

AIRPORT OWNERS & OPERATORS LIABILITY INSURANCE POLICY

This policy of insurance contains important conditions, restrictions and limitations.
It is an express condition of this policy of insurance and precedent to coverage under this Policy you must immediately report in writing but no later than 14 days after any incident, event, occurrence, loss, or accident which might give rise to a claim under this policy. Written notice must be given following the instructions below and contained in this policy document:

CLAIMS PROCEDURE:

The Assured must fully comply with the following procedures before the Insurers shall be obliged to make payment of any amounts under this Policy.

THE ASSURED MUST;

1. Notify the Insurers immediately in writing but no later than fourteen (14) days following, any incident, occurrence, loss, accident or event which could result in a claim under this Policy, including details of:
 - a) the nature and place of the Occurrence or event
 - b) the aircraft involved
 - c) the name of the pilot and/or crew and/or employees involved
 - d) deaths, injuries or damage to property
 - e) names and addresses of any witnesses
 - f) name(s) and telephone number(s) of any contact(s) for further information.

Any information given by telephone, telex, telegram, must be confirmed in writing without delay.
2. Inform the police immediately if the aircraft or property is discovered stolen or criminally damaged.
3. Cooperate in and with the Insurers investigations, hearings and trials, as and when required.
4. Send to the Insurers any documents received when a claim is made or a suit is filed against them.
5. Maintain the item(s) insured within manufacturer's specification at a manufacturer's approved facility.

THE ASSURED MUST NOT;

1. Act in any way to the detriment of Insurers
2. Make statements without the permission of the Insurers other than to a government official or other authorized person
3. Promise to pay amounts to any person other than the cost of providing emergency services which are imperative at the time and place of occurrence*
4. Assume or admit any liability without the permission of the Insurers, such payments shall not constitute an admission of liability of the Assured or the Insurers to pay under Section 2 of this Policy

This insurance coverage differs significantly from claims-made or occurrence type policies offered by other insurers. It is a manuscript policy with very strict requirements. The "application" or "proposal" documents are part of the Policy/Certificate/Cover Note and constitute warranties.

Coverage is provided only for otherwise covered Claims:

- 1) Which are first made by or against an Insured/Assured during the Policy Period, and
- 2) Which result from an Accident occurring during the Policy Period, and
- 3) For which written notice is given to Insurers/Underwriters during the Policy period.

In addition, coverage is strictly limited to those activities and operations and at those locations listed, described and defined in the Policy/Certificate/Cover Note. Various other provisions of this Policy/Certificate/Cover Note restrict and limit the coverage provided. Carefully read the Policy/Certificate/Cover Note and all endorsements carefully to determine your rights and duties and what is and what is not covered.

Claims Expenses reduce the available Limits of Liability/Coverage stated on the Declarations Page/Cover Note. In the event of any claim the total amount of any premium charged shall be 100% earned and not subject to short-rate or pro-rata adjustment.

All fees are fully earned at inception. No refund of any fees will be made regardless of whether this policy is cancelled by the covered party(ies) or the Insurer/Underwriter for any reason.

The Insurer has the right to charge a \$50 Service Fee for any endorsements made to the policy at the request of the Insured.

The Insurer has the right to collect additional premium equal to twenty-five (25%) percent of the total premium due for the Policy/Certificate/Cover Note if the covered party(ies) fail to comply with any premium audit request made by the Insurer/Underwriter at anytime.

This document does not form part of your policy and is provided as an informative brochure. Please read the Policy/Certificate/Cover Note and all endorsements carefully to determine your rights and duties and what is and what is not covered.

Read your policy

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WHEREAS THE ASSURED with a view to effecting an insurance as hereinafter defined with Underwriters (hereinafter called "the Company or "Underwriters" or "Insurers") has made or caused to be made by each person or body corporate mentioned in the Schedule under the Assured (hereinafter called "The Assured") a written proposal, a copy of which proposal or proposals is a part of this contract and shall form the basis of this contract and is incorporated herein, and has paid to Underwriters a premium for the first period of insurance.

