** (such safe return shall require that the **aircraft** be parked with the engines shut down and under no duress).

4. To any loss or damage due to radioactive contamination:

a. Under any Liability Coverage, to **bodily injury** or **property damage**:

- (1) With respect to which an **Insured** under the policy is also an **Insured** under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an **Insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the **hazardous properties of nuclear material** and with respect to which:
  - i. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
  - ii. The **Insured** is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any written agreement entered into by the United States of America, or any agency thereof, with any person(s) or organization(s).

b. Under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of any **nuclear facility** by any person(s) or organization(s).

c. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from hazardous properties of nuclear material if:

- (1) The nuclear material:
  - i. Is at any nuclear facility owned by, or operated by or on behalf of, any **Insured**; or
  - ii. Has been discharged or dispersed therefrom.
- (2) The nuclear material is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by, or on behalf of, any **Insured**; or
- (3) The **bodily injury** or **property damage** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**. However, if such facility is located within the United States of America, its territories or possessions or in Canada, this exclusion 6.c.(3) applies only to **property damage** to such **nuclear facility** and any property thereat.

5. Under Coverages A, B, C, D and E

- a. To liability assumed by the **Insured** under any contract or agreement, but this Exclusion 5(a) does not apply to the assumption by the **Named Insured** of the liability of others for **bodily injury** or **property damage** in any written hold harmless agreement required by a military or governmental authority as a prerequisite to the use of an airport or an airport facility;



- b. To claims directly or indirectly occasioned by, happening through or in consequence of:
    - (1) Noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith;
    - (2) Pollution and contamination of any kind whatsoever;
    - (3) Electrical and electromagnetic interference, unless caused by a crash or collision of **aircraft** or a recorded **in flight** emergency causing abnormal **aircraft** operation.
  - c. With respect to any provision in the policy concerning any duty of the Company or **Aviation Managers** to investigate or defend claims, such provision shall not apply and neither the Company nor **Aviation Managers** shall not be required to defend:
    - (1) A claim or claims excluded by Paragraph (b); or
    - (2) A claim or claims covered by the policy when combined with claims excluded by Paragraph (b) referred to below as "Combined Claims".
  - d. In respect of any Combined Claims, the Company or **Aviation Managers** shall (subject to proof of loss and the limits of the policy) reimburse the **Insured** for that portion of the following items which may be allocated to the claim or claims covered by the policy:
    - (1) Damages awarded against the **Insured**; and
    - (2) Defense fees and expenses incurred by the **Insured**.
  - e. To claims of **bodily injury, property damage, medical expense, or physical damage** caused by, or resulting from, the use by the **Insured** or their agent of any forms of chemical dispersed by the **aircraft**.
6. Under Coverages A, C and D
- a. To any liability for which the **Insured** or any carrier as their insurer may be held liable under any Worker's Compensation, unemployment compensation or disability benefits law, or under any similar law;
  - b. To **bodily injury** to any employee of the **Named Insured** arising out of and in the course of their employment by such **Named Insured**;
  - c. To **bodily injury** or death of any person who is a **Named Insured**.
7. Under Coverages B and D
- a. To **property damage** to property owned, occupied, rented or used by, or in the care, custody or control of the **Insured** or carried in or on any **aircraft**. This Exclusion does not apply as respects the **Named Insured** to:
    - (1) Damages not exceeding \$500 for damage or loss of the personal effects and baggage of any guest **passenger** in any one **occurrence**; or
    - (2) Damages not exceeding \$1,500 any one **occurrence** for the damage to hangars not owned by the **Named Insured**.
8. Under Coverages F and G
- a. To loss or damage due to conversion, embezzlement or a bailment, lease, rental agreement, conditional sale, purchase agreement, mortgage or other encumbrance, nor for any loss or damage during or resulting therefrom;

