



Aerospace

# Aviation Insurance Contract

## AIRCRAFT INSURANCE POLICY COVERAGE SUMMARY PAGE

This page, the policy provisions, and the endorsements attached, completes this policy at its inception.

Policy number LP 006354229-03 Issued by: ILLINOIS NATIONAL INSURANCE COMPANY  
300 SOUTH RIVERSIDE PLAZA, SUITE 2100, CHICAGO, IL  
60606-6613

Item 1. **Your** Name and Address: JAMES DAVID CARLSON  
25 ESSEX ST  
NORTH ANDOVER, MA 01845-1345, USA

Item 2. Policy Period: From December 9, 2012 to December 9, 2013  
Beginning and ending at 12:01 a.m. standard time at the address shown in Item 1. above.

Item 3. Coverage only applies as indicated by a specific limit, premium and deductible.

	Limits of Liability	Premiums
A. <b>Aircraft</b> Liability Single Limit for <b>Bodily Injury and Property Damage</b> <u>In</u> cluding <b>Passengers</b> , but <b>Passenger Bodily Injury</b> Limited within the Single Limit to	\$ <u>1,000,000.</u> each <b>occurrence</b>	\$ 150.
B. <b>Medical Expense</b> <u>In</u> cluding crew	\$ <u>100,000.</u> each <b>passenger</b>	
C. <b>Physical Damage to Your Aircraft</b>	\$ <u>5,000.</u> each <b>passenger</b>	\$ 0.

		Deductibles					
		Not-in-Motion	Not-in-Flight	Flight			
ID Number	Year	Make and Model	Agreed Value	Not-in-Motion	Not-in-Flight	Flight	
N736YB	1978	CESSNA 172	\$ 52,000.	\$ 0.	\$ 0.	\$ 0.	361.
			\$	\$	\$	\$	
			\$	\$	\$	\$	
			\$	\$	\$	\$	
			\$	\$	\$	\$	
			\$	\$	\$	\$	

Endorsements: OLAD01 9/00, LAD180, LAD1541, AVN48B, UE1066, AVN38B, AV882, AVN46B, LAD857, UE858, 71223 \$ 1.

State and Local Premium Taxes and Surcharges: \$ 0.00

Total Premium \$ 512.00

Item 4. The **aircraft** will be used only for **non-commercial use**.

Item 5. While the **aircraft** is in **flight** it will be piloted only by the person(s) meeting the provisions of the "Pilots Endorsement".

Producer AOPA INSURANCE AGENCY, INC.  
A00092 P. O. BOX 9170, WICHITA, KS 67277

Countersigned \_\_\_\_\_

At \_\_\_\_\_

By \_\_\_\_\_  
(Authorized Representative)

Approved By   
(Authorized Representative)

## PILOTS ENDORSEMENT

In consideration of Additional premium of \$        (Included) , Item 5 on Page One is completed as follows, but only with respect to   N736YB  

- A) While the **aircraft** is in **flight** it will be piloted only by the person(s) specifically named as pilot(s) for **your aircraft** listed below, provided that the pilot-in-command has:
1. a current and valid **FAA** Pilots Certificate with ratings and endorsements applicable to **your aircraft**, or is under the direct supervision of a Certified Flight Instructor;
  2. if required, a current and valid **FAA** Medical Certificate;
  3. if required, a current and valid Biennial Flight Review;
  4. logged or is receiving the dual flight instruction required below and receives a written endorsement from a Certified Flight Instructor to solo the same make and model as **your aircraft**;
  5. logged the solo flight(s) in the same make and model as **your aircraft** prior to carrying **passengers**.

The dual flight instruction required below must be given by a Certified Flight Instructor that meets the requirements of paragraph B) below, whether an "X" appears in the box or not, or these named pilots:

The dual flight instruction must include ground instruction with an emphasis on aircraft performance, aircraft systems, fuel management, and emergency procedures. The flight portion must include basic aircraft control, aircraft systems management, and emergency procedures.

PILOT(S)	DUAL FLIGHT INSTRUCTION PRIOR TO SOLO (hours / flights)	SOLO FLIGHT(S) PRIOR TO CARRYING PASSENGERS (hours / flights)
JAMES DAVID CARLSON		

- B)  If an "X" appears in this box, the **aircraft** may also be piloted by any person who has **your** permission and has:

1. a current and valid **FAA** Private, Commercial, or ATP pilot certificate with ratings and endorsements applicable to **your aircraft**,  
 including an instrument rating, if an "X" appears in this box;
2. if required, a current and valid **FAA** Medical Certificate;
3. if required, a current and valid Biennial Flight Review;
4. at least:

\_\_\_\_\_ total logged hours as pilot-in-command of aircraft, of which includes the following hours in the aircraft described below:

- \_\_\_\_\_ same make and model as **your aircraft**
- \_\_\_\_\_ aircraft with the same type of retractable and/or tail-wheel landing gear as **your aircraft** being flown
- \_\_\_\_\_ multi-engine powered fixed wing aircraft
- \_\_\_\_\_ turbine powered aircraft
- \_\_\_\_\_ fixed wing seaplanes
- \_\_\_\_\_ rotorcraft
- \_\_\_\_\_ sailplanes

- If an "X" appears in this box, all pilots meeting the requirements in items A) and B) above must also have successfully completed the aircraft manufacturer's approved ground and flight training program, or its equivalent as approved by the **Aviation Managers**, in the same make and model being flown, within the twelve (12) months immediately preceding any and all flights covered by this policy.

With respect to sailplanes, the word "hours" is replaced by the word "flights".

- C) Regardless of the above, the following pilot(s) are specifically not approved to pilot the **aircraft**, including manipulation of the aircraft controls in any manner or at any time whatsoever:

All other provisions of this policy remain the same.

This endorsement becomes effective December 9, 2012 to be attached to and hereby made a part of Policy No. LP 006354229-03 issued to JAMES DAVID CARLSON

By ILLINOIS NATIONAL INSURANCE COMPANY

Endorsement No. 1

Date of Issue December 4, 2012

By   
(Authorized Representative)

## BROAD COVERAGE ENDORSEMENT

In consideration of a flat charge of \$     Included     , **we** agree to add the following coverages to **your** policy as respects All Aircraft insured here under \_\_\_\_\_ :

The premium for this endorsement is fully earned. If **you** cancel the coverage provided in this endorsement, the premium charged above will not be returned.

### 1. AIRCRAFT VALUE APPRECIATION COVERAGE

In the event of a **Total Loss**, the **Agreed Value** for **your aircraft** shown in Item 3 on Coverage Summary Page will be increased for the "Amount of Appreciation" during this policy period, subject to the following:

The "Amount of Appreciation" shall be the percentage difference in the "base average retail value" for **your aircraft** from the effective date that the **Agreed Value** is acknowledged and reflected in this policy, until the **total loss**. If this policy is **our** renewal of coverage for **your aircraft**, the "Amount of Appreciation" will be for a period of not less than 90 days prior to the **total loss**. The "Amount of Appreciation" applied to the **agreed value** shall not exceed 5%.

The "base average retail value" must be published in **our** "aircraft value reference source", and shall not include any adjustment for engine time, avionics, condition, or any other aircraft modification or additional equipment.

