

Aircraft Insurance Policy

ISSUED THROUGH



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The provisions of **your** policy are set forth in detail in the Coverage Identification Page, Parts One through Five and any Endorsements **we** issue. Together, these comprise **your** policy.

This Policy may provide **you** with coverage for Aircraft Physical Damage, Liability to **Others** and Medical Expense. Be sure to review **your** Coverage Identification Page to confirm the coverage and limits issued to **you**. Then read each Part of the Policy and each Endorsement **we** issued. Read the entire policy carefully to determine rights, duties and what is and is not covered.

This Policy is a legal contract between **you** and the Company; therefore, **IT IS IMPORTANT THAT YOU READ YOUR POLICY CAREFULLY**. The next page provides **you** with a brief index to the important features of **your** policy.

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 or otherwise comply with the laws of Mexico.

As the Company is not licensed in Mexico, you must make certain you have the required coverage before you fly into Mexico!

WHERE TO FIND

Validation Cover Page

Coverage Identification Page

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Your Policy Number Top Right
Prior Policy Number Top Right
Your Agent's Name and Address Top Right
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Your Address Item 2
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We agree with **you**, in consideration of the payment of the premium, to provide the coverage specified in the Coverage Identification Page, subject to the applicable limits of coverage, exclusions, conditions, endorsements and other terms of this Policy.

Part One. GENERAL PROVISIONS AND CONDITIONS

Here are some matters **you** need to be aware of before **you** read the other Parts of **your** Policy that help explain **your** coverage.

1. Definitions

The following words and phrases when appearing in bold face type have special meaning throughout this Policy:

- a. **You** and **your** mean the person(s) or organization(s) named in Item 1 of the Coverage Identification Page under the heading "Named Insured."
- b. **Someone we protect** means any person or organization **we** provide liability coverage to through this Policy other than **you**.
- c. **Anyone** or **others** means any person or organization other than **you**. The terms may include person(s) or organization(s) **we** define as **someone we protect**.
- d. **We, us** or **our** means the insurance company named on the Coverage Identification Page.
- e. **Aircraft** means the **aircraft** owned or leased by **you** that is shown in Item 5 of **your** Coverage Identification Page or qualifying under **Part Five. Special Provisions and Conditions** of **your** Policy. It includes the airframe, landing gear system, engine (including propeller governor or other parts or accessories attached or mounted to the engine), propeller or rotor, flight and engine instruments, avionics, electrical system, flight control system, fuel system, any hydraulic and pressurization systems and repair equipment or tools that are standard by the manufacturer for your **aircraft** and that are located in your **aircraft**. Parts usually mounted or attached to the **aircraft** are included while temporarily removed so long as they are not replaced by other parts. Log books, documents or other records related to the ownership or maintenance of an **aircraft** are not a part of the **aircraft**.
- f. **Agreed value** means the amount of money shown in Item 5 of the Coverage Identification Page. This is the amount **you** and **we** have agreed **your aircraft** is worth and the maximum amount of Aircraft Physical Damage coverage **we** provide.
- g. **In motion** means when any part of the **aircraft** is moving as a result of electrical or engine power or the resulting momentum.
- h. **In flight** means when movement of the **aircraft** begins for takeoff until completion of the landing run.
- i. **Passenger** means any person who is in the **aircraft** or getting in or out of it. If more than one of the **aircraft** shown in Item 5 of **your** Coverage Identification Page is involved in one **occurrence**, every person who is in any of the **aircraft** is a **passenger**.
- j. **Bodily injury** means physical injury to a person, including sickness, disease (including mental anguish) or death resulting from such physical injury.
- k. **Derivative Claims** means all claims for loss of inheritance, care and loss of service, loss of society and consortium, mental anguish, emotional distress, loss of support, medical and funeral expenses and any and all other damages suffered by any other person or party from, related to or arising out of **bodily injury** to any person or **passenger**. **Derivative claims** also includes any bystander claims for grief, mental anguish and emotional distress suffered by any other party from, related to or arising out of witnessing any **bodily injury** to any person or **passenger**.
- l. **Property damage** means physical damage to or destruction of tangible property, including any resulting loss of use of that property. It does not include damage to or destruction of the **aircraft**.
- m. **Accident** means a sudden event during the policy period, neither expected nor intended by **you** or

someone we protect, that involves the **aircraft** and causes physical damage to or loss of the **aircraft** during the policy period.