- b. To wearing apparel and other personal effects;
  - c. To loss or damage which is due and confined to wear and tear, deterioration, freezing, mechanical, hydraulic, pneumatic, structural or electrical breakdown or failure, or to tires (unless damaged by fire or stolen), unless any such loss or damage is the direct result of other **physical damage** covered by this Policy;
  - d. To loss or damage arising from the actual or attempted capture, confiscation, seizure, arrest, restraint, detention, or taking of the property insured, or damage to or destruction of the property insured caused by or resulting, in whole or in part, from any government or governmental authority or agent (whether secret or otherwise) or by any military, naval, or usurped power, whether any of the foregoing be done by way of requisition or otherwise and whether in time of peace or war and whether lawful or unlawful;
  - e. To damage to turbine engines caused by excessive heat which results from operations, attempted operation or shutdown of the engine.
9. To any **Insured** while the **aircraft** is **in flight** if **operated** by a **Student Pilot** and:
- a. There is a **passenger** in the insured **aircraft** unless there is a Certified Flight Instructor on board teaching the **Student Pilot**; or
  - b. The **Student Pilot** is not under the direct supervision of a Certified Flight Instructor for the flight involved.
10. If, while **in flight**, the **aircraft** is being used for or in connection with:
- a. Flight instruction to anyone other than the pilots listed specifically by name in ITEM 6 of the Declarations;
  - b. Aerial advertising, towing or application of any substance;
  - c. Hunting, herding or spotting of animals of any kind, including birds and fish;
  - d. Skydiving or parachuting;
  - e. Closed course racing;
  - f. External transportation of persons or property, including wire stringing or construction;
- unless such use is specifically approved and defined in ITEM 7 of the Declarations.
11. To **bodily injury** or **property damage** arising out of:
- a. Inhaling, ingesting or prolonged physical exposure to asbestos or asbestos dust or goods or products containing asbestos; or
  - b. The use of asbestos in constructing or manufacturing any good, product or structure; or
  - c. The removal of asbestos from any good, product or structure; or

- d. The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos.

It is further agreed that the insurance afforded by this Policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine, expense, or penalty for any claim or suit related to the above.

12. Under any coverage section to:

- a. Loss or damage caused directly or indirectly, in whole or in part, by , testing for, cleaning up, remediation, containment, removal or abatement, :
  - (1) Any **fungus, fungi, mold(s)**, mildew or yeast;
  - (2) Any **spore(s)** or toxins created or produced by, or emanating from, such **fungus, fungi, mold(s)**, mildew or yeast;
  - (3) Any substance, vapor gas, or other emission or organic or inorganic body or substance produced by, or arising out of, any **fungus, fungi, mold(s)**, mildew or yeast; or
  - (4) Any material, product, building component, building or structure or any concentration of moisture, water or other liquid with such material, product, building component, building or structure that contains, harbors, nurtures or acts as a medium for any **fungus, fungi, mold(s)**, mildew or yeast, or **spore(s)** or toxins emanating therefrom.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, abatement or disposing of, or in any way responding to, or assessing the effects of, any **fungus, fungi, mold(s)**, mildew or yeast, by any insured or by any other person or entity.

LIMIT OF COMPANY'S LIABILITY

2. COVERAGES A, B, C and D  
(Total Liability)

For the purposes of determining the limit of the Company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**. Regardless of the number of (1) **Insureds** under this Policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, (3) claims made or suits brought on account of **bodily injury** or **property damage**, or (4) **aircraft** to which this Policy applies, the Company's liability is limited as follows:

a. Coverages A and C

The total liability of the Company for all damages sustained by any person as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each person". Subject to the above provision respecting "each person", the total liability of the Company for all damages sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **occurrence**".

b. Coverage B

The total liability of the Company for all damages as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to “each **occurrence**”.

c. Coverage D

The total liability of the Company for all damages as the result of any one **occurrence** shall not exceed the limit of the liability stated in the Declarations as applicable to “each **occurrence**”. And further, provided that if the Declarations are completed to show “**Passenger Liability Limited to**”, the total liability of the Company for all damages as a result of one **occurrence** shall not exceed:

- (1) As respects any one **passenger**, the amount stated in the Declarations as applicable to “each person”; and
- (2) As respects two or more **passengers**, subject to the above provisions respecting any one **passenger**, the amount stated in the Declarations as applicable to “each person” multiplied by the number of **passengers** on board the **aircraft** or by the number of **passenger** seats as stated in ITEM 5 of the Declarations for the **aircraft** involved (whichever is less).