**Our** "aircraft value reference source" will be those in effect during the term of this endorsement.

### 2. BAGGAGE LIABILITY

Exclusion 6. a) is deleted and replaced with the following:

a) up to \$5,000. per **passenger** for **loss to personal effects**, subject to an **occurrence** limit equal to \$5,000. multiplied by the total number of seats for the **aircraft** involved;

### 3. BODILY INJURY EXCLUSION AMENDMENT

Exclusion 2. is deleted.

### 4. EMERGENCY LANDING

This coverage applies only if **you** have purchased In **Flight Physical Damage** Coverage C:

If a pilot named in Item 5. is forced to make an emergency landing away from an airport and there is no **physical damage to your aircraft**, **we** will pay the reasonable cost to transport **your aircraft** to the nearest airport. The most **we** will pay under this coverage is \$15,000. for any one **occurrence** and in the annual aggregate. **You** must notify **us** prior to transporting the **aircraft** and **we** must agree to the transportation arrangement.

5. EQUIPMENT COVERAGE

**Physical Damage** Coverage is amended to include the following portable and/or additional **aircraft** equipment for which **you** own or lease:

<u>Type of Equipment</u>	<u>Estimated Value</u>
Portable Avionics, Headsets	\$ 1,000. per <b>occurrence</b>
Safety Equipment	\$ 1,000. per <b>occurrence</b>
Aircraft Spare Parts	\$ 25,000. per <b>occurrence</b>

With respect to the coverage provided by this section:

- a) The term **agreed value**, as found in the policy provisions, means the Actual Cash Value of the portable and/or additional **aircraft** equipment at the time of issuing this endorsement.
- b) Paragraph 1 of COVERAGE C under the Limits of the Company's Liability is deleted and replaced with the following:
  1. the Actual Cash Value of the portable and/or additional **aircraft** equipment at the time of **loss**, but not to exceed its per **occurrence** limit;

"Actual Cash Value" is an amount equivalent to the replacement cost of lost or damaged property at the time of the loss, less depreciation.

6. EXPENSE FOR RENTING SUBSTITUTE AIRCRAFT

Only with respect to **aircraft** having **Flight** Coverage C:

- a) The **Company** will pay the reasonable expenses incurred by **you** for renting a similar substitute **aircraft** necessitated by **physical damage** to an **aircraft** scheduled on Item 3 on Coverage Summary Page, for up to ninety (90) consecutive days after the **loss** or **occurrence**; subject to the **Company's** Limit of Liability below. The **Company** will also pay for up to one hour of dual instruction for purposes of completing a rental checkout in the substitute **aircraft**. This is part of and not in addition to the limit of liability stated below.
- b) LIMIT OF LIABILITY
  - 1) \$1,000. for each day, each **aircraft**, but not to exceed
  - 2) \$14,000. any one **loss** or **occurrence**, each **aircraft**.
- c) Coverage does not apply to expenses:
  - 1) If **you** acquire through ownership, lease, lease-purchase option, or otherwise a permanent replacement **aircraft**;
  - 2) Incurred after the **Company** has offered **you** proof of **loss** with respect to the insured **aircraft**, but this clause only applies if the insured **aircraft** is a **total loss**;

- 3) Incurred after repairs covered under Coverage C on **your aircraft** have been completed;
- 4) For storage, parking, tie-down, hangaring, landing, servicing, fueling or maintenance fees or charges, operating costs, or crew salaries or fees.
- 5) If **we** pay any expenses for renting substitute aircraft parts.

7. EXPENSE FOR RENTING SUBSTITUTE AIRCRAFT PARTS

Only with respect to **aircraft** having **Flight** Coverage C:

The **Company** will pay the reasonable extra expense, including the direct cost of installation, removal and transportation, incurred by **you** for renting or leasing aircraft parts as temporary substitutes for **aircraft** parts:

- a) damaged and being repaired, or
- b) destroyed and being permanently replaced,

caused by a **Physical Damage loss** covered by this policy to an **aircraft** shown on Item 3. of the Coverage Summary Page for the necessary repair period up to 90 days after the **loss** or **occurrence**.

The Limit of the **Company's** Liability with respect to the coverage provided by this endorsement shall not exceed:

\$5,000. each **loss**, regardless of the number of such substitute parts or **aircraft**.

The coverage provided herein shall be in addition to the Limit of Liability shown in Item 3 on the Coverage Summary Page.

This endorsement does not apply:

1. if the **aircraft** to which this endorsement applies is a **total loss**;
2. to any aircraft part not necessary for normal **flight**;
3. to **your** spare parts;
4. to parts under existing rental, lease or exchange agreements;
5. to charges for wear, tear or depreciation, damage, **loss**, loss of use, maintenance, repairs or operating costs;
6. to charges incurred after such damaged or destroyed part has been permanently repaired or replaced;
7. to charges incurred while such **aircraft** or temporary substitute part is unusable on account of:
  - a) an Airworthiness Directive, factory Service Bulletin, airworthiness inspection, breakdown;
  - b) malfunction or unsuitability;
8. if **we** pay any expenses for renting substitute aircraft.

8. HURRICANE PROTECTION COVERAGE

If the U.S. National Weather Service issues a "Hurricane Watch or Warning" for the area where **your aircraft** is principally based, **we** will reimburse **you** for a portion of the costs incurred by **you** to protect **your aircraft**, subject to the following:

- a) **Your aircraft** must be relocated to another airport, which is at least 100 nautical miles away and not under a "Hurricane Watch or Warning".
- b) This coverage only applies to **aircraft** listed in Item 3 of the Coverage Summary Page which have **Aircraft Physical Damage** Coverage C.

**Our** portion of the costs shall not exceed \$1,000. of the amount **you** incur to relocate the **aircraft**, for any one relocation during the policy period. The costs include the hiring of a pilot, who is not employed by **you**, and who meets the requirements of the Pilot Endorsement. **Your** costs must be properly receipted, documented and submitted to **us** for reimbursement.

9. **NON-OWNED AIRCRAFT LIABILITY AND MEDICAL EXPENSE**

INSURING AGREEMENT 4. b) is deleted and replaced by the following:

- b) use of **non-owned aircraft** by **you**.

In addition to the Exclusions applicable to Coverages A and B, the coverage provided by this paragraph does not apply to:

- a) **Property Damage** to, destruction of, or loss of use of **non-owned aircraft**;
- b) Claims arising out of any product designed, manufactured, sold, distributed, serviced or handled by any **insured**;
- c) Claims arising out of any **aircraft** rented to, financed for, or leased to others, or repossessed or reacquired by any **insured**, subsidiary, owned or controlled firm thereof.

10. NON-OWNED HANGAR AND CONTENTS

Exclusion 6.b) is deleted and replaced with the following:

- b) up to \$ 50,000. each **occurrence** for **property damage** to a hangar **you** rent, and its contents **you** do not own.

11. **NON-OWNED AIRCRAFT PROPERTY DAMAGE LIABILITY COVERAGE**

If **you** have purchased **Flight Physical Damage** Coverage, Insuring Agreement 4. - Liability Insurance For **Your** Use of **Non-Owned Aircraft** is extended to apply to **your** legal liability for **property damage** to **non-owned aircraft** used by **you**.

**Our** limit of liability for **property damage** to a **non-owned aircraft** will be no more than the greatest amount of **flight** coverage that **you** purchased for **your aircraft**, shown as the **agreed value** on Coverage Summary Page One, or \$50,000. whichever is more.

The coverage provided hereunder shall be part of and not in addition to the limit of liability stated in Coverage A on the Coverage Summary Page.