- n. **Occurrence** means a sudden event or repeated exposure to conditions, involving the **aircraft** during the policy period, neither expected nor intended by **you** or **someone we protect**, that causes **bodily injury** or **property damage** to **others** during the policy period. All **bodily injury** or **property damage** resulting from the same general conditions will be considered to be caused by one **occurrence**. If more than one of the **aircraft** shown in Item 5 of **your** Coverage Identification Page is involved in the same **occurrence**, all **bodily injury** or **property damage** resulting from the involvement of all of the **aircraft** will be considered to be caused by one **occurrence**.
- o. **Federal aviation administration (FAA)** means the authority of the United States of America having jurisdiction over civil aviation or its counterpart in another country.
- p. **Student pilot** means any pilot holding a valid **student pilot** certificate issued by the **FAA**.
- q. **Renter pilot** means any person or organization who is renting the **aircraft** from **you**.
- r. **Pleasure and business** means use of the **aircraft** by **you** or by **someone we protect** for personal and business-related purposes where no charge is made for such use. **You** or **someone we protect** may receive reimbursement for expenses incurred in operating the **aircraft** provided such reimbursement is limited to expenses allowable, if any, to a Private Pilot under Part 61 of the **FAA** regulations.
- s. **Instruction and/or rental** means use of the **aircraft** by **you** for the **commercial** instruction of, or rental to, **others** for their **pleasure and business** purposes. **You** or **someone we protect** may also use the **aircraft** for **pleasure and business** purposes.
- t. **Charter/air taxi** means use of the **aircraft** by **you** for transporting **passengers** or freight for hire and use by **you** or **someone we protect** for **pleasure and business** purposes.
- u. **Commercial** means use of the **aircraft** by **you** for **instruction and/or rental** purposes, **charter/air taxi** purposes and by **you** or **someone we protect** for **pleasure and business** purposes.
- v. **Flying club** means use of the **aircraft** by **your** members for their **pleasure and business** purposes. A member is any person having an ownership interest in the **aircraft** or the organization shown in Item 1 of the Coverage Identification Page. **You** may charge membership fees and dues and **you** may also charge the members fees for use of the **aircraft**.
- w. **Advertising injury** means one or more of the following offenses committed during the policy period:
 - A. Oral or written publication or broadcast of material that:
 - i. slanders or libels a person or organization;
 - ii. disparages, ridicules or defames a person or organization's goods, products or services;
 - B. Oral or written publication or broadcast of material that violates a person's right of privacy;
 - C. Misappropriation of advertising ideas or style of doing business;
 - D. Infringement of copyright, trademark, title or slogan; or
 - E. Unfair competition.
- x. **Personal injury** means one or more of the following offenses committed during the policy period:
 - A. False arrest, restraint, detention or imprisonment;
 - B. Malicious prosecution;
 - C. Discrimination based upon race, color, religion, sex, age or national origin, but not as a result of any employment related discrimination;
 - D. Wrongful entry, eviction or other invasion of the right or privacy;
 - E. Inadvertent discrimination with respect to withholding or refusal of transportation;
 - F. The publication or utterance of a libel, slander, ridicule, or of other defamatory or disparaging material in violation of anyone else's right of privacy, excluding any offense or injury that arises out of **your** advertising activities; or

- G.** Fright, shock, mental anguish, emotional upset and humiliation, but not as a result of any offense related to the employment, past employment or future employment of any person(s) by **you** or **someone we protect**.

2. Our Obligations and Your Duties

We agree to provide coverage to **you** and **someone we protect** if **you** pay the premium and comply fully with the policy requirements, but if **you** do not, or **someone we protect** does not, then **we** are not obligated either to **you** or to **someone we protect**. **We** have the right to deduct any premium or other monetary obligations owed to **us** from any payment **we** make.

3. Requirements for the Pilot Flying the Aircraft

You must make certain that the pilot operating the **aircraft in flight** meets the requirements shown in Item 9 of the Coverage Identification Page. There is no coverage under this Policy for any **accident** or **occurrence** involving operation of the **aircraft in flight** if the pilot does not meet these requirements.

4. The Use of the Aircraft

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

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

5. When and Where the Policy Provides Coverage

This Policy provides coverage during the policy period shown in Item 4 of the Coverage Identification Page while the **aircraft** is within the United States (excluding Alaska and Hawaii), Canada, Mexico, or while en route between these territories.

