

AIRCRAFT POLICY PROVISIONS

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in **bold** type have special meaning. Refer to PART VI - DEFINITIONS.

In consideration of the payment of the premium and in reliance upon the statements in the Declarations and subject to all of the terms of this policy including the applicable limits of liability, the Company agrees with the **Named Insured** as follows:

PART I - INSURING AGREEMENTS

1) LIABILITY COVERAGES

Coverage A - Bodily Injury Liability Excluding Passengers (including any and all **related claims**) - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages 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 obligated to pay as damages because of **Property Damage**;

Coverage C - Passenger Bodily Injury Liability (including any and all **related claims**) - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Bodily Injury** sustained by any **passenger** and **related claims** associated with such **passenger**;

Coverage D - Single Limit Bodily Injury and Property Damage Liability (including any and all **related claims**) - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Bodily Injury** sustained by any person (excluding any **passenger** unless the words "including **passengers**" appear in **Item 3.** of the Declarations) and **Property Damage**;

caused by an **occurrence** and arising out of the ownership, maintenance or use of the **aircraft**; or only with respect to **Coverages A, B, and D,** caused by an **occurrence** and 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 expense** incurred within one year from the date of the injury, to or for each **passenger** (excluding any **crew** unless the words "including **crew**" appear in **Item 3.** of the Declarations) who sustains **Bodily Injury** caused by an **occurrence**, provided the **aircraft** is being used by or with permission of the **Named Insured**.

3) PHYSICAL DAMAGE COVERAGE

Coverage "F": In Flight, In Motion, and Not In Motion - To pay for any **loss** to the **aircraft**, including **disappearance** of the **aircraft**.

Coverage "G": Not In Flight - To pay for any **loss** to the **aircraft** sustained while the **aircraft** is not **in flight** and which is not the result of fire or explosion following crash or collision while the **aircraft** was **in flight**.

Coverage "H": Not In Motion - To pay for any **loss** to the **aircraft** sustained while the **aircraft** is not **in motion** and which is not the result for fire or explosion following crash or collision while the **aircraft** was **in motion** or **in flight**.

4) DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS

Under 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 **Bodily Injury** or **Property Damage** which that occurred during the policy period, even if any of the allegations of the suit are groundless, false or fraudulent. The Company may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated 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 a court of law, or payment of judgments or settlements.

During such time 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 claims, in addition to the applicable limit 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 the judgment upon that portion of the judgment falling within the Policy limits before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;
- b) premiums on appeal bonds required in any such suit, premium 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 \$5,000. per bail bond, but the Company shall have no obligation to apply for or furnish any such bonds;
- c) expenses incurred by the **Insured** for first aid to others at the time of an accident for **Bodily Injury** to which this policy applies;
- d) all reasonable expenses incurred by the **Insured** at the Company's request to assist the Company in the investigation or defense of the claim or suit, including actual loss of earnings up to \$500.00 per day because of time off from work.

5) UNITED STATES ARMY, NAVY AND AIR FORCE INSURANCE REQUIREMENTS

Under Coverages A, B, C and D

If the Company issues a Certificate of Insurance as required by United States Army, Navy or Air Force or the Civil Aircraft Certificate of Insurance DD 2400, 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

Under All Coverages

This policy applies only to **Bodily Injury** or **Property Damage** which occurs, and to **physical damage** to the **aircraft** which is sustained, during the policy period and while the **aircraft** is within the United States of America, its territories and possessions, Canada, Mexico, or the Caribbean Islands, or enroute between points therein.

Mexico Warning: Although this policy provides coverage in Mexico, the Company issuing this policy is not licensed in Mexico and the Mexican Government may require proof of aircraft liability coverage written through an insurance company licensed in Mexico.

7) TWO OR MORE AIRCRAFT

Under All Coverages

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

PART II - SPECIAL INSURING AGREEMENTS

- 1) This section is applicable only if the purpose of use shown in **Item 6.** of the Declarations is limited to **Pleasure and Business** or **Industrial Aid**.
- 2) Coverages provided under paragraphs a), b) and c) below shall apply only to aircraft of the same Category and Class, as defined by the Federal Aviation Regulations, as the aircraft described in **Item 4.** of the Declarations.

a) TEMPORARY USE OF SUBSTITUTE AIRCRAFT

Under Coverages A, B, C, D and E

Solely with respect to the liability of the Named insured, while the **aircraft** described in **Item 4.** 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 a substitute **aircraft** bearing a Standard airworthiness certificate, not owned in whole or in part by the **Named Insured**, while temporarily used as a substitute therefor.

In the event that the substitute **aircraft** has a **passenger** capacity greater than that of any **aircraft** listed in the Declarations, then the **Company's** liability under Coverage C, D or E for **Passenger** claims shall be determined

in accordance with the provisions of PART IV – LIMIT OF THE COMPANY'S LIABILITY section of this policy, as if the substitute **aircraft** involved had the same seating capacity as that **aircraft** listed in the Declarations which has the greatest seating capacity.

b) USE OF OTHER AIRCRAFT

Under Coverages A, B, C, D and E

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 **aircraft** described in **Item 4.** of the Declarations is extended to apply with respect to the use, by or on behalf of the **Named Insured**, of the other **aircraft** bearing a Standard airworthiness certificate, 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.