And Whereas the name and address of the said Assured and the amount of the premium for the first period of insurance and the period or periods within which this Policy shall remain in effect, are specified in the Schedule,

The Insurers hereby agree to the extent and in the manner hereinafter provided, to pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay or by final judgement to pay up to but not exceeding the amounts specified in the Schedule, to any person or persons

- (a) for bodily injury including death at any time resulting therefrom (hereinafter referred to as Bodily Injury)
- (b) for loss of or damage to property of others (hereinafter referred to as Property Damage) caused by accident occurring during the period mentioned in the Schedule and arising out of the hazards set forth in Sections 1, 2 and 3 below.

DEFINITIONS:

The following words shall have the meanings set out below wherever used in this Policy

"The Company" or **"Insurer(s)"** or **"Underwriters"** shall mean the Security/Insurer(s)/Underwriter(s) shown on the Cover Note or Declarations Page of this insurance policy, their associate and/or subsidiary companies and those whom may accept a quota share of this insurance by contract.

Several Liability Notice

Where more than one insurer or underwriter is subscribing to this insurance policy, the subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions.

The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

"Aircraft" means an aircraft or helicopter(s) and shall include operating, navigating and radio equipment usually and legally attached thereto plus any legal equipment described in the Schedule not described by the manufacturer as standard specification.

"Assured" means the Assured named in the Schedule.

"Accident" means a fortuitous event or series of events arising out of one incident or occurrence.

"Flight" and **"In flight"** means the time commencing with the actual take off run of the aircraft and continuing thereafter until it has completed its landing run.

"Passenger" means any person for whom the Assured is responsible under a contract for carriage in the Aircraft, or where no such contract exists any person not in command of the Aircraft in the Aircraft at the time of occurrence.

"Occurrence" means an accident, including a continued or repeating exposure to conditions occurring during the Policy period, which results in Bodily Injury or Property Damage during the Policy period, provided that such Bodily Injury or Property Damage is unintended or unexpectedly caused.

"Bodily Injury" means physical injury sustained by any person, or sickness, disease, disability, shock, mental injury, mental anguish or post traumatic stress disorder, including death at any time resulting there from.

"Property Damage" means damage to or destruction of property and the resultant loss of use of such property.

"A Legitimate State" means a current member of the United Nations that is not at war or hostilities and not under United Nations sanctions or embargoes.

"Approved" means approved by the Company.

SECTION 1. PREMISES, AIRPORT OPERATIONS LIABILITY

WHAT THIS SECTION COVERS

The Insurers will indemnify the Assured as declared for all sums, up to the Limits of Indemnity stated in the Schedule, for which the Assured is held legally liable to pay, and shall pay as compensatory damages for Bodily Injury or Property Damage caused by an occurrence arising

1. in or about the premises specified in the Schedule, as a direct result of the services granted by the Insured
2. elsewhere in the course of any work or of the performance of any duties carried out by the Insured or his employees in connection with the business or operations specified in the Schedule caused by the fault or negligence of the Insured or any of his employees engaged in the Insured's business or by any defect in the Insured's premises, ways, works, machinery or plant used in the Insured's business.

WHAT THIS SECTION DOES NOT COVER

The Insurers will not pay for any of the following:

1. Loss of or damage to property owned, rented, leased or occupied by; whilst in the care, custody or control of; whilst being handled, serviced or maintained by the Insured or any servant of the Insured.
2. Bodily injury or property damage caused or contributed to by:
 - (a) any mechanically propelled or towed vehicle whilst such vehicle is not operating airside.

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- (b) any ships, vessels, craft or aircraft owned, chartered, used or operated by or on account of the Insured, but this exclusion shall not apply to aircraft owned by others which are on the ground and for which indemnity is otherwise granted under Section 2 of this Policy.
3. Bodily injury or property damage caused or contributed to by any mechanically propelled or towed vehicle whilst such vehicle is operating airside unless the operator has a valid and current local driver's (not beginner's or learner's) licence, such operator to have no driving infractions or within the past five (5) years or any criminal convictions within the prior ten (10) years, and such operator to have completed within the past two (2) years an approved training course of at least ten (10) hours relating to aircraft and airport operations safety .
 4. Bodily Injury or property damage arising out of any Airmeet, Air Race, Private or Public Demonstration or Air Show, nor any stand or area used for the accommodation of spectators in connection therewith.
 5. Bodily Injury or property damage arising out of construction of, demolition of or alterations to Buildings,, Roads, Taxiways, Ramps, Runways, or Installations by the Insured or his contractors or sub-contractors (other than normal routine maintenance operations).
 6. Bodily Injury or property damage arising out of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied, distributed or otherwise provided by the Insured or his employees after such goods or products have ceased to be in the possession or under the control of the Insured.
 7. Bodily Injury or Property Damage resulting from refuelling errors.
 8. Bodily Injury or Property Damage resulting from criminal or deliberate acts.