6. If there is an Accident or Occurrence

a. In the event of an **accident** or **occurrence**, **you** or **someone we protect** must:

- A. Promptly notify **us** and describe how, when and where the **accident** or **occurrence** happened and give the names and addresses of witnesses, injured persons and all persons onboard the **aircraft**;
- B. Cooperate with **us** in the investigation, settlement or defense of any claim;
- C. Answer under oath questions asked by **us** or **anyone we** designate;
- D. Promptly send **us** copies of any notices or legal papers received relating to the **accident** or **occurrence**;
- E. Help **us** in obtaining and giving evidence, attending hearings and trials, and getting witnesses to testify; and
- F. Promptly notify the police if **your aircraft** or any part of it is stolen or vandalized.

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

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

7. Changing the Policy

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

8. Canceling the Policy

You may cancel this Policy at any time by telling **us** in writing and in advance of the date **you** want the coverage to end. If **you** cancel this Policy, **we** will refund 90% of the unearned premium **you** have paid.

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

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

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

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

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

9. Other Coverage

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

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

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

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

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

11. **Our** Right of Recovery (Except PART FOUR. Medical Expense Coverage)

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

12. State Statutes

Any statement or provision of this Policy which conflicts with the laws of the state shown in Item 4 of the Coverage Identification Page is hereby amended by **us** to conform to the laws of such state.

13. Legal Action Against **Us**

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

- a. Join **us** as a party to any legal action brought against **you** or **someone we protect**; or

b. Bring **us** into any legal action to determine **your** liability or the liability of **someone we protect**.

14. Concealment or Misrepresentation

We do not provide coverage for **you** or **someone we protect** if **you** or **someone we protect** has concealed or misrepresented any material fact or circumstance relating to this Policy either before or after an **accident** or **occurrence**.

15. Inspection and Audit

We will have the right, but shall have no obligation, to inspect the **aircraft** and records during and up to 1 year after the policy period.

16. Two Or More Coverage Forms Or Policies Issued By Us

If this Policy and any other Coverage Form or policy issued to **you** by **us** or any company affiliated with **us** applies to the same **accident**, **occurrence**, loss, claim, suit or damages, the aggregate maximum limit of coverage under all the Coverage Forms or policies shall not exceed the highest applicable limit of coverage under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by **us** or an affiliated company specifically to apply as excess insurance over this Policy.

Part Two. AIRCRAFT PHYSICAL DAMAGE COVERAGE

Review Item 5 of **your** Coverage Identification Page and any applicable Endorsement to confirm the Aircraft Physical Damage coverage that has been issued to **you**. Please note also the **agreed value** of the **aircraft**. Notwithstanding the **agreed value** of the **aircraft**, you are responsible for the payment of the amount specified in Item 5 of the Coverage Identification Page as the deductible amount. **Our** obligation to make payment to **you** applies only to the sums in excess of the deductible. This coverage is for **your** benefit and not for the benefit of **anyone** else in possession of the **aircraft**.

1. What **We** Cover

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

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

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

- a. **Not In Motion** Deductible. The amount shown in Item 5F of **your** Coverage Identification Page must be paid or borne by **you** when loss or damage occurs under Coverage F. **We** will not apply a deductible amount if the loss or damage results from a fire caused by a combustion source external to the **aircraft**, lightning, explosion, theft or vandalism.
- b. **In Motion** Deductible. The amount shown in Item 5G of **your** Coverage Identification Page must be paid or borne by **you** when loss or damage occurs under Coverage G.

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

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

If the **aircraft** is destroyed, **we** will pay the **agreed value** of the **aircraft**, less the applicable deductible. **We** will be entitled to ownership of the **aircraft** upon payment, free and clear of any encumbrances on the **aircraft**.

- b. **Damaged Aircraft**. If the **aircraft** is damaged and not destroyed, **we** will pay the reasonable cost of repair after the **aircraft** has been repaired, but **we** will not pay more than the **agreed value**, less the applicable

deductible as described in Paragraph 2. above.

If the **aircraft** is damaged by hail, **we** will pay the reasonable cost of repair of the hail damage that affects the airworthiness of the **aircraft** after the **aircraft** has been repaired. **We** will pay an amount not exceeding 10% of the **agreed value** for hail damage that does not affect the airworthiness of the **aircraft**, less the applicable deductible as described in Paragraph 2. above. Hail damage that does not result in an immediate grounding of the **aircraft** will be deemed to be damage not affecting the airworthiness of the **aircraft**.

