

No Policy or other Contract dated on or after 1st Jan., 1924, will be recognised by the Committee of Lloyd's as entitling the holder to the benefit of the Funds and/or Guarantees lodged by the Underwriters of the Policy or Contract as security for their liabilities unless it bears at foot the Seal of Lloyd's Policy Signing Office.

Lloyd's Aircraft Policy

(Subscribed only by Underwriting Members of Lloyd's all of whom have complied with the requirements of the Insurance Companies Act, 1958, as to security and otherwise)

Whereas

Of

(Hereinafter called „ the Assured”) has/have made or caused to be made to us a written

Proposal (warranting the truth of the statements contained therein) which is the basis of this Contract and is deemed to be incorporated herein, and has/have paid to us (hereinafter called „the Underwriters”) a premium as per the insurance contract

to insure the Aircraft as specifically described in the Schedule hereto against accidental Loss and/or Damage as hereinafter defined actually occurring during the insurance period and in addition against all sums which the Assured shall become legally liable to pay as compensation as hereinafter set forth for accidental bodily injury or damage actually occurring during the said period.

We the Underwriters, will indemnify the Assured as follows:

Section I. Loss of or Damage to Aircraft

The underwriter will a their option pay for replace or make good accidental loss of or damage to the Aircraft from whatsoever cause arising whilst the Aircraft is:

- (A) in FLIGHT;
- (B) TAXYING
- (C) On the GROUND
- (D) MOORED

But the Underwriters shell not be liable for the cost of making good wear and tear, gradual deterioration, structural defect, electrical or mechanical breakage or breakdown, or for loss or damage arising from such electrical or mechanical breakage or breakdown other than loss or damage caused by fire, explosion, or impact of the Aircraft with an external object.

The cover under this Section shall not include loss of or damage to the Aircraft by burglary, theft, larceny, or malicious means if it be proved such loss or damage was caused by a servant or agent or person under the control of the Assured.

It is a condition of this Insurance that save in the event of the replacement or the total loss of the Aircraft the Assured shall bear in respect of each Aircraft described in the Schedule hereto:

- each and every claim under (A) and
- each and every claim under (B) and
- each and every claim under (C) and
- each and every claim under (D)
- as per the insurance contract

The liability of the Underwriters under this Section shall not:

Exceed in respect of any Aircraft the value stated in the Schedule against such Aircraft less any amount to be borne by the Assured.

Extend to indemnify the Assured in respect of salvage services (as defined) rendered to the Aircraft general average contributions or sue and labour charges.

Section II. Third Party Liability.

The Underwriters will indemnify the Assured for all sums which the Assured shall become legally liable to pay, as compensation, including cost awarded, in respect of accidental bodily injury (fatal or non-fatal) or accidental damage to property provided such injury or damage is caused directly by the Aircraft or by object falling therefrom.

The liability of the Underwriters under this Section shall not exceed the limit stipulated in the insurance contract in respect of any one Accident or series of accidents arising out of one event, and further shall not exceed the limit stipulated in the insurance contract in respect of all Claims hereunder during the currency of this Policy. The Underwriters will in addition defray any Law Costs incurred with their written consent in defending any action which may be brought against the Assured in respect of any claim arising under this Section, but should the amount paid to dispose of such claim exceed the sum insured hereunder then the liability of the Underwriters in respect of the said Law Costs shall be limited to that proportion of the Law Costs which the sum insured hereunder bears to the amount paid to dispose of the claim.

Exceptions

1. The cover under this Section shall not extend to indemnify the Assured in respect of injury (fatal or non-fatal), damage or loss caused to or sustained by:
 - (a) Any sub-contractor of or member of the household or family of the Assured.
 - (b) Any person in the service of or acting on behalf of the Assured or of any such sub-contractor member, whilst engaged in his duties as such.
 - (c) Any passenger whilst entering into, being carried in, or alighting from the Aircraft.
 - (d) Any pilot or member of the crew of the Aircraft or any person working in, on, or about the Aircraft.
2. The indemnity hereunder shall not extend to any property or animals belonging to or in the custody of or the Assured, his servants or agents.

Section III. Legal liability to Passengers (Bodily Injury).

The Underwriters will indemnify the Assured for all sums which the Assured shall become legally liable to pay, and shall pay, as compensation including cost awarded, in respect of accidental bodily injury (fatal or non-fatal) to passengers whilst entering into, being carried in, or alighting from the Aircraft.

PROVIDED always that each passenger carried in any aircraft insured hereunder operating for hire or reward shall be carried subject to the terms of a ticket which shall be issued by the Assured to the passenger before the commencement of the flight and that such ticket shall have printed in a conspicuous manner a condition that the Assured will not be liable for any personal injury howsoever caused in so far as such condition is not contrary to law or to any international agreement.