SECTION 2. PRODUCTS & COMPLETED OPERATIONS LIABILITY

WHAT THIS SECTION COVERS

The Insurers will indemnify the Assured as declared for all sums, up to the Limits of Indemnity stated in the Schedule, for which the Assured is held legally liable to pay, and shall pay as compensatory damages for Bodily Injury or Property Damage caused by an occurrence arising out of the possession, use, consumption or handling of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured or his employees, but only in respect of such goods or products which form part of or are used in conjunction with aircraft, and then only after such goods or products have ceased to be in the possession or under the control of the Insured.

WHAT THIS SECTION DOES NOT COVER

The Insurers will not pay for any of the following:

1. Damage to the property of the Insured or to property within his care, custody or control.
2. The cost of repairing or replacing any defective goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured or any defective part or parts thereof.
3. Loss arising out of improper or inadequate performance, design or specification.
4. Loss of use of any Aircraft not actually lost or damaged in an accident giving rise to a claim hereunder.
5. Loss of or damage to any Aircraft resulting from refuelling errors.
6. Bodily Injury or Property Damage resulting from criminal or deliberate acts.

SECTION 3. HANGARKEEPERS LIABILITY

WHAT THIS SECTION COVERS

The Insurers will indemnify the Assured as declared for all sums, up to the Limits of Indemnity stated in the Schedule, for which the Assured is held legally liable to pay, and shall pay as compensatory damages for Loss of or damage to Aircraft or Aircraft equipment, not owned, rented or leased by the Insured, whilst on the ground in the care, custody or control of or whilst being serviced, handled or maintained by the Insured.

WHAT THIS SECTION DOES NOT COVER

The Insurers will not pay for any of the following:

1. Loss of or damage to robes, wearing apparel, personal effects, tools, motor vehicles, bicycles, portable electronic devices, baggage, fine arts, jewellery, negotiable instruments, money or merchandise of any description.
2. Loss of or damage to Aircraft or equipment, owned or hired or leased by or loaned to the Insured.
3. Loss of or damage to any Aircraft or equipment whilst in flight.
4. Loss or damage to aircraft and/or equipment whilst on a trailer unless occasioned by person or persons making forced entry into the locked fenced enclosure, garage or building and by destruction of the ball lock. Theft must be accompanied by actual force and violence of which there shall be visible marks made by tools, explosives, electricity or chemicals.
5. Bodily Injury or Property Damage resulting from criminal or deliberate acts.

DEFENCE OF LEGAL ACTIONS AND PAYMENT OF COSTS AND EXPENSES

The Insurers will defend any legal action which is brought against the Assured alleging Bodily Injury or Property Damage, in respect of the Insurance provided by this Policy, even if the action is proved to be false or fraudulent, but the Insurers shall have the right to make such investigation, negotiation and settlement of any claim or suit as they feel right and proper.

The Insurers will pay seventy-five (75%) percent of the costs and expenses set out in the following paragraphs up to the Limits of Indemnity stated in the Schedule, such costs and expenses shall reduce any amounts paid in settlement of claims against the Assured in respect of items Assured hereunder;

1. Legal costs and expenses which are incurred in defending any action against the Assured, including costs of investigating, negotiating and settling the action.

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2. Costs awarded against the Assured in any action against them.
3. Interest after judgment against the Assured.
4. Premiums for providing any bonds which are required in connection with any legal action, although the Insurers will not be responsible for obtaining the bonds unless they so wish.
5. Expenses reasonably incurred at the request of the Insurers in connection with any legal action, although the Insurers will not pay for loss of earnings or salaries of the Assured or any one employed by them.