In the event that the other **aircraft** has a **passenger** capacity greater than that of any **aircraft** listed in the Declarations, then the **Company's** liability under Coverage C or D for **Passenger** claims shall be determined in accordance with the provisions of PART IV – LIMIT OF THE COMPANY'S LIABILITY section of this policy, as if the other **aircraft** involved had the same seating capacity as that **aircraft** listed in the Declarations which has the greatest seating capacity .

c) AUTOMATIC INSURANCE FOR NEWLY ACQUIRED AIRCRAFT

Under All Coverages

If the **Named Insured** acquires ownership of an **aircraft** in addition to or replacement of the **aircraft** described in **Item 4.** of the Declarations and within thirty (30) days thereafter reports such acquisition to the Company, then the insurance afforded by this policy shall apply to such additional or replacement **aircraft** as of the time of such acquisition, provided that 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 coverages and limits of liability with respect to the additional or replacement **aircraft** shall be as follows:

- (1) As respects Liability Coverage and Medical Expense coverage;
 - (a) if an additional **aircraft**, the same coverages and limits of liability shall apply as the **aircraft** having the greatest total seating capacity, as described in the Declarations,
 - (b) if a replacement **aircraft**, the same coverages and limits of liability as the **aircraft** being replaced, and
 - (c) whether an additional **aircraft** or a **replacement** aircraft, in the event that the additional or replacement **aircraft** has a **passenger** capacity greater than that of any **aircraft** listed in the Declarations, then the **Company's** liability under Coverage C or D for **Passenger** claims shall be determined in accordance with the provisions of PART IV – LIMIT OF THE COMPANY'S LIABILITY section of this policy, as if the additional or replacement **aircraft** involved had the same seating capacity as that **aircraft** listed in the Declarations which has the greatest seating capacity.
- (2) As respects **Physical Damage** coverage;
 - (a) if an additional **aircraft**, the same coverages (F, G or H), insured value and deductibles as the **aircraft** having the highest Insured Value, as described in the Declarations, or
 - (b) if a replacement **aircraft**, the same coverages (F, G or H), insured value and deductibles as the **aircraft** being replaced.

The **Named Insured** shall pay any additional premium required because of the application of the insurance to such other **aircraft**.

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

PART III - EXCLUSIONS

This policy does not apply to any:

- 1) **Insured** while the **aircraft** is **in flight** with the knowledge and consent of the **Insured** or of any executive officer, partner, or managing agent of such **Insured** for any unlawful purpose or any purpose not so designated in the Declarations;

- 2) **Bodily Injury** or **Property Damage** expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **Bodily Injury** or **Property Damage** resulting from the use of reasonable force to protect persons or property, and to **Bodily Injury** or **Property Damage** resulting from efforts to prevent dangerous interference with the operation of the **aircraft**;
- 3) **Insured** while the **aircraft** is **in flight** with the knowledge and consent of the **Named Insured**:
- a) if piloted by other than the pilot or pilots designated in the Declarations or applicable Pilot Qualification Endorsement except while the **aircraft** is under the care, custody or control of a **Federal Aviation Administration (FAA)** approved repair station for the purpose of maintenance, repair or test flights or
 - b) if piloted by a **Student pilot** who is not designated by name in the Declarations or applicable Pilot Qualification Endorsement, whether or not the **Student pilot** is being instructed by or accompanied by a pilot designated by name in the Declarations or applicable Pilot Qualification Endorsement, unless the aircraft is insured for **Commercial** use, **Instruction and Rental** use, or any use required by the **Named Insured**.
 - c) if the **aircraft** does not possess a valid Standard or Utility Category Airworthiness Certificate unless the aircraft is being operated on a reposition, ferry or test flight, provided a special permit or waiver has been granted by the **FAA** for such flights and such flights are for the sole purpose of reinstatement or renewal of the Airworthiness Certificate.
- 4) **loss** or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss arising from:
- a) any legal liability of whatsoever nature directly or indirectly caused by or contributed to, by or arising from:
 - (1) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - (2) 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;
 - (3) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of any other radioactive source whatsoever.
 - b) it is understood and agreed that such radioactive material or other radioactive source in paragraphs 4) a) (2) and (3) above shall not include:
 - (1) depleted Uranium and natural Uranium in any form,
 - (2) radioisotopes which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
- 5) **Property Damage** or any consequential loss or any legal liability of whatsoever nature with respect to any of the nuclear risks described in exclusion 4) above as to which:
- a) the **Insured** under this policy is also an **Insured** or an additional **Insured** under any other insurance policy, including any nuclear energy liability policy or
 - b) any person or organization is required to maintain financial protection pursuant to legislation in any country or
 - c) the **Insured** under this policy is, or had this policy not been issued would be, entitled to indemnification from any government or agency thereof.
- 6) **loss**, destruction, damage, expenses or legal liability in respect of the nuclear risks not excluded by reason of exclusion 4) a) (2) and (3) above shall (subject to all other terms, conditions, limitations, warranties and exclusions of this policy) be covered, provided as follows:
- a) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereof, 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.
 - b) this policy shall only apply to an incident happening during the policy period and where any claim by the **Insured** against the Company or by any claimant against the **Insured** arising out of such incident shall have been made within three (3) years after the date thereof.