The Cover under this Section shall not extend to indemnify the Assured in respect of injury (fatal or non-fatal), damage or loss caused to or sustained by:

- (a) any sub-contractor of or member of the household or family of the Assured.
- (b) Any person in the service of or acting on behalf of the Assured or of any such sub-contractor or member whilst engaged in his duties as such.
- (c) Any pilot or member of the crew of the Aircraft or any person working in, on/or about the Aircraft.

The liability of the Underwriters under this Section shall not exceed the limit stipulated in the insurance contract in respect of any one passenger, in respect of any one accident or series of accidents arising out of one event, and further shall not exceed the limit stipulated in the insurance contract in respect of all claims hereunder during the currency of this Policy. The Underwriters will in addition defray any Law Costs incurred with their written consent in defending any action which may be brought against the Assured in respect of any claim arising under this Section, but should the amount paid to dispose of such claim exceed the sum insured hereunder then the liability of the Underwriters in respect of the said Law Cost shall be limited to that proportion of the Law Costs which the sum insured hereunder bears to the amount paid to dispose of the claim.

Aviation 1

General exclusions.

The Underwriters shall not be liable to indemnify the Assured under any Section of this Policy in respect of any loss or damage, bodily injury (fatal or non-fatal), or liability howsoever caused.

1. Whilst the Aircraft is being used for any illegal purpose or for any purpose or purposes other than those stated in the Schedule hereto or whilst outside the geographical limits named therein unless due to *force majeure*. Nevertheless the Underwriters agree to hold covered the risks insured by this Policy in the event of the Aircraft rendering salvage services (as defined) provided immediate notice be given to the Underwriters and any additional premium required be paid.
2. Whilst the Aircraft is being piloted by any person or persons other than those stated in the Schedule hereto, but this exclusion shall not be deemed to apply whilst the Aircraft is being taxied and/or otherwise operated by competent licensed Engineers other than for the purpose of flight (as defined).
3. Whilst the Aircraft is being transported by any means of conveyance except as the result of an accident giving rise to a claim under Section 1 of this Policy.
4. Whilst the Aircraft is using unlicensed landing areas unless due to *force majeure* or covered by special endorsement hereon.
5. Due to or arising out of or directly or indirectly connected with:
 - a) Racing, record attempts, speed trials, aerobatics, aerial seeding or fertilisation, dusting, spraying, fish spotting or any other form of flying involving abnormal hazards.
 - b) Test flights after construction or reconstruction.
 - c) Leaving the Aircraft unattended in the open without taking reasonable precautions for its safety.
6. Which, at the time of the event giving rise to such loss or damage, bodily injury, or liability is insured by or would, but for the existence of this Policy, be insured by any other Policy or Policies except in respect of any excess beyond the amount which would have been payable under such other Policy or Policies had this Insurance not been effected.
7. Arising from liability assumed or rights waived by the Assured by agreement unless such liability would have attached to the Assured in the absence of such agreement.

8. Directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, martial law, strikes, riots, civil commotions, or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
9. Should the total number of Passenger carried in the Aircraft at the time of the happening of such bodily injury, loss or damage or liability exceed the Declared Passenger Seating Capacity stated in the Schedule.

Warranties

WARRANTED THAT:

1. The Assured will comply with all air navigation and airworthiness orders and requirements issued by any competent authority and will take all reasonable steps to ensure that such orders and requirements are complied with by his/their agent(s) and employees and that the Aircraft shall be airworthy at the commencement of each flight.
2. No additional insurance on any interests on or in relation to any Aircraft described in the Schedule, save such as may be required to cover personal accident and legal liability, has been or shall be effected to operate during the currency of this Policy by or for account of the Assured, Owners, Managers, Mortgagees or hirers except:-
3. (a) Additional Insurance on terms and conditions identical with those contained in this Policy.
(b) Additional Insurance on Total Loss Only or any conditions other than those stated in (a) above, whether Policy Proof of Interest, Full Interest Admitted, or otherwise, but only to cover in respect of any one Aircraft an amount not exceeding 10 per cent of the Total Value of that Aircraft as stated in the Schedule of this.

Provided always that a breach of this Warranty shall not afford Underwriters any defence to a claim by a Mortgagee who has accepted this Policy without knowledge of such breach.