CONDITIONS/WARRANTIES WHICH APPLY TO ALL SECTIONS OF THIS POLICY:

DEDUCTIBLE:

The amount stated in the Schedule will be deducted from each and every claim.

LOCAL LAW AND JURISDICTION:

This Policy shall be governed by the laws of the United Kingdom.

Insurers will not pay claims;

- a) for coverages which are outside the scope of this Policy
- b) in excess of the Limits of Indemnity stated in the Schedule

If the Insurers are obliged to pay any amounts, which they would not have had to pay if this condition had not applied, the Assured will reimburse the Insurer with those amounts.

CROSS LIABILITY:

The inclusion of additional Insureds in any part of this certificate shall not preclude the rights of the Assured stated in the Schedule to protection under this Policy from claims made against them by the additional Insureds or their employees.

LIMITATION OF INDEMNITY:

Even though this Section may apply to more than one Assured, whether additional or otherwise, the total liability of the Insurers under this Section in respect of any or all Insures will not exceed the Limits of Indemnity stated in the Schedule.

Notwithstanding anything to the contrary coverage under this section arising from claims or actions brought against the Assured(s) from within the continental United States of America shall be limited to \$500,000 inclusive of all costs and expenses.

CLAUSE RESPECTING ADDITIONAL ASSURED(S) OR ADDITIONAL NAMED ASSURED(S)

If any Additional Assureds are shown on the Declarations Page of this policy or Cover Note or on any policy endorsement the following clause shall always apply;

The attached schedule of Additional Assureds is added to this policy subject to the clause below:

(Additional assured shown on the Declarations Page, Cover Note or any endorsement regarding Additional Assureds)

Notwithstanding the fact that such parties as advised are hereby named in their capacity as advised as Co-Assured in this Policy, this cover will only extend insofar as they may be found liable to pay in the first instance for liabilities which are properly the responsibility of an Assured, and nothing herein contained shall be construed as extending cover in respect of any amount which would not have been recoverable hereunder by the assured had such claim been made or enforced against him. Once indemnification hereunder has been made there shall be no further liability hereunder to make any further payment to any person or company whatsoever, including the Assured, in respect of that claim.

All rights granted to us together with all duties of an Assured under the original insuring agreement shall also apply to any other named Co-Assured jointly.

GENDER

Words of masculine gender are deemed to encompass the female gender and vice versa. Words in the singular are deemed to encompass the plural and vice versa.

DEDUCTIBLE INCLUDES FEES AND EXPENSES

Deductibles are applicable to all losses and shall include adjuster's fees and other incurred costs.

SUBROGATION:

When the Insurers agree a settlement under this Policy they may be entitled to take over the Assured's right of recovery against any other person or organization and to institute legal proceedings in the Assured's name. The Assured must not do anything that will interfere with the Insurer's ability to make such recovery and agrees to assist in every way possible and to give evidence if necessary.

CHANGES:

A notice to an agent or knowledge possessed by an agent or by any other person shall not effect a change to any part of this certificate or prevent the Insurers from asserting their rights under this Policy; changes can only be made to this certificate by the addition of written endorsements approved and signed by the Insurers.

CANCELLATION:

Both the Assured and the Insurer have the right to cancel this Policy by either party giving the other 10 days notice of the intention to do so.

If the Assured cancels the Policy the Insures shall retain short rate of the premium calculated in accordance with the short rate cancellation table set out below.

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CANCELLATION TABLE (12 month policy):

This Policy may be cancelled at any time by the Assured or by the Insurers giving 10 days' notice in writing of such cancellation. In the event of cancellation by the insurers they will return in respect of the unexpired period pro rata portion of the premium. In the event of cancellation by the Assured the return shall be calculated in accordance with the attached short rate scale. There will be no return of premium in respect of any aircraft on which a loss adjustable on the basis of a total loss, constructive total loss or arranged total loss has been or shall be paid under this Cover Note.

1 month on risk	25% annual premium
2 months on risk	35% annual premium
3 months on risk	45% annual premium
4 months on risk	60% annual premium
5 months on risk	75% annual premium
6 months on risk	100% annual premium

Notwithstanding any provision as to notice of cancellation contained in the above, in the event of any installment of premium not being paid by its due date Insurers shall have the right to terminate the cover afforded by this Policy by giving not less than Ten (10) days notice in writing. In the event of a claim hereunder all premiums due on that Assured aircraft shall be due and payable forthwith.