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

- d) the coverage afforded by this paragraph **6)** may be cancelled at any time by the Company giving seven (7) days notice of cancellation.

7) claims caused by any of the following:

- 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:
 - (1) detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction and any radioactive contamination and electromagnetic pulse resulting directly from such detonation, or
 - (2) use of radioactive contamination 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, or
- g) hijacking or any unlawful seizure or wrongful exercise of control of the **aircraft** or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the **aircraft** acting without the consent of the **Insured**. For the purpose of this exclusion **7) g)** only, an aircraft is considered to be in flight at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation or when the **aircraft** is in motion. A rotor-wing **aircraft** shall be deemed to be in flight when the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.

Furthermore, this Policy does not cover claims arising while the **aircraft** is outside 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 engines shut down and under no duress).

8) claims for:

- a) any liability, including liability arising out of or assumed under contract, or any injury, **loss** or damage, including, but not limited to, fear of any injury, **loss** or damage, **Bodily Injury**, fear of **Bodily Injury**, 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, including any costs associated with medical monitoring in connection with injury, **loss** or damage or fear of injury, **loss** or damage 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,

- b) 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 **Insured** or any other person or entity should be or is responsible for:
 - (1) assessing the presence, absence, amount or effects of asbestos,
 - (2) 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
 - (3) responding to asbestos or the potential effects of asbestos in any way other than as described in this exclusion **8) b) (1) or (2) above or**
- c) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with paragraphs **8) b) (1) (2) or (3) of this exclusion.**

The Company shall have no obligation to defend or indemnify, or to investigate claims 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 **Insured** in connection with paragraphs a), b) and c) of this exclusion. The Company shall also not be responsible for any costs or expenses related to or associated with any such claims, action or suit.

9) under Coverages A, B, C, D and E:

- a) to liability assumed by the **Insured** under any contract or agreement, but this exclusion does not apply:
 - (1) 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;
 - (2) to liability the **Insured** would have in the absence of a contract or agreement.
- b) to an **Insured** under this policy who is also an **Insured** under a contract of nuclear energy liability insurance issued by the Nuclear Energy Liability Insurance Association or the Mutual Atomic Energy Liability Underwriters and in effect at the time of the **occurrence** resulting in such injury, sickness, disease, death or destruction; provided, such contract of nuclear energy liability insurance shall be deemed to be in effect at the time of such **occurrence** notwithstanding such contract has terminated upon exhaustion of its limit of liability; or
- c) 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 any of the following:
 - (1) noise (whether audible to the human ear or not), vibration, sonic boom, and any phenomena associated with the foregoing,
 - (2) "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 **Insured** 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,
 - (3) electrical or electromagnetic emission or interference of any kind whatsoever,
 - (4) interference with the use of property or
 - (5) mold.

For purposes of this Exclusion the following definitions apply:

- (6) "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.
- (7) "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 **Insured** 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.

- (8) “Waste” means any waste including material to be recycled, reconditioned or reclaimed, whether or not the material has been disposed of by you or any person handling the waste.

With respect to any provision in the policy concerning any duty of the Company to investigate or defend claims, such provision shall not apply and the Company shall not be required to defend claims excluded by this exclusion **9) c)**.

A claim or claims covered by the policy, when combined with any claims excluded by this exclusion **9) c)** are referred to below as “Combined Claims.”

In respect of any “Combined Claims”, the Company shall (subject to proof of loss and the limits of the policy) reimburse the **Insured** for that portion of damages awarded against the **Insured**, plus defense fees and expenses incurred by the **Insured**, which may be allocated to the claim or claims covered by the policy.

This exclusion **9) c)** shall not apply to any claim for **Bodily Injury** or **Property Damage** resulting from a crash, fire, explosion or collision of aircraft, or from a recorded **in-flight** emergency causing abnormal **aircraft** operation.

- d) to claims in respect of death, **Bodily Injury**, illness or disease to any person or persons and/or damage to or destruction of property caused by or resulting from the application of or use by the **Insured** or his agent of all forms of fertilizers, fungicides, defoliants, herbicides, hormone selective weed killers, pesticides, insecticides and arsenical preparations or compounds or any other forms of chemical.
- 10)** to any claim, **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) any actual or alleged failure, malfunction or inadequacy of:
- a) any of the following, whether belonging to any Insured or to others, whether or not part of any computer system or whether in the possession of the Insured or of any third party:
- (1) computer hardware, including microprocessors;
 - (2) computer application software;
 - (3) computer operating systems and related software;
 - (4) computer networks;
 - (5) microprocessors, computer chips, integrated circuits or other information technology equipment or systems;
- b) 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 this exclusion;
- due to the inability to correctly recognize, process, distinguish, interpret or accept:
- the change of year from 1999 to 2000;
 - the change of date from August 21, 1999 to August 22, 1999;
 - any other change of year, date or time;
 - any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by or for the **Insured** to determine, rectify, or test for any potential or actual problems described in this exclusion.
- 11)** under **Coverages A, C, and D**:
- a) to any obligation for which the **insured** or any carrier as their insurer may be held liable under any workers’ compensation, unemployment compensation or disability benefits law or any similar law; or
- b) to **bodily injury** to any employee of the **Named Insured** arising out of and in the course of their employment by the **Named Insured**, but this exclusion b) does not apply to liability assumed by the **Named Insured** under any contract that is a prerequisite for the use of an airport facility.