## 12. PERSONAL INJURY

Coverage A is amended to include **Personal Injury** Liability Insurance, but the most **we** will pay is the lesser of:

- a) limit of liability shown in Item 3 on Coverage Summary Page any one offense and in the annual aggregate;
- b) \$ 1,000,000. any one offense and in the annual aggregate.

**Personal Injury** means injury other than **bodily injury** arising from false arrest, detention, imprisonment, malicious prosecution, or eviction of a person from **your aircraft**. **Personal injury** does not include any one offense and in the annual aggregate:

- a) arising out of the willful violation of a penal statute or ordinance committed by or with **your** consent or the consent of anyone else;
- b) that **you** or anyone else has agreed to assume for others;
- c) arising out of the past, present or future employment of anyone.

## 13. PREMISES

Coverage A is extended to **bodily injury** and **property damage** for which **you** are legally liable, caused by an **occurrence** and arising out of the maintenance or use of the **premises** in or upon which **your aircraft** is stored.

**Premises** means the portions of an airport as are designated and used for the parking or storage of **your aircraft**, including **premises** owned or maintained by **you**.

The insurance provided by this Paragraph 13. will be secondary to and excess over any other valid and collectible insurance available to **you**.

## 14. RETURN PREMIUM

The following phrase is deleted from Conditions of Insurance, Item 9. Cancellation:

**We** shall not be liable for any return **physical damage** premium with respect to an **aircraft** on which a **total loss** has been paid.

## 15. PRODUCTS LIABILITY - SALE OF AIRCRAFT

Liability Coverage A is extended to include all sums which **you** become legally obligated to pay for an **occurrence** arising from **your** lease relinquishment or sale of **your aircraft** described in Item 3 on Coverage Summary Page.

This coverage shall apply only if the **bodily injury** or **property damage** occurs away from the **premises** used by **you** and after physical possession of the **aircraft** has been relinquished to others.

The most **we** will pay is the lesser of:

- a) limit of liability shown in Item 3 on Coverage Summary Page any one **occurrence** and in the annual aggregate;
- b) \$ 1,000,000. (subject to the **passenger bodily injury** limit indicated in Item 3 on Coverage Summary Page any one **occurrence** and in the annual aggregate.

The coverage provided by this provision shall remain in effect for six (6) calendar months following the date of the sale of the covered **aircraft**.

16. TRIP INTERRUPTION COVERAGE

We will reimburse you for "Trip Expenses" that you incur for alternate transportation of passengers, because of a loss that is otherwise covered by this policy, subject to the following:

- a) "Trip Expenses" include only the transportation costs:
  - 1) incurred after a loss, which renders the aircraft unairworthy and remains so at the time you incur the "trip expenses";
  - 2) from the place of loss to the original destination or the aircraft's home airport, whichever is closer;
  - 3) up to \$250. each passenger and \$1,500. each occurrence and must be properly receipted, documented and submitted to us for reimbursement.
- b) The aircraft involved in the loss must appear in Item 3 of the Coverage Summary Page with Flight Physical Damage Coverage C.

All other provisions of this policy remain the same.

This endorsement becomes effective December 9, 2012 to be attached to and hereby made a part of Policy No. LP 006354229-03 issued to JAMES DAVID CARLSON

By ILLINOIS NATIONAL INSURANCE COMPANY

Endorsement No. 2

Date of Issue December 4, 2012

By  (Authorized Representative)

## WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION)

This policy is amended as follows:

In the event any of the provisions of this endorsement are in conflict with any provisions, exclusions, conditions or terms forming part of this policy, this endorsement shall take precedence.

This policy does not cover claims caused by:

- (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 detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force 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;
- (g) Hi-jacking 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.

Furthermore, this policy does not cover claims arising whilst 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).

All other provisions of this policy remain the same.

This endorsement becomes effective December 9, 2012 to be attached to and hereby made a part of Policy No. LP 006354229-03 issued to JAMES DAVID CARLSON

By ILLINOIS NATIONAL INSURANCE COMPANY

Endorsement No. 3

Date of Issue December 4, 2012

By   
(Authorized Representative)

## TERRORISM EXCLUSION - CERTIFIED ACTS

This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of an "act of terrorism", which is defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively, "TRIA") as follows:

- (1) ACT OF TERRORISM. -
- (A) CERTIFICATION. - The term "act of terrorism" means any act that is certified by the Secretary [of the Treasury], in concurrence with the Secretary of State, and the Attorney General of the United States -
- (i) to be an act of terrorism;
  - (ii) to be a violent act or an act that is dangerous to -
    - (I) human life;
    - (II) property; or
    - (III) infrastructure;
  - (iii) to have resulted in damage within the United States or outside of the United States in the case of-
    - (I) an air carrier or vessel [described in TRIA]; or
    - (II) the premises of a United States mission; and
  - (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- (B) LIMITATION. - No act shall be certified by the Secretary as an act of terrorism if -
- (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
  - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (C) DETERMINATIONS FINAL. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- (D) NONDELEGATION. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

THE PROVISIONS OF THIS ENDORSEMENT SHALL APPLY SOLELY TO TRIA AND SHALL IN NO WAY AFFECT THE PROVISIONS OF THE WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION), FORM NO. AVN48B, OR ANY AMENDMENTS THERETO.

All other provisions of this policy remain the same.

This endorsement becomes effective December 9, 2012 to be attached to and hereby made a part of Policy No. LP 006354229-03 issued to JAMES DAVID CARLSON

By ILLINOIS NATIONAL INSURANCE COMPANY

Endorsement No. 4

Date of Issue December 4, 2012

By   
(Authorized Representative)

## NUCLEAR RISKS EXCLUSION CLAUSE

This policy is amended as follows:

In the event any of the provisions of this endorsement are in conflict with any provisions, exclusions, conditions or terms forming part of this policy, this endorsement shall take precedence.

1. This policy does not cover:

- (i) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (ii) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from:

- (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (b) 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;
- (c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

2. It is understood and agreed that such radioactive material or other radioactive source in paragraph 1. (b) and (c) above shall not include:

- (i) depleted uranium and natural uranium in any form;
- (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.

3. This policy, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:

- (i) 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
- (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
- (iii) the Insured under this policy is, or had this policy not been issued would be, entitled to indemnification from any government or agency thereof.

4. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph 2. shall (subject to all other terms, conditions, limitations, warranties and exclusions of this policy) be covered, provided that:

- (i) 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;
- (ii) this policy shall only apply to an incident happening during the period of this policy 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 years after the date thereof;
- (iii) in the case of any claim for the loss of or destruction of or damage 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> (IAEA Health and Safety Regulations)	<u>Maximum permissible level</u> <u>of non-fixed radioactive</u> <u>surface contamination</u> (Averaged over 300 cm <sup>2</sup> )
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 bequerels / cm <sup>2</sup> (10 <sup>-4</sup> microcuries / cm <sup>2</sup> )
All other alpha emitters	Not exceeding 0.4 bequerels / cm <sup>2</sup> (10 <sup>-5</sup> microcuries / cm <sup>2</sup> )

(iv) the cover afforded hereby may be cancelled at any time by the Company giving seven days' notice of cancellation.

All other provisions of this policy remain the same.