PREMIUM:

In respect to single and to more than one single premium payment being agreed to pay for the total premium due, it is an express provision that each payment to be received by the insurer not later than the due date. Any single delayed payment received by the insurer shall limit the liability for the insurer to a maximum of three times the annual premium in a single Assured year and a limit of a maximum of the annual premium in any one accident, occurrence, accident or claim.

The due date for premiums being received by the insurer shall be not later than 7 days from the date cover begins and no later than a calendar month successively from the date cover commenced. The onus is on the Assured to ensure the correct premium is received by the Insurers on or before the due date.

PREMIUM PAYMENT WARRANTY:

Where a premium is paid in one or more installments as agreed it is the express provision of this policy all installments shall be paid in the amount agreed and on the date agreed.

Failure to pay the installment(s) when due shall have the effect of immediate cancellation at 00:01 AM the day following the due date of the installment(s).

If payment of any installment, in whole or in part, for any reason, is not honoured by your bank, it shall have the effect of immediate cancellation at 00:01 AM the day following the due date of the installment(s).

If payment of your premium, in whole or in part, for any reason, is not honoured by your bank, you did not have nor do you have any coverage under this Policy.

This insurance shall not be assigned nor discounted in whole or in part except with the consent of the insurers verified by endorsement hereon.

WHAT IS NOT COVERED UNDER ANY OF THE SECTIONS OF THIS POLICY:

This policy does not cover claims for

1. Liability for bodily injury to any person, who at the time of sustaining such injury is engaged in the service of the Insured or acting on his behalf, or liability for which the Insured or his insurer may be held liable under any workman's compensation, unemployment compensation or disability benefits law or any similar law.
2. The cost of making good any faulty workmanship for which the Insured, his employees, contractors or subcontractors may be liable (but this limitation shall not exclude resulting damage arising out of such faulty workmanship).
3. Liability arising out of the operation of an airfield control tower.
4. Bodily Injury or Property Damage resulting from criminal or deliberate acts.

Each section of this Policy excludes liability which is or would be covered under any other section of the Policy, whether such other section is insured hereunder or not.

The Insurers will not pay for:

- 1) Mechanical, electrical or hydraulic breakdown, wear and tear, deterioration, corrosion, defect or failure of any part of any Aircraft. An engine together with the ancillaries necessary for its operation shall constitute a "part".
- 2) Ingestion damage to an engine by anything, which has a progressive or cumulative effect.
- 3) Loss or damage, which is insured under another policy of insurance.
- 4) Loss or Damage directly or indirectly attributable to fuel exhaustion or refuelling errors.
- 5) Loss or Damage directly or indirectly attributable in any way to and earthquake, land movement, Named or Numbered Windstorm, Cyclone, Typhoon, Tropical Storm, Hurricane or Storm Surge and/or all other exceptional climactic phenomena.
- 6) Loss of use or any other consequential loss not specifically provided for herein.
- 7) Loss or damage resulting from theft or attempt thereof of the aircraft, equipment or personal property unless the aircraft is equipped with installed and functional throttle locks, pick-resistant door and compartment locks and

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propellor locks or locked metallic propellor restraints or unless the aircraft, equipment or personal property is located in a fully enclosed, locked metal building protected by a centrally monitored perimeter and full interior space alarm system and unless there is visible evidence of forcible entry and/or removal; made by tools, explosives, electricity or chemicals. Such alarm system shall contain a local siren, bell or gong and shall be approved by Underwriters Laboratories or Canadian Standards Association or equivalent and shall be monitored twenty-four (24) hours a day.

- 8) Loss by mysterious disappearance of the aircraft, equipment or personal property.
- 9) Loss or damage resulting from the removal or failure to remove any control surface lock or restraint, tow bar, wheel chock, orifice or ventilation or inlet or outlet cover or plug, engine or aircraft or window or port cover, sunshade, curtain or like device.
- 10) Loss or damage resulting from the improper loading or unloading, sequence of loading or unloading, improper stowing or failure to stow cargo or other contents, gear or equipment or improper determination or management of Centre of Gravity (CG) limitations.
- 11) Losses arising from any pollution hazard or damage to the environment directly or indirectly.
- 12) Losses resulting from criminal or deliberate acts.