12) under **Coverages B and D**, to **Property Damage** to property owned, occupied, rented or used by the **Insured** or in the care, custody or control of the **Insured** or as to which the **Insured** is for any purpose exercising physical control or transported by the **Insured**.

13) under **Coverages F, G and H**:

a) to **loss** or damage to an **aircraft** due to conversion, embezzlement or secretion by any person or organization with legal right to possession of such **aircraft** under bailment, lease, agreement to purchase, conditional sale, mortgage, or other legal agreement that governs the use, sale or lease of the **aircraft**. This exclusion does not apply to **loss** or damage to an **aircraft** when a renter pilot, renting such **aircraft** pursuant to a rental agreement, converts, embezzles or secretes the **aircraft** while it is in the renter pilot's possession provided the **Named Insured** or renter, lessor or owner of the **aircraft** are in no way associated with or a participant in such conversion, embezzlement, or secretion and have no prior knowledge thereof and have not acquiesced therein, or

b) to **loss** or damage to tires except where such **loss** or damage is caused by fire, theft, windstorm or vandalism or is the direct result of **physical damage** covered by this policy, or

c) to **loss** or damage which is due and confined to:

(1) wear, tear, deterioration, freezing,

(2) any electrical malfunction or failure of any electronic component(s), accessory(ies), or electrically powered equipment,

(3) any mechanical, hydraulic, pneumatic, or structural malfunction or failure,

(4) corrosion or rust in any form

unless any such **loss** or damage in (1), (2), (3) or (4) is the direct result of other **physical damage** covered by this policy.

Damage resulting from electrical malfunction or failure of an electrical component(s), accessory(ies), or electrically powered equipment is considered breakdown of the entire electrical system containing such electronic component(s), accessory(ies), or electrically powered equipment.

Damage resulting from the breakdown, failure or malfunction of any engine component, accessory or part (as designated on the manufacturer's parts list for the engine) is considered mechanical breakdown of the entire engine.

d) to **loss** or damage to turbine **aircraft** engines and auxiliary power units **Insured** under this policy if such damage is caused by

(1) ingestion of **domestic objects**, or

(2) foreign objects unless a result of **ingestion**, or

(3) heat or temperature change from the operation, attempted operation or shutdown of the engine or auxiliary power unit

unless any such **loss** or damage is the direct result of other **physical damage** covered by this policy.

PART IV - LIMIT OF THE COMPANY'S LIABILITY

COVERAGES A, B, C AND D -- Total Liability

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** (including **related claims**) or **Property Damage** or (4) **aircraft** to which this policy applies, the Company's liability is limited as follows:

Coverage A. The total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by any person as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each person". Subject to the above provision respecting "each person", the total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **occurrence**."

Coverage B. The total liability of the Company for all damages because of all **Property Damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to “each **occurrence**.”

Coverage C. The total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by any **passenger** as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to “each **passenger**”. Subject to the above provision respecting “each **passenger**”, the total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by two or more **passengers** as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to “each **occurrence**”.

Coverage D. The total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **Bodily Injury** or **Property Damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to “each **occurrence**.”

And further provided that if the Declarations are completed to show “**Passenger Liability Limited to**”, the total liability of the Company for all damages, including all **related claims** and all damages for care or loss of services because of **Bodily Injury to passengers** and **crew** shall not exceed the following:

- 1) as respects any one **passenger** or **crew** member, the amount stated in the Declarations as applicable to “Each Person” or “Each **Passenger**.”
- 2) as respects two or more **passengers** or **crew** members, subject to the above provisions respecting any one **passenger** or **crew** member, the amount stated in the Declarations as applicable to “each person” or “Each **Passenger**” multiplied by the total number of **passenger** and **crew** seats as stated in **Item 4.** of the Declarations for the **aircraft** involved, but in no event shall the Company's Liability for all **Bodily Injury** (including **passenger Bodily Injury**) and **Property Damage** exceed the limits stated in the Declarations as applicable to “each **occurrence**.”

For the purpose 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**.

COVERAGES A, B, C AND D -- Severability of Interests

The insurance afforded applies separately to each **Insured** against whom claim is made or suit is brought, except with respect to the limits of the Company's liability.

COVERAGE E -- Total Liability

The limit of liability stated in the Declarations as applicable to “Each Person” is the limit of the Company's liability for all expenses incurred by or on behalf of each person who sustains **Bodily Injury** (including **related claims**) in 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 expenses incurred by or on behalf of two or more persons who sustain **Bodily Injury** (including **related claims**) in any one **occurrence**.