This endorsement becomes effective December 9, 2012 to be attached to and hereby made a part of Policy No. LP 006354229-03 issued to JAMES DAVID CARLSON

By ILLINOIS NATIONAL INSURANCE COMPANY

Endorsement No. 5

Date of Issue December 4, 2012

By   
(Authorized Representative)

## ASBESTOS EXCLUSION ENDORSEMENT

This policy does not cover any claims of any kind whatsoever directly or indirectly relating to, arising out of or in consequence of:

1. The actual, alleged or threatened exposure to or presence of asbestos in any form whatsoever, including, but not limited to, asbestos fibers or asbestos dust, or any material or product containing, or alleged to contain, asbestos; or
2. Any obligations, request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against or in any other way respond to the actual, alleged or threatened exposure to or presence of asbestos in any form whatsoever, including, but not limited to, asbestos fibers or asbestos dust, or any material or product containing, or alleged to contain, asbestos.

However, the exclusion shall not apply to any claim for asbestos exposure caused by or resulting from a crash, fire, explosion, or collision or a recorded in flight emergency causing abnormal aircraft operations.

Notwithstanding any other provisions of this Policy, Insurers will have no duty to investigate, defend or pay defense costs in respect of any claim excluded in whole or in part under paragraphs 1. or 2. hereof.


All other provisions of this policy remain the same.

This endorsement becomes effective December 9, 2012 to be attached to and hereby made a part of Policy No. LP 006354229-03 issued to JAMES DAVID CARLSON

By ILLINOIS NATIONAL INSURANCE COMPANY

Endorsement No. 6

Date of Issue December 4, 2012

By   
(Authorized Representative)

## NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE

This policy is amended as follows:

In the event any of the provisions of this endorsement are in conflict with any provisions, exclusions, conditions or terms forming part of this policy, this endorsement shall take precedence.

1. This policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:
  - (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
  - (b) pollution and contamination of any kind whatsoever,
  - (c) electrical and electromagnetic interference,
  - (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.
2. 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:
  - (a) claims excluded by paragraph 1., or
  - (b) a claim or claims covered by the policy when combined with any claims excluded by paragraph 1. (referred to below as "Combined Claims").
3. 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 the following items which may be allocated to the claims covered by the policy:
  - (a) damages awarded against the Insured and
  - (b) defense fees and expenses incurred by the Insured.
4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this policy.

All other provisions of this policy remain the same.

This endorsement becomes effective December 9, 2012 to be attached to and hereby made a part of Policy No. LP 006354229-03 issued to JAMES DAVID CARLSON

By ILLINOIS NATIONAL INSURANCE COMPANY

Endorsement No. 7

Date of Issue December 4, 2012

By   
(Authorized Representative)

**EXCLUSION DELETION ENDORSEMENT**

**Physical Damage Coverage**  
(Terrorism Risk Insurance Program Reauthorization Act of 2007)

In consideration of an additional premium of \$ \_\_\_\_\_ (Included) \_\_\_\_\_, this policy is amended as follows:

Notwithstanding anything in the policy to the contrary, this endorsement provides the coverages shown below:

**Exclusion Deletion**

Endorsement UE1066 - entitled Terrorism Exclusion - Certified Acts - is hereby deleted from this policy except as to those aircraft listed below. The deletion of UE1066 shall in no way affect the provisions of the War, Hi-Jacking and Other Perils Clause (Aviation), Form No. AVN48B or any amendments thereto.

<u>ID Number</u>	<u>Make and Model</u>	<u>Year</u>	<u>Agreed Value</u>

Coverage provided by this endorsement is subject to the terms, exclusions, conditions and limitations of the policy to which it is attached.

All other provisions of this policy remain the same.

This endorsement becomes effective December 9, 2012 to be attached to and hereby made a part of Policy No. LP 006354229-03 issued to JAMES DAVID CARLSON

By ILLINOIS NATIONAL INSURANCE COMPANY

Endorsement No. 8

Date of Issue December 4, 2012

By   
(Authorized Representative)

**EXCLUSION DELETION ENDORSEMENT**

Liability Coverage  
(Terrorism Risk Insurance Program Reauthorization Act of 2007)

In consideration of an additional premium of \$     \$1 (Included)     , this policy is amended to provide such coverage as is set forth below:

(A) EXCLUSION DELETION

Endorsement UE1066 - entitled Terrorism Exclusion - Certified Acts - is hereby deleted from this policy. The deletion of UE1066 shall in no way affect the provisions of the War, Hi-Jacking and Other Perils Exclusion Clause (Aviation), Form No. AVN48B, or any amendments thereto.

(B) LIMITATION OF LIABILITY

The limit of the Company's liability for the coverage contemplated by this Endorsement shall be included within and shall not be in addition to the limits of liability provided under this policy.

All other provisions of this policy remain the same.

This endorsement becomes effective     December 9, 2012     to be attached to and hereby made a part of Policy No.     LP 006354229-03     issued to     JAMES DAVID CARLSON    

By     ILLINOIS NATIONAL INSURANCE COMPANY    

Endorsement No.     9    

Date of Issue     December 4, 2012    

UE858 (2/08)

By       
(Authorized Representative)

**AVIATION DATE RECOGNITION ENDORSEMENT WITH LIMITED COVERAGE GRANT  
AIRCRAFT OPERATORS OPTION 4**

This Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

- a) the failure or inability of any computer hardware, software, integrated circuit, chip, computer component or other information technology equipment or system (whether in the possession of the **Insured** or of any third party) accurately or completely to process, recognize, exchange or transfer year, date or time data or information in connection with:
- the change of year from 1999 to 2000; and/or
  - the change of date from 21 August 1999 to 22 August 1999; and/or
  - any other change of year, date or time;

whether on or before or after such change of year, date or time;

- b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip, computer component or other information technology equipment or system (whether in the possession of the **Insured** or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;
- c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the **Insured** or of any third party related to any such change of year, date or time;

and any provision in this Policy concerning any duty of the Company to investigate or defend claims shall not apply to any claims so excluded.

HOWEVER, in consideration of the additional premium of \$ (Included), it is hereby understood and agreed that this endorsement shall not apply to:

1. any accidental loss of or damage to an **aircraft** defined in the policy schedule (Insured **Aircraft**); and
2. any sums which the **Insured** shall become legally liable to pay, and (if so required by the Policy) shall pay (including costs awarded against the **Insured**) in respect of:
  - (a) accidental **bodily injury** (fatal or otherwise) to **passengers** directly caused by an accident to an insured **aircraft**; and/or
  - (b) loss of or damage to baggage and personal articles of **passengers**, mail and cargo directly caused by an accident to an insured **aircraft**; and/or
  - (c) accidental **bodily injury** (fatal or otherwise) and accidental damage to property directly caused by an insured **aircraft** or by any person or object falling therefrom.

PROVIDED THAT:

1. Coverage provided pursuant to this endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of this Policy (except as specifically provided herein), and nothing in this endorsement extends coverage beyond that which is provided by the Policy.
2. Nothing in this endorsement shall provide any coverage in respect of grounding and/or loss of use of any **aircraft** which has not been physically damaged or destroyed in the accident giving rise to a claim under the Policy.

All other provisions of this policy remain the same.

This endorsement becomes effective December 9, 2012 to be attached to and hereby made a part of Policy No. LP 006354229-03 issued to JAMES DAVID CARLSON

By ILLINOIS NATIONAL INSURANCE COMPANY

Endorsement No. 10

Date of Issue December 4, 2012

By   
(Authorized Representative)

## **POLICYHOLDER NOTICE**

Thank you for purchasing insurance from a member company of Chartis Inc. The Chartis Inc. member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis Aerospace Insurance Services, Inc. to brokers and independent agents in the United States by visiting our website at [www.chartisinsurance.com/producercompensation](http://www.chartisinsurance.com/producercompensation) or by calling Chartis at 800-706-3102.