Cost of repair includes necessary labor at straight time rates, parts and materials of similar kind and quality and the least expensive transportation charges necessary to repair the **aircraft** and return it to the place where the damage occurred or its home airport, whichever is nearer. If **you** are authorized by the **FAA** to perform, and **you** elect to perform, **your** own repairs, **you** agree to supply materials, parts and labor at **your** cost, excluding overtime payments. **We** agree to increase the allowance for **your** labor costs by 50% of the gross amount paid in wages or compensation to help **you** defray **your** cost of overhead and supervision. Repairs performed by any organization in which **you** have any ownership interest shall be deemed to be repairs performed by **you**.

4. What **We** Will Not Pay

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

a. Pilots And Use

Unless the requirements in Item 9. REQUIREMENTS FOR THE PILOT FLYING THE AIRCRAFT and Item 10. THE USE OF THE AIRCRAFT on the Coverage Identification Page are met.

b. Wear And Tear And Mechanical Breakdown

Caused by wear or tear, deterioration, freezing, mechanical or electrical breakdown or failure, including any loss or damage to a component or system of the **aircraft** that arises out of a defective product or the negligence of any person(s) or organization(s) in repairing or installing such product. **We** will, however, pay for direct physical damage to other systems of the **aircraft** that results from these causes. For the purpose of this provision, damage that results from the breakdown, failure or malfunction of any internal or external engine component, or any accessory, component or part attached to the engine is a breakdown or failure of the entire engine.

c. Tires

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

d. Seaplane-Amphibian

If it is equipped for water takeoffs and landings unless the **aircraft** is identified as a seaplane or amphibian in Item 5 of the Coverage Identification Page.

e. Undisclosed Ownership and Other Interests

If **your** interest in the **aircraft** is subject to any liens, mortgages, lease or ownership interest claims of **others** unless all interests of **others** are identified in either Item 1 or 11 of the Coverage Identification Page or in an endorsement.

f. War-Confiscation

Caused by terrorist activities or arrest, restraint, seizure, confiscation, detention by or at the direction of any government; or arising out of declared or undeclared war, invasion, acts of foreign enemies, hostilities, civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

g. Radiation

Directly or indirectly caused by or arising out of ionizing radiation or contamination by radioactivity from any source.

h. Embezzlement, Conversion or Secretion

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

i. Economic Or Consequential Damage

For depreciation, loss of use, loss of revenue, loss of profits, extra expenses, loss of guaranty or warranty, or any other economic or consequential damage of any kind.

5. What **You** Must Do

If the **aircraft** is damaged, **you** must:

- a. **Protect the Aircraft**
Do all **you** can to protect the **aircraft** from further loss, and **we** will pay **you** for all reasonable expenses incurred by **you** in protecting it.
- b. **Proof of Loss**
Give **us** a sworn Proof of Loss statement within 90 days of the loss.
- c. **Show Us the Physical Damage**
Show **us** the physical damage to the **aircraft** before repair or disposition.
- d. **Show Us the Records**
Show **us** all records **you** have that would prove the amount of loss.

6. When **We** Will Pay

We will pay for loss of or damage to the **aircraft** covered by **your** Policy:

- a. **Damaged Aircraft**
Within 30 days after **you** have given **us** a sworn Proof of Loss statement and **you** and **we** agree on the amount; or
- b. **Destroyed Aircraft**
Within 30 days after **you** have given **us** a sworn Proof of Loss statement and **you** have delivered the **aircraft** log books, airworthiness certificate and a bill of sale transferring clear title to the **aircraft**.

7. Theft

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

8. Disappearance

We will consider **your aircraft** to be lost in flight if it disappears and it cannot be located within 60 days.

9. Reinstatement of Coverage

If **your aircraft** is damaged, the amount of coverage for the **aircraft** will be reduced by the amount of the damage. The coverage will be automatically increased, at no additional premium, by the cost of the repairs completed until the **agreed value** has been restored or this Policy expires. If, however, **we** pay as much as the **agreed value**, less the applicable deductible as described in Paragraph 2. above, **we** are entitled to the total Aircraft Physical Damage premium for the **aircraft** on which **we** made or make the payment.

Part Three. LIABILITY TO OTHERS

Review Item 6 of **your** Coverage Identification Page and any applicable Endorsement to confirm the particular liability coverage and limits issued to **you**.