COVERAGES F, G AND H -- Total Liability

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.

With respect to **partial loss**, the company may pay for the least expensive and most reasonable means to repair the **aircraft**, subject to any applicable deductible, as follows:

- 1) If repairs are made by other than the **Named Insured**, the total of the:
 - a) cost to repair the damaged property with material of like kind and quality (excluding any charges for overtime), plus
 - b) cost of the least expensive and most reasonable method of transporting new and/or damaged parts and/or the damaged **aircraft** to the place of repair and the return of the repaired **aircraft** to the place where the **loss** occurred or the place where the **aircraft** is regularly based, whichever is nearer;
- 2) if repairs are made by the **Named Insured**, the total of the:
 - a) actual cost to the **Insured** of material of like kind and quality,

- b) actual wages paid for labor, excluding overtime,
- c) overhead and supervisory services up to a maximum of 100% of **2) b)** hereinabove and
- d) cost of the least expensive and most reasonable method of transporting new and/or damaged parts and/or the damaged **aircraft** to the place of repair and the return of the repaired **aircraft** to the place where the **loss** occurred or the place where the **aircraft** is regularly based, whichever is nearer.

With respect to any **partial loss** or **total loss**, the following shall apply;

- 1)** The amount due under this policy shall not exceed the amount due were the **loss** payable as a **total loss**;
- 2)** Any salvage value remaining shall inure to the benefit of the Company and the **Named Insured** shall provide clear title thereto;
- 3)** Any equipment attached to the **aircraft**, even if subsequent to the effective date of coverage, shall be considered a part of the **aircraft**;
- 4)** There shall be no abandonment of any damaged property without the consent of the Company.

If the **loss** is due to theft or **disappearance**, the Company shall have the right to return any found stolen property at any time prior to actual payment of the claim hereunder, with payment for any **Physical Damage** sustained thereto.

As available, the Company will pay for repair or replacement of like, kind and quality. The Company will not pay excess of like, kind and quality amounts for the cost of **betterment**.

Any deductibles expressed as a percentage shall be the equivalent of the Insured Value of the aircraft multiplied by the percentage amount.

PART V - CONDITIONS

APPLICABLE TO COVERAGES A, B, C AND D

1) ACTION AGAINST THE COMPANY

No person or organization has a right under this policy:

- a) to join the Company as a party or otherwise bring the Company into a suit asking for damages from an **Insured** or
- b) to sue on this policy unless all of its terms have been fully complied with.

A person or organization may sue the Company to recover on an agreed settlement or on a final judgment against an **Insured** obtained after an actual trial; but the Company will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Company, the **Insured** and the claimant or the claimant's legal representative. Service of process may be made upon the Company. However, the Company does not waive its rights to commence an action in any court of competent jurisdiction or to seek a transfer to another court as permitted by law.

2) FINANCIAL RESPONSIBILITY

If this policy is certified as proof of insurance under any governmental financial responsibility law applicable to aircraft, the Company will pay the minimum amount required by that law which does not exceed the limit of liability of this policy. The **Named Insured** agrees to reimburse the Company promptly for any amounts the Company would not have had to pay were it not for this clause.

3) NOTICE OF OCCURRENCE, LOSS, CLAIM OR SUIT

- a) The **Named Insured** must promptly notify the Company of an **occurrence** that may result in a claim. Such notice shall be in writing to the Company. Such notice shall include all of the following:
 - (1) particulars sufficient enough to identify the **Insured**,
 - (2) how, when and where the **occurrence** took place and
 - (3) the names and addresses of any injured persons and witnesses.

- b) If claim is made or suit is brought against the **Insured**, the **Named Insured** must see to it that the Company receives prompt written notice of the claim or suit. The **Named Insured** and any other **Insured** involved must
 - (1) immediately send the Company copies of any demands, notices, summonses or legal papers received in connection with the claim or suit,
 - (2) authorize the Company to obtain records and other information,
 - (3) cooperate with the Company in the investigation, settlement or defense of the claim or suit and
 - (4) assist the Company, upon the Company's request, in the endorsement of any right against any person or organization which may be liable to the **Insured** because of injury or damage to which the insurance may also apply.
- c) No **Insured** will, except at its own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Company's consent.

For the purpose of this section 3) and sections 6) and 10) below, notifications to the company shall be at the claims notification address which is set forth within this policy and any designee of the Company listed for claims notification in lieu of the Company shall be considered notice to the Company.

4) SEVERABILITY OF INTEREST

Except with respect to the Limit of the Company's Liability and any rights and duties specifically assigned in this policy to the first **Named Insured**, this insurance applies:

- a) as if each **Named Insured** were the only **Named Insured** and
- b) separately to each **Insured** against whom claim is made or suit is brought.

APPLICABLE TO COVERAGE E – MEDICAL EXPENSE

5) ACTION AGAINST THE COMPANY

No person or organization has the right under this policy to sue on this policy unless all of its terms have been fully complied with and until thirty (30) days after the required proofs of claim have been filed with the Company.