ILLINOIS NATIONAL INSURANCE CO.  
(Herein called the Company)  
300 SOUTH RIVERSIDE PLAZA, SUITE 2100  
CHICAGO, IL 60606-6613

AIRCRAFT POLICY  
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AIRCRAFT POLICY TABLE OF CONTENTS

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#### MEXICO WARNING STATEMENT

If **you** have an **occurrence** in Mexico and **you** have not purchased aircraft liability insurance for that **aircraft** from a Mexican insurance company, **you** and **your passengers** may be jailed and that **aircraft** taken from **you** by the Mexican authorities.

**We** are not a Mexican insurance company. Contact **your** Producer for information on this coverage.

## AIRCRAFT INSURANCE POLICY PROVISIONS

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### PART ONE INSURING AGREEMENTS

Subject to the policy Limits of Liability, Exclusions, Conditions, Definitions and approved Endorsements, **we** agree to provide **you** the following insurance in return for **your** premium payment. **Our** agreement to provide coverage and the premium amount are based on the statements in **your** application being true. This policy is the only agreement between **you** and **us** relating to the subject of this insurance.

1. LIABILITY INSURANCE FOR **YOUR AIRCRAFT**

COVERAGE A - **Bodily Injury** and **Property Damage** Liability Insurance

**We** will pay for **bodily injury** and **property damage** for which an **insured** is legally liable, caused by an **occurrence** arising from the ownership, maintenance or use of **your aircraft**.

2. INSURANCE FOR **MEDICAL EXPENSES**

COVERAGE B - **Medical Expenses** Coverage

**We** will pay for necessary **medical expenses** incurred within one year of an insured **occurrence** for **bodily injury** to **passengers** including crew.

3. INSURANCE FOR **PHYSICAL DAMAGE TO YOUR AIRCRAFT**

COVERAGE C - **Aircraft Physical Damage**

**We** will pay for **physical damage** to **your aircraft**.

4. LIABILITY INSURANCE FOR **YOUR USE OF NON-OWNED AIRCRAFT**

Coverages A & B will apply (if insured) to **your** legal liability arising out of:

- a) temporary use by **you** of a substitute **non-owned aircraft** if **your aircraft** is not usable due to its breakdown, repair, servicing, or **loss**;
- b) use of **non-owned aircraft** by **you** but only if **you** are one individual or one individual and **your spouse**.  
The coverages under this Insuring Agreement 4 only apply as excess over other insurance available to **you**.

5. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS AND SUITS

**We** have the right and duty to defend, investigate and settle any claim or suit against an **insured** covered by this insurance as **we** judge proper. But, when the applicable Limit of Liability has been exhausted by payment of judgments or settlements, **we** then are not obligated to pay any claim or judgment, or to provide any defense or pay any expenses. **We** have no obligation to defend, pay any expense, investigate or settle any claim or suit not covered in this policy.

6. SUPPLEMENTARY PAYMENTS

While **we** are obligated per Insuring Agreement 5 to defend a covered claim under Coverage A, **we** will also pay in addition to the applicable limit:

- a) reasonable expenses incurred at **our** request, but not loss of earnings, or wages or salaries of **your** employees;
- b) interest earned on the amount of a judgment which is covered by this policy that does not exceed the applicable Limit of Liability. Interest is earned until **we** pay or offer to pay **our** part of the judgment to which this insurance applies;
- c) premiums on bonds to release attachments and to appeal judgments **we** elect to appeal, and on bail bonds due to **your** violation of a law or regulation in connection with a covered **occurrence**, but not for more than \$500 each bail bond. But, **we** are not obligated to apply for or to provide these bonds;
- d) **your** costs for necessary first aid to others at a covered **occurrence**;  
up to \$10,000. each **occurrence** for:
- e) i) runway or **aircraft** foaming for minimizing **loss** under this policy;

- ii) search and rescue operations performed by or at **your** request, but only after all government and military search and rescue operations have been discontinued.

7. POLICY PERIOD AND **POLICY TERRITORY**

This policy only covers **occurrences** and **physical damage** happening within the Policy Period and **Policy Territory**.

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**PART TWO  
EXCLUSIONS**

This insurance does not apply:

1. under any coverage
  - a) to an **occurrence, loss** or damages which an **insured** intends or expects, unless necessary to prevent dangerous interference with **aircraft** operation;
  - b) to any liability an **insured** assumes, except, under Coverage A, written agreements with governmental or military authorities necessary to use an airport;
  - c) when the **aircraft** is in **flight**:
    - i) with **your** knowledge and consent for either an unlawful purpose or for other than the Approved Use;
    - ii) when a special permit or waiver is required by the **FAA**;
    - iii) if piloted by anyone other than:
      - (1) a pilot specified in Item 5;
      - (2) a pilot employed by an **FAA** approved repair station while the **aircraft** is in their care, custody or control for the purpose of maintenance, repair or test **flight**;
  - d) if **you** know the **aircraft** is not certificated by the **FAA** under a Standard Airworthiness Certificate in full force and effect, while in **flight**;
  - e) to claims directly or indirectly occasioned by, happening through, or in consequence of:
    - i) noise (whether or not audible to the human ear), vibration, sonic boom or any associated phenomena;
    - ii) pollution or contamination of any kind;
    - iii) electrical and electromagnetic interference;
    - iv) interference with the use of property;unless caused by a crash or collision of the **aircraft** or a recorded in **flight** emergency causing abnormal **aircraft** operation;
  - f) to any liability that could be or is covered under a nuclear energy liability insurance policy, even if its limits have been used up;
  - g) to any claim directly or indirectly caused or contributed to by or arising from ionizing radiations or contaminations by radioactivity from any source whatsoever;
  - h) if the **aircraft** is being used for or in connection with:
    - i) aerial advertising, towing, photography, or application of any substance;
    - ii) hunting, herding or spotting of animals of any kind, including birds and fish;
    - iii) patrol or surveillance of any kind, including powerlines, pipelines, traffic or fires;
    - iv) flight instruction to anyone other than the pilots listed by name in Item 5 on Page One;
    - v) skydiving or parachuting;
    - vi) closed course racing;
    - vii) flights off-shore in support of an off-shore business or operation;
    - viii) external transportation of persons or property, including wire stringing, or construction;
2. to any claim **you, your** survivors or **your** estate makes for **bodily injury** or death to **you**;
3. in **flight**, if piloted by a Student Pilot:
  - i) when there is a **passenger** in **your aircraft** unless that **passenger** is a Certified Flight Instructor teaching the Student Pilot; or
  - ii) when the Student Pilot is not under the direct supervision of a Certified Flight Instructor for the **flight** involved;