1. What **We** Cover

We will pay for the damages that **you**, or **someone we protect**, are legally required to pay for **bodily injury** or **property damage** to **others** caused by an **occurrence**.

- a. Coverage D covers **bodily injury** and **property damage** in a combined limit of coverage for each **occurrence**. Where the word "Including" is shown in Item 6D, the most **we** will pay for **bodily injury** to all **passengers** and all **others**, including any and all **derivative claims**, and **property damage** is shown under Item 6D opposite "each **occurrence**." Where the word "Excluding" is shown in Item 6D, the most **we** will pay for **bodily injury** to all persons and **property damage** is shown under Item 6D opposite "each **occurrence**," but **we** will not pay for **bodily injury** to **passengers** or any and all **derivative claims** arising

from **bodily injury to passengers**.

- b. Coverage DL covers **bodily injury to passengers** and **others**, including any and all **derivative claims** and **property damage** in a combined single limit of coverage for each **occurrence** which includes a lower limit of coverage for each **passenger**. The most **we** will pay for **bodily injury** to each **passenger** including any and all **derivative claims** is shown in Item 6DL opposite “each person.” The most **we** will pay for all **bodily injury** including any and all **derivative claims** and **property damage** is shown in Item 6DL opposite “each occurrence.”

2. Who Is Protected (You and Someone we protect)

Except for those entities and persons described in Paragraph 3 below, **your bodily injury** and **property damage** liability coverage protects **you** and **someone we protect**. The term **someone we protect** means any organization or person **you** permit to operate the **aircraft** unless excluded otherwise. The term **someone we protect** also includes the following:

- a. any **passenger** and any person or organization legally responsible for the use of the **aircraft** provided such use is with **your** express permission; and
- b. any employee while acting within the scope of his or her employment by **you** or **someone we protect**. Provided, however, no employee is **someone we protect** with respect to:
 - i. **Bodily injury** to a co-employee while in the course or scope of his or her employment; or
 - ii. **Property damage** to property owned, occupied or rented by, or loaned to that employee or to any of **your** other employees or the employees of **someone we protect**.

If **instruction and/or rental, charter/air taxi** or other uses involving a charge made to **others** are permitted by **your** Policy, any person who receives compensation for providing flight instruction or pilot services (including flight checkouts, flight reviews, practical tests for license or aircraft rating purposes, or other pilot services permitted by **your** policy) in the **aircraft** for **your** benefit or on **your** behalf shall be considered to be **your** employee acting within the course and scope of employment with respect to an **occurrence** that arises out of such activities, regardless of whether **you** deem that person to be **your** employee or an independent contractor for any other purposes under any state or federal employment-related ordinance, statute or regulation.

You and **someone we protect** are protected separately. However, none of the provisions, terms, conditions and exclusions of this Policy change by virtue of this protection and the limit of coverage shown in Item 6 of the Coverage Identification Page do not increase regardless of (a) the number of the entities or persons protected, or (b) the number of **aircraft** involved in the **occurrence**.

3. Who Is Not Protected

Your bodily injury and **property damage** coverage does not protect:

- a. Other Aviation Business Activities
Any persons or organizations (other than **you** and **your** employees as defined in Paragraph 2. above), or employees or agents thereof, that make, sell, rent, repair or service **aircraft** or components, operate an airport facility, or provide instruction, pilot or flight service, where an **occurrence** arises out of any of these activities; and
- b. Renter pilots
A **renter pilot** with respect to any **occurrence** arising out of the operation of the **aircraft** by a **renter pilot**.

4. What Is Not Covered

We do not cover any:

- a. Pilots and Use
Bodily injury or **property damage** unless the requirements of the Coverage Identification Page regarding Item 9. REQUIREMENTS FOR THE PILOT FLYING THE AIRCRAFT and Item 10. THE USE OF THE AIRCRAFT on the Coverage Identification Page are met.
- b. Bodily injury to Employees
Bodily injury to any employee or co-employee while acting in the course and scope of employment by **you** or by **someone we protect** for any claim against **you**, against **someone we protect**, or against a fellow employee. For purposes of this provision, the term “employee” means any person who receives compensation for services performed for **you** or **someone we protect** who would be deemed an

“employee” for worker’s compensation or unemployment benefits compensation purposes under applicable state law. The term “employee” also includes any person defined by this Policy to be an employee in Paragraph 2 of this Part.