However, in no event shall the Company’s liability for damages under Coverage D exceed the limits stated in the Declarations as applicable to “each **occurrence**”.

4. COVERAGE E  
(Total Liability)

The limit of the liability stated in the Declarations for Coverage E as applicable to “each person” is the total limit of the Company’s liability for all **medical expenses** under Coverage E for any one person arising out of any one **occurrence**. The limit of liability stated in the Declarations for Coverage E as applicable to “each **occurrence**” is, subject to the above provision respecting “each person”, the total limit of the Company’s liability for all **medical expenses** under Coverage E arising out of any one **occurrence**.

5. COVERAGES F and G  
(Total Liability)

- a. With respect to **total loss**, the Company will pay the “Insured Value” of the **aircraft** as stated in the Declarations, subject to any applicable deductible.
- b. With respect to **partial loss**, the Company will pay, subject to any deductible:
  - (1) If repairs are made by other than the **Named Insured**, the reasonable cost to repair the damaged property with material of like kind and quality, excluding any charges for overtime, plus the cost of the least expensive reasonable method of transporting new and/or damaged parts and/or damaged **aircraft** to the place of repair and the return of the repaired **aircraft** to the place where the loss occurred or the place where the **aircraft** is regularly based, whichever is closer;

- (2) If repairs are made by the **Named Insured**, the total of the following:
- i. Actual cost to the **Insured** of material of like kind and quality;
  - ii. 200% of actual wages paid for labor, excluding any overtime, overhead, supervisory service and all other related services; and
  - iii. Cost of the least expensive reasonable method of transporting new and/or damaged parts and/or the damaged **aircraft** to the place of repair and the return of the repaired **aircraft** to the place where the loss occurred or the place where the **aircraft** is regularly based, whichever is closer.
- c. The amount due under this Policy with respect to **partial loss** shall in no event exceed the amount due were the loss payable as a **total loss**. In any event, when the amount paid or payable hereunder is equal to the amount payable as a **total loss**, any salvage value remaining shall inure to the benefit of the Company. Equipment installed in or on the **aircraft** subsequent to the effective date of coverage shall be considered part of the **aircraft**, and the salvage value thereof shall inure to the benefit of the Company. There shall, however, be no abandonment of any damaged property without the consent of the Company.
- d. If the loss is due to theft, the Company shall have the right to return the recovered stolen property at any time prior to actual payment of the claim hereunder, along with payment for any **physical damage** sustained thereto.

## DEFINITIONS

When appearing in this Policy:

1. **Aircraft** means the aircraft described in ITEM 5 of the Declarations or any aircraft qualifying under the provisions of the Special Insuring Agreements and shall include propulsion systems, operating, navigation and radio equipment usually attached thereto, and parts and repair equipment which are standard for the make and type of aircraft. Parts temporarily detached from the **aircraft** which have not been replaced by other similar parts shall be deemed part of the **aircraft**.
2. **Aviation Managers** means Company Designee.
3. **Bodily Injury** means bodily injury, sickness, disease or sustained by any person, including death at any time resulting therefrom.
4. **Charter** means **aircraft** used principally in the business of the **Insured**, including **passenger** or freight carrying for hire or reward and **Pleasure and Business** uses, but excluding instruction of or rental to others.
5. **Commercial** means **aircraft** used principally in the business of the **Insured** for which a charge is made. **Commercial** uses include operations such as **charter**, aerial photography, mapping, survey, patrol, sightseeing rides for hire and banner towing. **Commercial** does not include **Instruction and Rental**.
6. **Crew** means the pilot-in-command, co-pilot, flight engineer, flight attendant or anyone else who is in, on or boarding the **aircraft** to assist in the operation of the **aircraft**.
7. **Disappearance** means missing and not reported found after sixty (60) days since commencing the last known flight.