4. to **bodily injury** to any employee injured while at work for **you** (but excluding liability for this assumed in a written agreement with a military or governmental authority for use of an airport), or to claims by that employee's spouse, child, parent, brother or sister in consequence thereof;
5. to any claim an **insured** or any Insurer may be held liable for by way of indemnity or otherwise under any Worker's Compensation, occupational, disease, unemployment or disability benefits law, or any similar law;
6. to **property damage** to property transported, owned or used by, or in the care, custody or control of an **insured**. But, **we** will pay:
  - a) up to \$1,000. for **loss** to each **passenger's personal effects**, subject to an **occurrence** limit equal to \$1,000. multiplied by the total number of seats for the **aircraft** involved;
  - b) up to \$10,000. each **occurrence** for **property damage** to a hangar **you** rent, and its contents **you** do not own;
7. under Coverage C:
  - a) to depreciation, or damages for **loss** of use;
  - b) unless all owners, financial interests, liens, encumbrances and obligations in **your aircraft** are shown in this policy;
  - c) to claims made by anyone but **you** or the lienholder;
  - d) to **loss** due to repossession, embezzlement, conversion, secretion or taking by anyone claiming a lawful right of possession, nor for any **loss** or damage during or resulting therefrom;
  - e) to **loss** due and confined to wear, tear, deterioration, freezing, mechanical, structural, hydraulic, pneumatic, or electrical failure or malfunction. Wear, tear, deterioration, freezing, mechanical, structural, hydraulic, pneumatic, or electrical failure or malfunction of any engine, component, accessory, equipment or system is considered a failure or malfunction of the entire engine, component, accessory, equipment or system;
  - f) to tires unless as a direct result of other insured **loss** to the **aircraft**;
  - g) to claims for **disappearance** in **flight** unless **your aircraft** is insured while in **flight**;
  - h) to claims arising from war, whether declared or not, invasion, rebellion, riot, revolution, insurrection or warlike operation;
  - i) to claims arising from capture, seizure, arrest, restraint or detention or the consequences thereof or any attempt thereat, or any taking of **your aircraft** or damage to or destruction thereof by any governmental authority or agent (whether secret or not) for any military, naval or usurped power, whether any of the foregoing be done by way of requisition or otherwise and whether in time of peace or war and whether lawful or unlawful;
  - j) to **loss** to **aircraft** engines and auxiliary power units caused by heat or temperature change from the operation, attempted operation or shutdown of the **aircraft** engine or auxiliary power unit unless resulting directly from other **loss** covered by this policy.
8. Under Insuring Agreement 4 to claims for damage to, **loss** of, or depreciation or **loss** of use of the **non-owned aircraft** or any property in it except as noted in Exclusion 6. above.

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### PART THREE LIMITS OF THE COMPANY'S LIABILITY

Only the coverages that **you** have purchased and for which a premium is shown on Page One are provided by this policy.

#### OTHER INSURANCE

If other insurance is available covering **loss**, expense or liability that is also covered by this policy then **we** will not be liable for more than the percent that the applicable Limit of this policy bears to the total of all the available Limits. But if other primary insurance was issued to **you** through any of the **Aviation Managers** then the Limits of this policy are reduced by the amount of the applicable Limits of that other insurance.

1. This does not apply to insurance **you** bought as excess over this policy.
2. Coverage in Insuring Agreement 4 is excess over any available insurance.

COVERAGE A - The Limits apply separately to each insured **aircraft** and to each **insured**. But in any one **occurrence**, the number of other aircraft, or **insureds**, claims or claimants does not increase or change the Limits beyond the "Each **Occurrence**" Limit shown in Item 3 on Page One, which applies as follows:

1. The Limit shown for "Each **Passenger**" is the most **we** will pay for damages arising out of **bodily injury** or death to or of each **passenger**, including all **related claims**, no matter how many separate claims may be involved, subject to a **passenger bodily injury occurrence** limit equal to the "each **passenger**" limit multiplied by the total number of seats for the **aircraft** involved;
2. The Limit for "Each **Occurrence**" is the most **we** will pay for all damages arising out of **bodily injury** or death including **passengers** and **property damage** combined in one **occurrence**, including all **related claims**, no matter how many separate claims are involved.

All **bodily injury** and **property damage** arising out of continuous or repeated exposure to the same general conditions shall be deemed to be one **occurrence**.

#### COVERAGE B - MEDICAL EXPENSES

**We** will not pay more than the applicable Limit shown in Item 3 on Page One for **medical expenses** for "each **passenger**" (including crew) in any one **occurrence**, who has sustained **bodily injury**.

COVERAGE C - The most **we** will pay for **physical damage** to **your aircraft** is the lesser of:

1. its **Agreed Value** if it is a **total loss**; or,
2. the costs to repair or replace damage with materials of like kind and quality; including the lowest cost of shipping parts of the **aircraft** for repair and return the **aircraft** to the **occurrence** site or home base, whichever is closer, but minus any previous unrepaired damage. **We** will not pay more to repair **your aircraft** than **we** are required to pay under a **total loss (Agreed Value less salvage value)**.

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## PART FOUR CONDITIONS OF INSURANCE

### 1. TWO OR MORE AIRCRAFT

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

### 2. NOTICE OF CLAIM, OCCURRENCE, SUIT OR LOSS, AND AN INSURED'S DUTIES.

In the event of a claim, **occurrence**, suit, or **loss**, all **insureds** agree to:

- a) not assume any obligation or liability, offer or pay any reward except at their expense, or make any payment except for necessary first aid to others or to protect the **aircraft** per g) below;
- b) promptly contact the nearest **Aviation Managers** and provide prompt written notice at the address appearing on the back of the policy cover, including the:
  - i) time, place and description of events;
  - ii) names and locations of **passengers**, injured, deceased and witnesses;
  - iii) description and locations of **property damage** and **loss to your aircraft**;
- c) cooperate with and assist **us** in all matters of the claim or suit and promptly send all suits and legal papers to the nearest **Aviation Managers**;
- d) submit to a sworn statement under oath by a person designated by the **Aviation Managers**;
- e) do nothing after an **occurrence** or **loss** to harm **our** rights of recovery against any person or organization;
- f) authorize **us** to obtain medical and other records;
- g) not abandon **your aircraft**;
- h) take all reasonable precautions to protect **your aircraft** after an **occurrence**. **We** will reimburse **you** for **your** costs if they are reasonable;
- i) promptly report theft and vandalism to **us** and local police;
- j) allow **us** to inspect **your aircraft's** damage before any repairs or disposal;
- k) file a written Proof of **Loss** with **us** within 60 days after the **loss to your aircraft** unless **we** give **you** more time in writing;

- l) give **us** clear title to the salvage when **we** pay **you** for the **aircraft**;
- m) allow **us** to inspect **your aircraft**, its records, repair and service invoices and sales receipts; and **your** pilot log books during the Policy Period, and until settlement of the claim, suit or **loss**.

### 3. LOSS TO YOUR AIRCRAFT

#### a) OUR SETTLEMENT OPTIONS

On a covered **loss**, other than a **total loss**, to **your aircraft**, **we** can:

- i) pay **you**, or
- ii) repair or replace damage with parts of like kind and quality;
- iii) return missing property when found with payment for unrepaired **physical damage** any time before **we** pay for the **loss**.

#### b) REPAIRS BY YOU

On a covered **loss**, other than a **total loss**, if **you** repair **your aircraft**, **we** will not pay more than:

- i) the actual cost to **you** of parts of like kind and quality;
- ii) the current straight time rate for labor **you** hire;
- iii) not more than 100% of b) ii) above **you** incur for overhead and supervision.

### 4. APPRAISAL OF LOSS

If **you** disagree with **us** on the amount of **loss** to **your aircraft**, each of **us** upon written notice to the other, will 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 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 the **loss**. **You** and **we** will share the umpire's cost equally. But this clause shall not deprive **us** of any of **our** rights.