General conditions

1. All requisite log books and/or documents shall be kept fully completed up to date and shall be produced to the Underwriters or their Agents on request in support of all or any claim(s) hereon.
2. The Assured shall use due diligence and do and concur in doing everything reasonably practicable to avoid or diminish any loss hereon but shall not make any admission of liability or payment or offer or promise of payment without the written consent of the Underwriters.
3. In the event of the Aircraft sustaining damage whether covered by this Policy or not the Assured or his/their Agent(s) shall forthwith take steps as may be necessary to ensure the safety of the damage Aircraft and its equipment and accessories. No dismantling or repairs shall be commenced without the written consent of the Underwriters excepting such as may be necessary in the interest of safety and to prevent further damage.
4. The Underwriters shall be entitled at any time and for so long as they desire to take absolute control of all negotiations and proceedings and in the name of the Assured to settle or defend or prosecute any claim.
5. Immediate notice of any event likely to give rise to a claim under this Policy shall be given to the Insures as per the insurance contract to whom the Assured shall furnish full particulars in writing of such event and shall forward immediately notice of any claim by a Third Party or Passenger and any letters or documents relating thereto and shall given notice of any impending prosecution. In all cases the Assured shall render such further information and assistance as the

Underwriters may reasonably require and shall not act in any way to the detriment or prejudice of the interests of the Underwriters.

6. In the event of the Underwriters exercising their option under Section I to replace the Aircraft the replacement shall be by an Aircraft of the same make and type and in reasonably like condition.
7. The Aircraft shall at all times remain the property of the Assured save that in the event of the replacement or the total loss of the Aircraft the Underwriters shall be entitled at their option to take over the remains of the Aircraft as salvage.
8. If the Assured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise this Policy shall become void and all claims thereunder shall be forfeited.
9. If any dispute or difference shall arise between the Assured and the Underwriters in connection with this Insurance such difference or dispute shall be submitted to Arbitration in London in accordance with the Statutory provision for Arbitration for the time being in force.
10. Should there be any change in the circumstances or nature of the risks which are the basis of this contract the Assured shall give immediate notice thereof to the Underwriters and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted by the Underwriters.
11. This Policy may be cancelled at any time by the Underwriters giving 10 days' notice in writing of such cancellation. In such event, the Underwriters will return in respect of the unexpired period, a *pro rata* portion of the premium. There will not be return of premium in respect of any aircraft on which a loss under this policy, adjustable on the basis of a total loss, has occurred.
12. This Policy shall not be assigned in whole or in part except with the consent of the Underwriters verified by endorsement hereon.
13. In the event of loss whether or not covered by this Policy the value of the Aircraft stated in the Schedule shall be reduced as at the time and date of loss by the amount of such loss and such reduced value shall continue until repairs are commenced. The value of the Aircraft shall then be increased by the value of the completed repairs until the value of the Aircraft is fully reinstated to that stated in the Schedule or until the Policy has expired.
14. The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy shall be conditions precedent to any liability of the Underwriters to make any payment under this Policy.

How know we what

We the Underwriters, Members of the Syndicates whose definitive numbers in the after mentioned List of Underwriting Members of Lloyd's are set out in the attached Table, hereby bind ourselves each for his own part and not one for another, our Heirs, Executors, Administrators or Assigns or to indemnify him or them against all such Loss, Damage or Liability as aforesaid subject always to the terms, conditions and limitations contained herein or endorsed hereon or attached hereto, and the due proportion for which each of us, the Underwriters, is liable shall be ascertained by reference to his share, as shown in the said List, of the Amount, Percentage or Proportion of the total sum assured hereunder which is in the Table set opposite the definitive number of the Syndicates of which such Underwriter is a Member AND FURTHER THAT the List of Underwriting Members of Lloyd's referred to above shows their respective Syndicates and Shares therein, is deemed to be incorporated in and to form part of this Policy, bears the number specified in the attached Table and is available for inspection at Lloyd's Policy Signing Office by the Assured or his or their representatives and a true copy of the material parts of the said List certified by the General Manager of Lloyd's Policy Signing Office will be furnished to the Assured on application.

Definitions

“FLIGHT” shall be deemed to mean from the time the Aircraft moves forward in taking off or attempting to take off for the actual air transit, whilst in the air, and until the Aircraft completes its landing run after contact with the earth and/or water.

“TAXING” Shall be deemed to mean when the Aircraft is moving along the ground whether under its own power or momentum or in process of being towed but not in flight as defined; but in the case of aircraft whilst afloat, “ TAXING” shall be deemed to mean when such Aircraft is not in flight or moored as defined.

“ON THE GROUND” (not applying to aircraft whilst afloat) shall be deemed to mean whilst the Aircraft is not in flight or taxing as defined.

“MOORED” shall be deemed to mean whilst the Aircraft is afloat and safely secured and shall include the risk of launching and hauling up.

“AIRCRAFT” shall be deemed to mean the Aircraft specified in the Schedule hereto together with its engine(s) and standard instruments and equipment including any extra equipment or accessories specifically mentioned in the Schedule.

“SALVAGE SERVICE” shall be deemed to mean any services rendered by or in relation to the Aircraft in, on or over the sea or any tidal water or on or over the shores of the sea or any tidal water, in all cases in which they would have been salvage service, whether maritime or under contract or under contract, had they been rendered by or relation to a vessel.