8. **Federal Aviation Administration (FAA)** means the duly constituted authority of the United States of America having jurisdiction over civil aviation, or its duly constituted equivalent in any other country.
9. **Fungus/Fungi** includes, but is not limited to, any of the plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including **mold(s)**, rusts, mildews, smuts and mushrooms.
10. **Hazardous properties** include radioactive, toxic or explosive properties.
11. **In Flight** means the time commencing with the actual takeoff run of the **aircraft** and continuing thereafter until it has completed its landing roll or, if the **aircraft** is a rotorcraft, from the time the rotors start to revolve until they subsequently cease to revolve.
12. **In Motion** means while the **aircraft** is moving under its own power or the momentum generated therefrom or while it is **in flight** and, if the **aircraft** is a rotorcraft, any time that the rotors are rotating.
13. **Ingestion** means foreign object damage to **aircraft** turbine engines or turbine auxiliary power units, if the auxiliary power unit is a part of the **aircraft**, caused by objects or substances not a part of the engines or its accessories, or not intended to be used in the engine, which occurs during the policy period and is the result of a single recorded incident and of sufficient severity to require (or would require if its severity were known) immediate repair before further use.
14. **Instruction and Rental** means **aircraft** used principally in the business of the **Insured**, including **Pleasure and Business**, student instruction and rental to others for the purpose of **Pleasure and Business** uses, but excluding **passenger** or freight carrying for hire or reward.
15. **Insured**: The unqualified word "Insured" wherever used in this Policy with respect to Coverage A, B, C and D, includes not only the **Named Insured** but also any person while using or riding in the **aircraft** and any person or organization legally responsible for its use, provided the actual use is with the express permission of the **Named Insured**. Except with respect to the **Named Insured**, "Insured" does not include:
  - a. Any employee with respect to **bodily injury**, sickness, disease or death of another employee of the same employer injured in the course of such employment;
  - b. Any person or organization or to any agent or employee thereof (other than any employee or agent of the **Named Insured** while acting in the scope and course of their agency on behalf of or employment by the **Named Insured**) engaged in the manufacture or sale of **aircraft**, aircraft engines or aircraft accessories or in the operation of an aircraft repair shop, airport hangar, aircraft sales agency, aircraft rental service, commercial flying service or flying school with respect to any **occurrence** arising out of such manufacture, sale or operations;
  - c. Any person engaged in providing flight instruction for hire or reward;
  - d. Any person operating the **aircraft** who has paid or agreed to pay the **Named Insured** for the use of said **aircraft**; or
  - e. The owner or lessor, or any agent or employee thereof, of any **aircraft** which is the subject of the provisions of Special Insuring Agreements I and II.

16. **Loss** means direct **physical damage**.
17. **Medical Expense** means expenses for necessary medical, surgical, x-ray or dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services, but excluding monuments, head stones or burial plots.
18. **Mold(s)** includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms and **fungi** that produce molds.
19. **Mooring** means while on water, a water alighting **aircraft** is anchored or moored or during launching onto or hauling up from water, except while under its own power.
20. **Named Insured** means the person or organization named in ITEM 1 of the Declarations.
21. **Nuclear facility** means:
  - a. Any **nuclear reactor**;
  - b. Any equipment or device designed or used for:
    - (1) Separating the isotopes of uranium or plutonium; or
    - (2) Processing or utilizing **spent fuel**; or
    - (3) Handling, processing or packaging **waste**.
  - c. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the **Insured** at the premises where such equipment or device is located consists of, or contains more than, 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
  - d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
22. **Nuclear material** means source material, special nuclear material or by-product material as defined by the Atomic Energy Act of 1954 or in any law amendatory thereof.
23. **Nuclear reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
24. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general conditions, neither expected nor intended from the standpoint of the **Insured**.
25. **Operate** means to cause to start, perform, work or function.
26. **Partial loss** means any **physical damage** loss which is not a **total loss**.
27. **Passenger** (sometimes **Pass**) means any person in, on, or upon the **aircraft** for the purpose of riding or flying therein or alighting therefrom after a flight or attempted flight therein, including pilot(s) and **crew** member(s).
28. **Physical Damage** means direct and accidental physical loss of, or damage to, the **aircraft**, but does not include loss of use or any residual depreciation in value, if any, after repairs have been made.