- c. Property
Property damage to property which **you** or **someone we protect** owns, has charge of, or transports in the **aircraft**;
- d. Intentional Acts
Bodily injury or **property damage** that is intentionally caused by **you** or by **someone we protect** unless done while **in flight** to prevent dangerous interference with the operation of the **aircraft**;
- e. Injury to You
Bodily injury, or damages claimed as a consequence of such **bodily injury**, sustained by **you**.
- f. Student pilots
Property damage or **bodily injury** if the **aircraft** is being operated **in flight** by a **Student pilot** with passengers unless a **passenger** is a pilot acting as pilot in command with the minimum requirements stated in Item 9 of **your** Coverage Identification Page.
- g. Assumed Liability
Bodily injury or **property damage** that **you** or **someone we protect** has agreed to assume in a contract or agreement.
- h. Ownership and Other Interests
Bodily injury or **property damage** liability if **you** lease, sell or mortgage all or some of **your** interest in the **aircraft** unless all interests of **others** are stated in Item 1 or Item 11 of the Coverage Identification Page or in an Endorsement.
- i. Radiation
Bodily injury or **property damage** that is directly or indirectly caused by or arises out of ionizing radiation or contamination by radioactivity from any source;
- j. Noise, Pollution, Electrical or Other Interference
 - i. **Bodily injury** or **property damage** that is directly or indirectly occasioned by, happening through, caused by, in consequence of, or arising out of:
 - (a) Noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith;
 - (b) Pollution and/or contamination of any kind whatsoever;
 - (c) Electrical and/or electromagnetic interference; or
 - (d) Interference with the use of property;unless caused by or resulting in a crash, fire, explosion or collision or a recorded **in flight** emergency causing abnormal **aircraft** operation.
 - ii. With respect to any provision in the Policy concerning **our** duty to investigate or defend claims, such provision shall not apply and **we** shall not be required to defend:
 - (a) Claims excluded by Paragraph i. above.; or
 - (b) A claim or claims covered by the Policy when combined with any claims excluded by Paragraph i. (referred to below as “Combined Claims”).
 - iii. In respect of any Combined Claim, **we** shall, subject to proof of loss and the limits of the Policy, reimburse **you** for that portion of the following items which may be allocated to the claim or claims covered by the Policy:
 - (a) Damages awarded against **you**; and
 - (b) Defense fees and expenses incurred by **you**.
 - iv. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Nothing herein shall override any nuclear, radioactive contamination or other exclusion clause attached to and forming part of this Policy.

- k. Space Weather
Bodily injury or property damage liability arising out of solar activity, including but not limited to, coronal mass ejections, solar flares or geomagnetic storms.
- l. Liquor Liability
Bodily injury or property damage liability for loss or damage arising out of **you or someone we protect** causing or contributing to the intoxication of any person.
- m. Personal Injury And Advertising Injury
Any loss or damage caused by, in consequence of, or arising out of **Personal Injury and Advertising Injury**.
- n. Assault and/or Battery
Bodily injury or property damage arising out of assault and/or battery committed by, attempted by, threatened by or at the direction of **you or someone we protect**. The failure by **you or someone we protect** to provide an environment safe from assault or battery, as well as the negligent employment, hiring, investigation, training, supervision or retention by **you or someone we protect** arising out of assault and/or battery is also excluded.

5. Defense, Settlement And Supplementary Payments

We also provide the following additional protection with **your** coverage under **Part Three. Liability To Others** as long as **we** have not paid the limits of coverage that **you** have purchased.

We will:

- a. Defend Claims
Defend at **our** expense with attorneys **we** choose, any claim or legal action made against **you or someone we protect** with respect to any claims for **bodily injury or property damage** resulting from an **occurrence we** cover. **We** may investigate, negotiate, or settle any claim or legal action as **we** elect. **Our** right and duty to defend ends when **we** have used up the limit of coverage in the payment of judgments or settlements specified in Item 6;
- b. Pay Expenses
Pay the expenses, and court costs incurred, claims or legal actions **we** defend;
- c. Reimburse Expenses
Reimburse **you and someone we protect** for all reasonable expenses incurred at **our** request, but **we** will not pay for loss of wages or earnings;
- d. Pay Prejudgment Interest
Any prejudgment interest awarded against **you or someone we protect** on that part of the judgment **we** are required to pay under the terms of this Policy. If **we** make an offer to pay the applicable limit of coverage, **we** will not pay any prejudgment interest based on that period of time after the offer;
- e. Pay Postjudgment Interest
Pay postjudgment interest on the part of a judgment against **you or someone we protect** that **we** are obligated to pay until **we** have made payment or tendered or deposited it in court;
- f. Pay Costs of Bonds
Pay premiums on bonds required to release attachments and to appeal from judgments **we** elect to appeal, but **we** will not pay for bonds covering any aggregate amount more than the applicable limit of coverage; and
- g. Comply with Financial Responsibility Laws
Comply with the provisions of any **aircraft** financial responsibility statute if **we** certify **your** policy as proof of **your** future financial responsibility under that statute. **We** will not, however, pay more than the limit of coverage shown in Item 6 of the Coverage Identification Page or in an Endorsement. **You** agree to