6) MEDICAL REPORTS: PROOF AND PAYMENT OF CLAIM

- a) The injured person or someone on his or her behalf, as soon as practical after an accident, must give the **Company** written proof of claim and, if requested by the Company:
 - (1) provide his or her sworn statement under oath,
 - (2) authorize the Company to obtain medical reports and copies of records and
 - (3) submit to physical examination by a physician selected by the Company, when and as often as the Company may reasonably require.
- b) The Company may pay the injured person or any person or organization rendering the services and such payment:
 - (1) shall reduce the amount payable hereunder for the injury and
 - (2) shall not constitute admission of liability by an **Insured** or the Company.

APPLICABLE TO COVERAGES F, G, AND H – PHYSICAL DAMAGE

7) ACTION AGAINST THE COMPANY AND PAYMENT OF LOSS

The Company does not have to pay, and the **Named Insured** does not have the right to sue on this policy, unless all of its terms have been fully complied with and until thirty (30) days after the required proofs of **loss** have been filed with the Company and the amount of **loss** is determined as provided by the policy, nor at all unless commenced within twelve (12) months after the date of the **loss**.

8) APPRAISAL OF LOSS

If the **Named Insured** and the Company fail to agree as to the amount of **loss**, each shall, upon written notice to the other, hire at its own expense an independent aircraft appraiser. The appraisers will then agree on a knowledgeable and neutral umpire. If they cannot agree on the umpire in fifteen (15) days, a Judge of the county of the pending appraisal will appoint the umpire. Agreement by any two of these three shall determine the amount of **loss**. The **Named Insured** and the Company will share the umpire's cost equally. But this clause shall not deprive or waive any rights of the Company.

9) AUTOMATIC REINSTATEMENT

In the event of **loss**, whether or not covered by this policy, the amount of insurance in respect to any **aircraft** shall be reduced as of the time and date of **loss** by the amount of such **physical damage** 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 either:

- a) expired and not been renewed, or
- b) modified to adjust the Insured Value of such **aircraft**.

10) INSURED'S DUTIES WHEN LOSS OCCURS

When **loss** occurs, the **Insured** shall:

- a) take all reasonable precautions to protect the property or **aircraft** after an **occurrence**. The Company shall reimburse the **Insured** all reasonable cost in affording such protection,
- b) not abandon the property or **aircraft**,
- c) immediately contact the Company and provide prompt written notice at the address which is set forth in this policy, including the following:
 - (1) time, place and description of events and
 - (2) a description and location of the **aircraft**,
- d) promptly report theft and vandalism to the Company and local police,
- e) do nothing after the **loss** to harm the Company's rights of recovery against any person or organization,
- f) allow the Company to inspect the property,
- g) submit to examination under oath if requested by the Company,
- h) allow the Company to inspect all aircraft records, pilot logbooks, repair and service invoices, sales receipts and any other pertinent records until settlement of the **loss** and
- i) file proof of **loss** with the Company within sixty (60) days after the date of **loss**, in the form of a sworn statement to include:
 - (1) the interest of the **Named Insured** and all others in the property affected,
 - (2) any encumbrances thereon,
 - (3) the actual cash value of the property at the time of the **loss**,
 - (4) the amount, place, time and cause of such **loss** and
 - (5) the description and amounts of all other insurance covering such property,unless such time is extended in writing by the Company.

11) 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**.

APPLICABLE TO ALL COVERAGES

12) 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. The **Insured** shall not, except at its 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**.

13) BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations hereunder.

14) CANCELLATION

- a) The first **Named Insured** shown on the Declarations may cancel this policy by mailing or delivering to the Company advance written notice of cancellation.
- b) The Company may cancel this policy by mailing or delivering to the first **Named Insured** written notice of cancellation at least:
 - (1) ten (10) days before the effective date of cancellation if the Company cancels for non-payment of premium or
 - (2) thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
- c) The Company will mail or deliver notice to the first **Named Insured's** last mailing address known to the Company.
- d) If this policy is cancelled, the Company will return any premium refund due. If the Company cancels, the refund will be pro rata. If the **Named Insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company have not made or offered a refund. The Company shall not be liable for any return **Physical Damage** premium in respect to any **aircraft** on which a **total loss** has been paid.
- e) If notice is mailed, proof of mailing will be sufficient proof of notice.

15) CHANGING THE POLICY

Nothing in this policy can be changed or waived except by the Company's written endorsement, approved and signed by the Company.

16) EXAMINATION OF INSURED'S BOOKS AND RECORDS

The Company may examine and audit the **Insured's** books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

17) 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 subject thereof or in case of any fraud, attempted fraud or false swearing by the **Named Insured** touching any matter relating to this insurance or the subject thereof, whether before or after a **loss**.

18) INSPECTION AND SURVEYS

The Company has the right but are not obligated to:

- a) make inspections and surveys at any time,
- b) give the **Named Insured** reports on the conditions found or
- c) recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Company does not make safety inspections. The Company does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. Additionally the Company does not warrant that conditions:

- d) are safe and healthful or
- e) comply with laws, regulations, codes or standards.

This condition applies not only to the Company, but also to any rating, advisory, rate service or similar organization that make insurance inspections, surveys, reports or recommendations.