29. **Pleasure and Business** means **aircraft** used in the business of the **Insured**, including personal and pleasure uses, but excluding any operation for hire or reward. Cost reimbursement shall be included within the definition of **Pleasure and Business** provided that such cost reimbursement is limited to:
- a. Fuel, oil, lubricants, and other additives
  - b. Expenses of the **crew**, including food, lodging, and ground transportation, but excluding salary or wages
  - c. Hangar and tie-down costs away from the **aircraft's** base of operation
  - d. Insurance obtained for the specific flight
  - e. Landing fees and similar assessments
  - f. Customs, foreign permits, and similar fees directly related to the flight
  - g. In flight food and beverages
  - h. An additional charge equal to 100% of the expenses listed in subparagraph (a) above
30. **Premises** means such portions of airports as are designated and used for the parking or storage of **aircraft**, including **premises** owned by, or leased for more than thirty (30) days to, the **Named Insured**.
31. **Property Damage** means (a) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or (b) loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it. **Property damage** includes all forms of radioactive contamination of property.
32. **Spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.
33. **Spore(s)** means any dormant or reproductive body produced by, or arising or emanating out of, any **fungi, mold(s)**, mildew, plants, organisms or microorganisms.
34. **Student** means any person receiving instruction in the **aircraft**.
35. **Student Pilot** means a person holding a **Federal Aviation Administration** issued Student Pilot Certificate.
36. **Total loss** means any **physical damage** loss for which the cost to repair when added to the salvage value (the value of the **aircraft** after **physical damage** and prior to repairs) equals or exceeds the "Insured Value" of the **aircraft** as set forth in ITEM 5 of the Declarations. **Disappearance** or theft of the entire **aircraft** shall be considered a **total loss**.
37. **Waste** means any waste material:
- a. Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content; and



- b. Resulting from the operation by any person(s) or organization(s) of any **nuclear facility** included under paragraphs a. and b. of the definition of **nuclear facility**.

## CONDITIONS

### APPLICABLE TO COVERAGES A, B, C and D (**Bodily Injury and Property Damage**)

1. **NOTICE OF OCCURRENCE.** When an **occurrence** takes place, written notice shall be given by, or on behalf of, the **Insured** to the Company or the **Aviation Managers** at their nearest office as soon as practicable. Such notice shall contain particulars sufficient to identify the **Insured** and also reasonably obtainable information respecting the time, place and circumstances of the **occurrence**, the names and addresses of the injured and any available witnesses.
2. **NOTICE OF CLAIM OR SUIT.** If claim is made or suit is brought against the **Insured**, the **Insured** shall immediately forward to the Company or the **Aviation Managers** every demand, notice, summons or other process received by them or their representative.
3. **SEVERABILITY OF INTEREST.** The insurance afforded applies separately to each **Insured** against whom the claim is made or suit is brought, except with respect to the limits of the Company's liability.
4. **ACTION AGAINST COMPANY.** No person or organization has a right under this Coverage A, B, C, or D: (a) to join us as a party or otherwise bring us into a "suit" asking for damages from an **Insured**; or (b) to sue us under Coverage A, B, C, or D unless all of the terms of the applicable coverage part have been fully complied with. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an **Insured**; but we will not be liable for damages that are not payable under the terms of Coverage A, B, C, or D, or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.
5. **BANKRUPTCY AND INSOLVENCY.** Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations hereunder.
6. **FINANCIAL RESPONSIBILITY LAWS.** Such insurance as is afforded by this Policy shall comply with the provisions of any financial responsibility law of any State or Province which shall be applicable to **aircraft** with respect to any such liability arising out of the ownership, maintenance or use of the **aircraft** during the policy period, to the extent of the coverage and limits of liability required by such law, but in no event in excess of the limits of liability stated in this Policy. The **Insured** agrees to reimburse the Company for any payment made by the Company which it would not have been liable to make under the terms of this Policy except for such law or the agreement contained in this paragraph.