reimburse **us** for any amount **we** have to pay in complying with the statute that **we** would not otherwise have had to pay.

Part Four. MEDICAL EXPENSE COVERAGE

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

1. What **We** Will Pay

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

2. Whom **We** Will Pay

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

3. What **We** Will Not Pay

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

4. Effect of Payment

We are not admitting that **you** or **someone we protect** have any legal liability or responsibility by making medical expense payments.

5. Proof of Claim

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

6. Legal Action for Medical Expenses

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

Part Five. SPECIAL PROVISIONS AND CONDITIONS

These Special Provisions and Conditions do not apply unless Item 10 of the Coverage Identification Page or an Endorsement states that the use of the **aircraft** is limited to **pleasure and business** use only.

1. Newly Acquired **Aircraft**

If **you** notify **us** during the policy period and within 30 days after **you** acquire ownership of another **aircraft**, and pay the additional premium, **we** will extend the coverage of this Policy to that **aircraft** if **we** insure all of the **aircraft you** own.

2. Temporary Use of Substitute **Aircraft**

If **you** are unable to fly the **aircraft** because of its breakdown, repair, servicing, loss or destruction, **we** will extend the coverage of this Policy to **your** use of a substitute **aircraft**.

3. Use of Another Aircraft

If **you** are one individual, or one individual and spouse (including an individual recognized as a partner in a domestic partnership under applicable state law), and use another **aircraft** not owned in whole or in part by **you**, or furnished for **your** regular use, **we** will extend the coverage of this Policy to **your** use of another **aircraft**.

4. What Coverage We Will Provide

The coverage provided under this **Part Five. SPECIAL PROVISIONS AND CONDITIONS** will be:

- a. The same **Liability to Others (PART THREE)** coverage and **Medical Expense (PART FOUR)** coverage **we** provide for an **aircraft** with the greatest seating capacity as shown on **your** Coverage Identification Page; and
- b. On Newly Acquired **Aircraft**, the same **Aircraft Physical Damage (PART TWO)** coverage and deductible amounts as **we** provide on similar category and class **aircraft** with the highest **agreed value** shown on **your** Coverage Identification Page. Subject to the foregoing coverage limit, the maximum **we** will pay for physical damage or loss is the amount **you** paid for the **aircraft**, plus the cost of any repairs or additions **you** made; or in the case of a trade-in, the fair market value of the **aircraft** plus the cost of any repairs or additions **you** made.

5. What We Will Not Cover

In addition to those persons and things which **we** will not cover, protect or pay in other parts of **your** Policy, **we** will not provide coverage for Temporary Use of Substitute **Aircraft**, Use of Another **Aircraft** or Newly Acquired **Aircraft**:

- a. Unless the requirements of the Coverage Identification Page regarding Pilots (Item 9) and Use (Item 10) are met;
- b. Unless it is licensed under a standard airworthiness certificate issued by the **FAA**;
- c. If it is a multiengine **aircraft** unless an **aircraft** in Item 5 on the Coverage Identification Page is a multiengine **aircraft**;
- d. If it is a turbine powered **aircraft** unless an **aircraft** in Item 5 on the Coverage Identification Page is a turbine powered **aircraft**;
- e. If it is a rotorcraft unless an **aircraft** in Item 5 on the Coverage Identification Page is a rotorcraft; or
- f. If it is a seaplane or amphibian unless an **aircraft** in Item 5 on the Coverage Identification Page is a seaplane or amphibian.

SEE ENDORSEMENTS FOR ADDITIONAL POLICY TERMS, PROVISIONS
AND CONDITIONS APPLICABLE TO **YOUR** COVERAGE