### 5. OUR RIGHTS OF RECOVERY

**You** agree that when **we** pay a claim **we** then assume all **your** rights of recovery. That person must do all that is needed to help **us** recover.

### 6. PAYMENT OF CLAIMS AND SUIT AGAINST US

**You** agree to comply with all the terms of this policy before **we** have to pay or before **you** can sue **us**. But **we** do not have to pay nor can **you** sue **us** for:

- a) **loss** to **your aircraft**, or for **medical expenses** until the amount of **loss** and the amount of **medical expenses** are determined, and not until 30 days after **you** file written Proof of **Loss** with **us**. Payments **we** make for **Medical Expenses** shall not constitute admission of any liability by an **insured, us** or the **Aviation Managers**.
- b) **your** liability for **bodily injury** or **property damage** until the amount of **your** legal liability has been determined or by **our** written agreement with the claimant.

This policy will not cover a suit against **us** for **loss** or **medical expenses** instituted more than one year after the **occurrence**.

**Our** obligations are not reduced if **you** or **your** estate is legally declared bankrupt or insolvent.

### 7. DEDUCTIBLE

**You** must first pay the applicable Deductible amount in the event of **loss** to **your aircraft**.

### 8. TRANSFER OF THIS POLICY TO OTHERS

Interest in this policy cannot be transferred without **our** prior written agreement. But if **you** die, or are adjudged legally bankrupt or insolvent and **you** or **your** representative notifies **us** within 60 days of such judgment, the Policy will cover:

- a) as an **insured** anyone having custody of **your aircraft** until **your** legal agent is appointed, or
- b) **your** legal agent, as having the same rights and duties under the policy as **you** but only while in the course of his official duties as such.

9. CANCELLATION

**You** must notify the **Aviation Managers** in writing what date in the future to cancel. **Your** refund will be figured on the customary Short Rate Table in effect in **your** State. **We** or the **Aviation Managers** must notify **you** in writing at the address in Item 1 on Page One at least 30 days before the date of cancellation. But only 10 days written notice is provided for cancellation due to non-payment of premium. Proof of mailing is proof **you** were notified. When **we** or the **Aviation Managers** cancel, all unearned premium will be returned.

Receipt of **your** premium after **we** have mailed notice of cancellation will not automatically reinstate this policy or have the effect of overriding **our** cancellation.

**We** shall not be liable for any return **physical damage** premium with respect to an **aircraft** on which a **total loss** has been paid.

10. POLICY CONFORMS TO LAW

The terms of this policy are amended to conform to the laws of **your** State shown in Item 1 on Page One.

11. FINANCIAL RESPONSIBILITY

If this policy is certified as proof of insurance under any government financial responsibility law applicable to aircraft, **we** may pay up to the minimum amounts required by that law, but only within the scope of coverage and limits of liability otherwise provided by this policy. **You** agree to promptly reimburse **us** for any amounts that **we** would not have to pay if not for this clause.

12. FRAUD OR MISREPRESENTATION

This policy will be void from its Inception Date in case of any fraud, attempted fraud, false swearing or misrepresentation of any material fact or circumstance by **you** as to anything about this insurance.

13. U.S. NAVY, ARMY, AND AIR FORCE CERTIFICATES

If **we** issue a certificate of insurance required under U.S. Navy OPNAV Form 3770, U.S. Army Regulation 95-15, or U.S. Air Force Regulation 55-20, or replacements thereto, the insurance required by such regulation is automatically covered in this policy.

14. CHANGING THE POLICY

The terms of this insurance cannot be changed or waived except by **our** written endorsement to this policy signed by the **Aviation Managers**.

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## PART FIVE DEFINITION WORDS

These words have the following meanings when they appear in **bold** type.

"**Agreed Value**" means:

1. with respect to **your aircraft** shown in Item 3 on Page One, the amount shown as its **agreed value**, plus the amount **you** have actually paid, up to 30% of the **agreed value**, for additional equipment and modification of **your aircraft** after the effective date of coverage for this **aircraft**, provided **you** tell **us** in writing within 30 days of the additions and modifications and pay the additional premium for them when due;
2. with respect to another **aircraft you** buy or lease for more than 30 days, during the Policy Period, its market value, unless **we** agree otherwise in writing.

"**Aircraft**" means:

1. the **aircraft** specified in Item 3 on Page One; and
2. another **aircraft you** buy, or lease for more than 30 days, during the Policy Period, but only if:
  - a) **you** tell us in writing within 30 days of its acquisition and pay the premium for it when due; and
  - b) **we** insure all **aircraft you** own, or lease in whole or in part for more than 30 days; and
  - c) it has a Standard Airworthiness Certificate issued by the **FAA**, which is in full force and effect.

Included is the engine, all avionics and operating equipment attached or temporarily detached and not replaced on the **aircraft**, and tools and repair equipment specifically designed for this type **aircraft**. Portable equipment, not specifically designed for **your** make and model **aircraft**, including but not limited to headsets, electronic devices and oxygen systems, are not considered to be part of the **aircraft**.

3. the **non-owned aircraft** used by **you**.

**Non-owned aircraft** means an **aircraft** not owned or registered in whole or in part or encumbered by **you** and that is not used by **you** for more than 30 days. But this 30 day limit does not apply to substitute **non-owned aircraft** covered in Insuring Agreement 4.a). Aircraft encumbered by an **insured**, or which an **insured** rents to or leases to others or finances for others, or any such **aircraft** repossessed or reacquired by an **insured** is not an insured **non-owned aircraft**.

Items 2. and 3. of this definition are limited to **aircraft** which:

- i) must not be in **flight**, unless operated by a pilot who has an appropriate **FAA** pilot's certificate for the make and model being flown;
- ii) must not have more engines or a different type of engine (piston or turbine) or more horsepower than the **aircraft** described in Item 3 on Page One, or not more than a single engine up to 300 horsepower, whichever is greater;
- iii) must not have more total seats than the **aircraft** described in Item 3 on Page One, or not more than 6 total seats, whichever is greater;
- iv) must not be a seaplane, unless the **aircraft** described in Item 3 on Page One is a seaplane;
- v) must not have a pressurized cabin, unless the **aircraft** described in Item 3 on Page One has a pressurized cabin;
- vi) must not be a rotorcraft, unless the **aircraft** described in Item 3 on Page One is a rotorcraft.

"**Aviation Managers**" means Chartis Aerospace Insurance Services, Inc., or any of its subsidiary or affiliated companies, branch offices or authorized representatives.

"**Bodily Injury**" means physical injury, sickness, disease, and if arising out of the foregoing, mental anguish, or death of a person including damages for care and loss of services, caused by an **occurrence**.

"**Disappearance**" means **your aircraft** is missing in **flight** and has not been found within 60 days after such **flight** began within the policy period and **policy territory**.

"**FAA**" means the Federal Aviation Administration, which has jurisdiction over civil aviation in the United States of America; or, its foreign equivalent.

"**Flight**" means with respect to fixed wing **aircraft** from the start of the takeoff run until the end of the landing run, but excluding taxiing and with respect to an **aircraft** that is a rotorcraft from the time the rotors start to rotate under power for the purpose of **flight** until they subsequently cease to rotate.

"**Insured**" means, with respect to Liability Coverages:

1. **you**; and
2. persons or organizations while using, riding in or legally responsible for the use of the **aircraft** if with **your** permission.