### APPLICABLE TO COVERAGE E (Medical Payments)

7. **MEDICAL REPORTS: PROOF AND PAYMENT OF CLAIM.** As soon as practicable, the injured person or someone on their behalf shall give to the Company written proof of claim, under oath if requested by Company (in Company's sole discretion), and shall, after each request from the

Company, execute authorization to enable the Company to obtain medical reports and copies of records. The injured person shall submit to physical examination by a physician selected by the Company when, and as often as, the Company may reasonably require. The Company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute admission of liability of the **Insured**, or except hereunder, of the Company.

8. **ACTION AGAINST COMPANY.** No action shall lie against the Company in respect of Coverage E unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, nor until thirty (30) days after the required proofs of claim have been filed with the Company.

**APPLICABLE TO COVERAGES F and G**  
**(Physical Damage)**

9. **INSURED'S DUTIES WHEN LOSS OCCURS.** When loss occurs, the **Insured** shall:

- a. protect the **aircraft**, provided the **Insured** is able to do so, whether or not the **physical damage** loss is covered by this Policy, and any further loss due to the **Insured's** failure to protect shall not be recoverable under this Policy; reasonable expenses incurred in affording such protection shall be deemed incurred at the Company's request;
  - b. give notice thereof as soon as practicable to the Company or the **Aviation Managers** and, in the event of theft, also to local law enforcement, but shall not, except at their own cost, offer to pay any reward for recovery of the **aircraft**;
  - c. file proof of **physical damage** loss with the Company or the **Aviation Managers** within sixty (60) days after the **occurrence** of loss, unless such time is extended in writing by the Company or the **Aviation Managers**, in the form of a sworn statement of the **Named Insured** setting forth the interest of the **Named Insured** and of all others in the property affected, any encumbrances thereon, the actual cash value thereof at time of loss, the amount, place, time and cause of such loss, and the description and amounts of all other insurance covering such property. Upon the Company's request, the **Named Insured** shall exhibit the damaged property to the Company, and produce for the Company's examination all pertinent records and sales invoices (or certified copies if originals are lost) permitting copies thereof to be made, all at such reasonable times and places as the Company shall designate.
10. **APPRAISAL.** If the **Named Insured** and the Company fail to agree as to the amount of **physical damage** loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the **Named Insured** or the Company, such umpire shall be selected by a judge of a court of record in the county and state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The **Named Insured** and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and the umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.
11. **PAYMENT FOR LOSS; ACTION AGAINST COMPANY.** Payment for **physical damage** loss may not be required nor shall action lie against the Company in respect of Coverages F and G unless as a condition precedent thereto, the **Named Insured** shall have complied with all the terms of this Policy nor until sixty (60) days after proof of loss is filed and the amount of loss is determined as

provided for in this Policy, nor shall any action lie against the Company unless commenced within twelve (12) months after the happening of the loss.

12. NO BENEFIT TO BAILEE. The insurance afforded by this Policy shall not inure directly or indirectly to the benefit of any carrier or bailee liable for loss to the **aircraft**.
13. AUTOMATIC REINSTATEMENT. In the event of **physical damage** loss, whether or not covered by this Policy, the amount of insurance in respect to any **aircraft** shall be reduced as of the time and date of loss by the amount of such loss and such reduced value shall continue until repairs are commenced when the amount of insurance shall be automatically increased by the value of the completed repairs until the amount of insurance is fully reinstated or the policy has expired.