19) NONRENEWAL

If the Company decides not to renew this coverage, the Company will mail or deliver to the first **Named Insured** shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

20) OTHER INSURANCE

Except with respect to insurance afforded by **Special Insuring Agreements 2) a) and b)** and to insurance specifically purchased by the **Insured** to apply in excess of this policy, if there is other insurance in the **Insured's** name or otherwise, against **loss**, liability or expense covered by this policy, the Company shall not be liable under this policy for a greater proportion of such **loss**, liability or expense than the applicable limit of the Company's liability bears to the total applicable limit of liability of all valid and collectible insurance against such **loss**, liability or expense. Insurance afforded by **Special Insuring Agreements 2) a) and b)** shall be excess insurance over any other valid and collectible insurance available to the **Insured**, either as **Insured** under a policy applicable to the **aircraft** or otherwise and if such other insurance shall have been written through the Company as primary insurance then the Company's limits of liability under this policy shall be reduced by the applicable limits of such other policy.

21) PREMIUMS

The first **Named Insured** shown in the Declarations is responsible for the payment of all premiums.

22) REPRESENTATIONS

By accepting this policy, the **Named Insured** agrees that:

- a) the statements in the Declarations are accurate and complete,
- b) those statements are based upon representations of the **Named Insured** to the Company and
- c) the Company has issued this policy in reliance upon the **Named Insured's** representations.

23) STATE STATUTES

If the terms of this policy are in conflict with or inconsistent with the insurance statutes of any state where this policy is in effect, the policy will conform to those state statutes.

24) SUBROGATION

If the **Insured** has rights to recover all or part of any payment the Company has made under this policy, those rights are transferred to the Company. The **Insured** must do nothing after **loss** to impair them. At the request of the Company, the **Insured** will bring suit or transfer those rights to the Company and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after a **loss** to prejudice such rights. This condition shall not apply to Coverage E.

25) TITLES OF PARAGRAPHS

The titles of the various paragraphs of this policy and amendments, if any, attached to this policy are inserted solely for reference and are not to be deemed in any way to limit or affect the provision to which they relate.

26) TRANSFER OF THE NAMED INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY

The **Named Insured's** rights and duties under this policy may not be transferred without the Company's written consent except in the case of the death or bankruptcy of an individual **Named Insured**.

If such individual **Named Insured** dies or is adjudged bankrupt or insolvent, his or her rights and duties will be transferred to the **Named Insured's** legal representative but only while acting within the scope of duties as such. Until the **Named Insured's** legal representative is appointed, anyone having proper temporary custody of the **Named Insured's** property will have such **Named Insured's** rights and duties but only with respect to that property, but in no event for more than sixty (60) days following such death or adjudication.

27) VIOLATION OF APPLICABLE TRADE SANCTION LAWS

If coverage for a claim under this policy is in violation of any of United States of America's economic or trade sanctions, including but not limited to, sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim shall be null and void.

PART VI - DEFINITIONS

When appearing in this policy in bold face print:

"Aircraft" means the aircraft described in **Item 4.** of the Declarations and, when appropriate, any aircraft qualifying under the provisions of Special Insuring Agreements **2.a), b) or c),** including the propulsion system and equipment usually installed in the aircraft (1) while installed in the aircraft, (2) while temporarily removed from the aircraft and (3) while removed from the aircraft for replacement until such time as replacement by a similar item has commenced; also tools and equipment which are specially designed for the aircraft and which are ordinarily carried therein.

"Betterment" means any improvement that would add value to the **Insured Aircraft.**

"Bodily Injury" means physical injury sustained by any person, caused by an **occurrence** during the policy period, including sickness, disease, mental anguish, and death at any time resulting therefrom. Mental Anguish does not include personal injury.

"Charter / Air Taxi" use means used in the business of the **Insured** for **passenger** or freight carrying for hire or reward and **Pleasure and Business** uses, but excluding instruction of or rental to others.

"Commercial" use means used in the business of the **Insured,** including student instruction and **passengers** or freight carrying for hire or reward. Rental to others is included but only for the purpose of **Pleasure and Business** and those uses defined under **Pleasure and Business.**

"Cost Reimbursement" means flights for which a charge is made provided that such charge is limited to:

- 1) fuel, oil, lubricants, and other additives,
- 2) travel expenses of the **crew,** including food, lodging, and ground transportation,
- 3) hangar and tie-down costs away from the **aircraft's** base of operation,
- 4) insurance obtained for the specific flight,
- 5) landing fees, airport taxes, and similar assessments,
- 6) customs, foreign permit, and similar fees directly related to the flight,
- 7) **in flight** food and beverage,
- 8) ground transportation for **passengers,**
- 9) flight planning and weather contact services and
- 10) an additional charge equal to 100% of the expenses listed in subparagraph 1) of this paragraph.

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

"Disappearance" means missing **in flight** and not reported for sixty (60) days after commencing a flight.

"Domestic objects" means, with respect to turbine engines or turbine auxiliary power units, if part of the **aircraft,** objects or substances identified on the manufacturer's parts list or diagram as being parts of the engine or accessories to the engine or auxiliary power unit.