But excluded as an **insured** is any:

- a) student pilots; unless listed by name as pilot in Item 5 on Page One;
- b) person or organization renting **your aircraft**;
- c) person or organization other than **you**, or **your** employees or agents while at work for **you** who design, make, modify, repair, service, maintain, rent, sell, finance, lease or charter aircraft, aircraft engines, parts or accessories, own or operate a flying school, provide **flight** instruction, own or operate an airport, hangar or aircraft tiedowns, if the claim arises out of such activity by such person or organization;
- d) employee who injures a co-employee;
- e) owner or lessor (or their employee or agent) of the **aircraft** to which Insuring Agreement 4 applies.

"**Loss**" means **physical damage**.

"**Medical Expense**" means expenses for necessary medical, surgical, x-ray or dental service, prosthetic devices, and necessary ambulance, hospital, professional nursing, and funeral services, but not monuments, headstones or burial places.

"**Non-Commercial**" use means private pleasure and business use, excluding any use for hire, money or any form of reward or compensation. Being reimbursed for or sharing the direct expenses of a **flight** if the sum of these expenses does not result in a profit to **you** or anyone is not excluded.

"**Non-Owned Aircraft**" refer to **Aircraft**.

"**Not-in-Flight**" means while the **aircraft** is on the ground, but excluding from the start of its take-off run until the end of its landing run.

"**Not-in-Motion**" means while the **aircraft** is **not-in-flight**, nor moving under its own power or momentum therefrom. With respect to an **aircraft** that is a rotorcraft, **not-in-motion** shall also mean whenever the rotors are not rotating.

"**Occurrence**" means a sudden event, unintended and unexpected by an **insured**, including continued or repeated exposure to the same conditions.

"**Passenger**" means a person while in, on, entering or getting out of the **aircraft**.

"**Personal Effects**" means handbags, suitcases, briefcases and similar items. **Personal Effects** does not include cameras, currency, documents, electronic devices, jewelry, passports, or tickets.

"**Physical Damage**" means direct and accidental physical **loss** of or damage to property (also called **loss**). Excluded are depreciation, or any damages for **loss** of use.

"**Policy Territory**" means within the political boundaries of the United States of America, Mexico, Central America, Canada, the Islands of the West Indies (excluding Cuba), and while enroute between places therein.

"**Property Damage**" means:

1. physical injury or destruction to tangible property of others, including resultant **loss** of use thereof; or
  2. **loss** of use of tangible property of others that is not physically injured;
- if caused by an **occurrence**.

"**Related Claims**" means all claims for 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 from or related to **bodily injury** to any person or **passenger**. 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, each **occurrence** limits of liability specified in the Coverage Summary Page, as applicable, and there are no separate or additional Limits of Liability for **related claims**.

"**Total Loss**" means the cost of repairing the **aircraft** when added to its salvage value before repairs equals or exceeds its **agreed value**. **Disappearance**, or theft of the entire **aircraft**, is a **total loss**.

"**We**", "**Us**", "**Our**" and the "**Company**" means the company indicated on Page One.

"You" and "Your" means the person or organization named in Item 1 on Page One.

"Your Spouse" means a person to whom you are legally married.

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this Policy.



Secretary



President

ILLINOIS NATIONAL INSURANCE CO.

This Policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer on the Declarations page of the Policy.

# Chartis U.S. Privacy and Data Security Notice

## About This Notice

This Privacy and Data Security Notice applies only to your Personal Information (see definition below) obtained by one of the Chartis U.S. Companies or their affiliates listed at the end of this notice, in connection with the products or services one of those companies provided primarily for your personal, family, or household purposes in connection with which you are receiving this notice.

Chartis U.S. has established practices, procedures and system protections that are designed to help protect the privacy and security of Personal Information that we collect in the course of conducting our business. This notice outlines how we collect, handle, and disclose Personal Information about you.

The term "Personal Information," as used in this Privacy and Data Security Notice, means information that identifies you personally. Examples of Personal Information include a first and last name, a home or other physical address, an email address, a financial account or credit card number, a driver's license number, or information on your physical condition or health status.

### I. Information Privacy

We may collect Personal Information from applications, enrollment forms, in claims processing, or in your other interactions with us and with our Affiliates. We may also collect Personal Information from credit reporting agencies and other third parties in connection with the sale of our products to you.

We will collect Personal Information only in accordance with applicable laws or regulations, whether we collect it in response to your request for a product or service from us or otherwise.

### Information Sharing

We may share your Personal Information with Affiliates and Non-Affiliates as described below.

#### With our Affiliates:

Our Affiliates may include other insurance companies, insurance holding companies, insurance agents and agencies, claims administrators, marketing companies, e-commerce service providers, and companies providing administrative services.

We may share your Personal Information, including Personal Information of a health nature, with our Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with our Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

#### With our Non-Affiliates:

We may share your Personal Information, including Personal Information of a health nature, with Non-Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

We may also enter into joint marketing agreements with Non-Affiliates to share your non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share Personal Information with either Affiliates or Non-Affiliates in any other way, there is no need for an opt-out process in our privacy procedures.

For California and Vermont Residents: If it becomes necessary to share your Personal Information with Non-Affiliates other than as specifically allowed by law, we will not do so without first obtaining your permission.

## **II. Data Security**

To help prevent unwarranted disclosure of your Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those persons who have a business need to use your Personal Information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards designed to protect your Personal Information in compliance with federal and state privacy and information security laws. Non-Affiliates that assist us in servicing insurance policies or who enter into joint marketing agreements with us are required to take measures to maintain the security of your Personal Information in compliance with federal and state privacy and information security laws.

## **III. Maintaining Personal Information**

We also maintain procedures to ensure that the Personal Information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

**Chief Privacy Officer  
Chartis U.S.  
175 Water Street, 17th Floor  
New York, NY 10038  
Fax: 212 458-7081  
E-Mail: [CIPrivacy@chartisinsurance.com](mailto:CIPrivacy@chartisinsurance.com)**

**Special Notice:** You can obtain access to any non-public Personal Information we have about you if you properly identify yourself and submit a written request to the address above describing the information you want to review. We will also tell you the identity, if recorded, of persons to whom we have disclosed your non-public Personal Information within the preceding two years.

You may request that we correct, amend or delete information about you. If we do so, we will notify organizations that provided us with that information and, at your request, persons who received that information from us within the preceding two years. If we cannot grant your request to correct, amend or delete the information, you may give us a written statement of the reasons you disagree, which we will place in your file and give to the same parties who would have been notified of the requested change.

## **Our Customers Can Depend on Us**

We are committed to maintaining our trusted relationship with our Customers. We consider it our privilege to serve our Customers' insurance and financial needs and we value the trust they have placed in us. Our Customers' privacy is a top priority. We will continue to monitor our practices in order to protect that privacy and will comply with state privacy laws that require more restrictive practices than those set out in this notice.

## **Important Information Concerning the Applicability and Future Changes to this Privacy and Data Security Notice**

We may change this Privacy and Data Security Notice from time to time, and if particular changes are required by law to be communicated to you, we will do so.

You may have received this notice in connection with products or services provided to you by one of the following Companies: American Home Assurance Company; Chartis Casualty Company; Chartis Property Casualty Company; Chartis Specialty Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; National Union Fire Insurance Company of Vermont; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; other Chartis U.S. companies, and American International Life Assurance Company of New York and American General Life Insurance Company of Delaware.

# Chartis Aerospace Insurance Services, Inc.

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