#### APPLICABLE TO ALL COVERAGES

14. OTHER INSURANCE, Except with respect to insurance afforded by Special Insuring Agreements I and II and to insurance specifically purchased by the **Named Insured** to apply in excess of this Policy, if there is other insurance available to the **Insured** for a loss or expense covered by this Policy, the Company shall not be liable under this Policy for a greater proportion of such loss expense than the applicable limit of the Company's liability bears to the total applicable limits of insurance of all insurers. Insurance afforded by Special Insuring Agreements I and II shall be excess insurance over any other valid and collectible insurance available to the **Insured**. If such other insurance shall have been written through the **Aviation Managers** as primary insurance, then the Company's limits of liability under this Policy shall be reduced by the applicable limits of such other policy.
15. ASSISTANCE AND COOPERATION OF THE **INSURED**. The **Insured** shall cooperate with the Company and, upon the Company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits. Further, upon the Company's request, the **Insured** shall submit to examinations under oath by anyone designated by the Company. The **Insured** shall not, except at their own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of an **occurrence**.
16. INSPECTION AND AUDIT. The Company or the **Aviation Managers** shall be permitted to inspect the **aircraft** and any records pertaining thereto during the policy period or within one (1) year thereafter.
17. SUBROGATION. Except in respect to Coverage E, in the event of any payment under this Policy, the Company shall be subrogated to all the **Insured's** rights of recovery therefore against any person or organization and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after the loss to prejudice such rights.
18. CHANGES. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or stop the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part hereof signed by the Company or the **Aviation Managers**.
19. ASSIGNMENT. Assignment of interest under this Policy shall not bind the Company until its consent is endorsed hereon by the Company or the **Aviation Managers**. If, however, the **Named Insured** should die or be adjudged bankrupt or insolvent within the policy period, this Policy, unless cancelled, or provided that written notice is given to the Company within sixty (60) days after the date of such death or adjudication, shall cover (1) the **Named Insured's** legal

representative as the **Named Insured**, and (2) subject otherwise to the provisions of the definition of **Insured**, any person having proper temporary custody of the **aircraft**, as an **Insured**, until the appointment and qualification of such legal representative, but in no event for a period of more than sixty (60) days after the date of such death or adjudication.

20. **CANCELLATION.** This Policy may be cancelled by the **Named Insured** by mailing to the Company or **Aviation Managers**, written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Company or the **Aviation Managers**, by mailing to the **Named Insured**, at the address shown in ITEM 1 of the Declarations, written notice stating when, but not less than thirty (30) days (10 days for nonpayment) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice, and the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the **Named Insured**, the Company or the **Aviation Managers** shall be equivalent to mailing. If the **Named Insured** cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company or the **Aviation Managers** cancel, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation. The Company shall not be liable for any return of **physical damage** premium in respect to an **aircraft** on which a **total loss** has been paid.
21. **FRAUD OR MISREPRESENTATION.** This Policy shall be void if the **Named Insured** has concealed or misrepresented any material fact or circumstance concerning this insurance or the false swearing by the **Named Insured** touching any matter relating to this insurance or the subject thereof, whether before or after a loss.
22. **TERMS OF POLICY CONFORMED TO STATE LAWS.** Terms of this Policy which are in conflict with the laws of the State wherein this Policy is issued are hereby amended to conform to such laws.
23. **DECLARATION.** By acceptance of this Policy, the **Named Insured** agrees that the statements in the Declarations are their agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between them and the Company or the **Aviation Managers** or any of their agents relating to this insurance.
24. **FLIGHT TEST and PROVING PERIOD.** Until such time that the **aircraft** has satisfactorily completed the Mandatory Flight Test and Proving Period prescribed and specifically granted by the **Federal Aviation Administration** for your **aircraft**:
  - a. Liability insurance under Coverage A or Coverage D - **Bodily Injury** Excluding **Passengers** for your **aircraft** will be \$500,000 or the amount shown on Page 1, whichever is less, and in any event will exclude **bodily injury** or death to **passengers**.
  - b. If Coverage F is provided, the deductible for any **physical damage** loss sustained while in **motion** will be equal to ten percent (10%) of the Insured Value.

**IAT Aviation / IAT Insurance Group**

**MEXICO WARNING**

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

As we are not licensed in Mexico, you must make certain you obtain this additional coverage before you fly into Mexico.

SAMPLE