"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.

"In Flight" means, with respect to fixed wing **aircraft,** the time commencing with the actual take-off run of the **aircraft** and continuing thereafter until it has completed its landing run. With respect to a rotorcraft, it means from the time the rotors start to revolve under power for the purpose of flight until they subsequently cease to revolve after landing. With respect to a balloon, it means while it is inflated or being inflated or deflated.

“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 or while it is **in flight** and, if the aircraft is a glider or balloon, any time it is being transported, towed or while it is **in flight**.

“Industrial Aid” means operation of the **aircraft** by the **Insured**, but excluding any operation for hire or reward. Flights for which there is **cost reimbursement** shall be included within the definition of **Industrial Aid**.

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

“Instruction and Rental” means used in the business of the **Insured** for flight instruction to others and rental to others only for the purpose of **Pleasure and Business**. Sightseeing flights and introductory flights are included but only if the flight departs and arrives at the same airport and does not exceed a radius of 25 nautical miles from the departure airport. In addition, those uses defined under **Pleasure and Business** are included.

“Insured” The unqualified word **“Insured”** wherever used in this policy includes not only the **Named Insured** but also any person while using or riding in the **aircraft** and any person or organization legally responsible for its use, provided the actual use is with the express permission of the **Named Insured**. Except with respect to the **Named Insured** the provisions of the paragraph do not apply:

- 1) to any employee with respect to **Bodily Injury**, sickness, disease or death of another employee of the same employer injured in the course of such employment;
- 2) to any person or organization or to any agent or employee thereof (other than any employee of the **Named Insured** while acting in the course of his employment by the **Named Insured**):
 - a) who manufactures, builds, sells or distributes aircraft, aircraft engines, aircraft components, aircraft accessories or fuel used in aircraft, or
 - b) who is engaged in the operation of an aircraft repair shop, aircraft sales agency, aircraft rental service, aircraft flying school, aircraft management service, aircraft aerial application service, aircraft inspection, appraisal, certification or examination service, commercial flying service, anyone providing piloting services, airline, airport, hangar, or pilot training center, or
 - c) who is engaged in the activity of instruction, evaluation, examination or certification of any pilot or **crew** member or prospective pilot or **crew** member, or
 - d) who charges a fee and/or receives any remuneration or benefit for providing any type of service whatsoever in connection with the ownership, maintenance, or use of the insured **aircraft**.
- 3) to any person or organization operating the **aircraft** under the terms of any rental agreement or training program which provides any remuneration to the **Named Insured** for the use of said **aircraft**;
- 4) to the owner or lessor, or any agent or employee thereof, of any **aircraft** which is the subject of the extended insurance provisions of **Special Insuring Agreements**.

“Loss” means direct and accidental **physical damage**.

“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.

“Mooring” shall mean, while on water, a water alighting **aircraft** is anchored or moored, or during launching onto or hauling up therefrom (except under its own power or momentum).

“Named Insured” means the person or organization named in **Item 1**. of the Declarations.

“Occurrence” means an accident, including continuous or repeated accidental exposure to conditions, during the policy period, which results in **Bodily Injury** or **Property Damage** neither expected nor intended from the standpoint of the **Insured**. In the event of continuing or progressive **Bodily Injury** or **Property Damage** otherwise covered by the policy happening over an extended period of time, such **Bodily Injury** or **Property Damage** shall be deemed to be one **occurrence**, and shall be deemed to occur only when such **Bodily Injury** or **Property Damage** first commences.

“Partial Loss” means any **loss** which is not a **total loss**.

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

“Physical Damage” means direct or accidental physical **loss** of or damage to the **aircraft** not expected nor intended by the **Insured**, hereinafter called **loss**, but does not include loss of use or any residual depreciation or diminution in value (including loss of guaranty or warranty), if any, after repairs have been made.

“Pleasure and Business” means used in the business of the **Insured** including personal and pleasure uses but excluding any operation for hire or reward. Flights for which there is **cost reimbursement** shall be included within the definition of **Pleasure and Business**.

“Premises” means such portions of airports as are designated and used for the parking or storage of **aircraft** exclusive of **premises** owned by, or leased for more than thirty (30) days to the **Insured**.

“Property Damage” means (a) physical injury to or destruction of tangible property which occurs during the policy period, including loss of use thereof at any time resulting therefrom, or (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the policy period.

“Related Claims” means all claims for care and loss of service, loss of society and consortium, emotional distress, loss of support, medical and funeral expenses, and any and all other damage claims by a person or persons arising out of **Bodily Injury** to another person. Notwithstanding anything to the contrary in the definition of **Bodily Injury**, the Company's liability and coverage for damages for both **Bodily Injury** and **related claims** are included and combined within the “each person” and “each **occurrence**” Limits of Liability specified in the Declarations, as applicable, and there are no separate or additional Limits of Liability for **related claims**.

“Student pilot” means a person holding a Federal Aviation Administration (FAA) issued Student Pilot Certificate applicable to the aircraft being operated.

“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 4.** of the Declarations. **Disappearance** of an **aircraft** or theft of the entire **aircraft** shall be considered a **total loss**.