CONTRACTS:

This Policy does not apply to the terms of any contract or agreement, which the Assured has entered into unless prior written permission of the Insurers has been obtained and this policy does not cover liability assumed by the Insured by Agreement under any Contract.

MECHANICAL BREAKDOWN:

No coverage whatsoever is provided by this insurance for mechanical and/or machinery and/or equipment breakdown.

WAR, HI-JACKING AND OTHER PERILS EXCLUSION:

This Policy does not cover claims caused by;

1. 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.
2. 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.
3. Strikes, riots, civil commotions or labor disturbances.
4. Any act of one or more persons, whether or not agents of a sovereign Power, for any political or terrorist purposes and whether the loss or damage resulting there from is accidental or intentional.
5. Any malicious act or act of sabotage.
6. 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.
7. 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 Assured.

Furthermore this Policy does not cover claims arising whilst the aircraft is outside the control of the Assured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Assured on the safe return of the Aircraft to the Assured 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).

RADIOACTIVE CONTAMINATION EXCLUSION:

This Policy does not cover loss, damage or liability directly or indirectly caused by or contributed to, by, or arising from ionizing radiations or contamination by radioactivity from any source whatsoever.

ILLEGAL USES:

This Policy does not apply whilst the Assured, is involved in any illegal or unauthorized purpose or any purpose against Insurers statutory rights or interests or against the laws of jurisdiction of this policy.

PERSONAL EXPENSES:

No coverage is provided for any personal expenses whatsoever including but not limited to, cost of the Assured's labour, lodging, hotel or accommodation costs, automobile rental or automobile expenses, meals, communication costs, airfare.

SEXUAL &/or PHYSICAL ABUSE &/or HARASSEMENT:

This insurance does not apply to any injury sustained by any person arising out of or resulting from:

- A: Sexual and/or Physical Abuse and/or Harassment by any person whosoever, regardless of degree of culpability or intent and whether the acts are alleged to have been committed by the insured or any representative, officer, agent, servant or employee of the insured or by any other person; or
- B: Any actual or alleged negligent act or omission in the:
 - 1: Employment;
 - 2: Investigation;
 - 3: Supervision;
 - 4: Reporting to the proper authorities or failure to so report; or

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- 5: Retention of a person for whom the insured is or ever was legally responsible, which results in Sexual and/or Physical Abuse and/or Harassment; or
- C: Any actual or alleged negligent act or omission in the prevention or suppression of any act of Sexual and/or Physical Abuse and/or Harassment.

Sexual and/or Physical Abuse or Harassment are defined as sexual or physical injury or abuse, including but not limited to assault and battery, negligent or deliberate touching, corporal punishment and verbal, mental or emotional abuse or harassment of any person.

DUTY TO DEFEND:

Where there is no coverage there is no duty to defend.

CLAIMS CONTROL CLAUSE:

The reinsurers at their option shall have control of the settlement of claims against the reinsured under the original policy. The reinsured undertakes to notify the reinsurers as soon as possible after receipt by them of advice of such claims or of the possibility thereof, and agrees to follow the written instructions of the reinsurers in relation thereto.

In consideration of this the reinsurers agree to indemnify the reinsured for any and all loss or expense which the reinsured may sustain by reason of having fulfilled such instruction.

GENERAL POLICY CONDITIONS AND WARRANTIES:

1. If any claim under this Policy is also covered in whole or in part by any other insurance, the liability of Insurers shall be limited to their ratable proportion of such claim.
2. If the Insured shall make any claim knowing the same to be false or fraudulent regarding amount or otherwise, this Policy shall become void, and all claims hereunder shall be forfeited.
3. It is a condition precedent to the right of the Insured to be indemnified under this Insurance, if after this Insurance has been effected, the risk is materially altered, such alterations must be notified in writing to the Insurers immediately.
4. The Insured shall and will at all times exercise reasonable care in seeing that the ways, implements, plant, premises, machinery and appliances used in the Insured's business are substantial and sound and in proper order, and fit for the purpose for which they are used, and that all reasonable safeguards and precautions against accidents are provided and used
5. Any insurance effected hereafter requires that all machinery and equipment used by the Assured shall be maintained to manufacturers recommendation according to the original manual and any subsequent manufacturers amendments, by manufacturers approved facility. Non-compliance with this warranty could result in this policy or any claim made hereunder being deemed void. Underwriters retain their customary right to any subsequent action deemed necessary to recover any financial losses.
6. The Insured shall comply with all International and Government Regulations and Civil Instructions.
7. Notwithstanding the inclusion herein of more than one Insured, whether by endorsement or otherwise, the total liability of the Insurers in respect of any or all Insured's shall not exceed the limit(s) of liability stated in this Policy.
8. It is hereby agreed that your brokers or any substituted brokers, if any, (whether surplus lines approved or otherwise or duly licenced to act as your insurance agent, broker or intermediary or not), shall be deemed to be exclusively the agent(s) of you and not of us in any and all matters relating to, connected with or affecting this insurance. Any notice given or mailed by or on behalf of us to the said brokers in connection with or affecting this insurance, or its cancellation, shall be deemed to have been delivered to you.
9. We need not accept or pay for any property abandoned by you. At our option however we are entitled to the salvage value of any property or equipment where we have settled a claim in full under this insuring agreement, in respect of such property or equipment.
10. If you give up your rights or our rights to recover damages from anyone who may be liable to you, denying us the benefit of the right of recovery, payment of any admissible loss under this insuring agreement shall be reduced by the amount we have been denied.
11. This contract is null and void in the event of non-disclosure or misrepresentation of a fact or circumstances material to our acceptance or continuance of this insurance. No action or inaction by us shall be deemed a waiver of this provision.
12. If we take steps to protect the damaged or endangered property, this action does not constitute acceptance of abandonment of that property by us.
13. If any insured person has any other relevant insurance for a property damage loss covered by this insuring agreement, we will only pay the proportion of the claim which our sum insured bears to the total of all the sums insured covering the loss. If this insuring agreement provides liability coverage, this insurance shall be excess over all other valid and collectible liability insurances.
14. Unless it is agreed between us and you in writing, and the appropriate endorsement issued, this insuring agreement does not cover any loss or liability incurred during a race or speed trial or during preparation, setup and/or takedown for a race or speed trial.
15. Unless specifically agreed in writing otherwise, it is hereby noted and agreed by all parties hereto, that this insuring agreement shall be subject to the exclusive jurisdiction of the English Courts and to English Law and Practice.
16. Neither this insuring agreement nor any document issued pursuant to this insuring agreement shall confer any benefits on any Third Parties. No Third Party may enforce any term of this insuring agreement or any provision contained in any document issued under this insuring agreement.
17. The Contracts (Rights of Third Parties) Act 1999 is hereby expressly excluded from this from this insuring agreement, including any other document issued pursuant thereto.

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PRE-DISPUTE ARBITRATION CLAUSE:

- A. You the insured(s) by accepting this insuring agreement agree(s) the following disclosures form part of the Pre-dispute Arbitration Clause and are conditions precedent to the issuance of the insuring agreement.
1. The parties are hereby waiving their right to seek remedies in Court, including a jury trial.
 2. Pre-arbitration discovery is generally more limited than and different from Court proceedings.
 3. The arbitrator's award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited.
 4. Arbitration is final and binding on all parties.
- B. You the insured(s) agrees to submit any and all controversies arising under this insuring agreement to arbitration. This includes if that person is entitled to recover at all and if so how much in damages;
1. When any party makes a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third arbitrator.
 2. Each party will pay the expenses it incurs; and bear the expenses of the third arbitrator equally.
 3. No person will bring a putative or certified class action to arbitration.
 4. Both parties to agree as to the location of the arbitration, agreement not to be withheld unreasonably. If the parties fail to agree, then arbitration will take place in Road Town, Tortola, British Virgin Islands and a decision agreed to by two of the arbitrators will be binding.
 5. This arbitration and any coverage or damages will be interpreted in accordance with English Law and Customs.

CLAIMS PROCEDURE:

The Assured must fully comply with the following procedures before the Insurers shall be obliged to make payment of any amounts under this Policy.

THE ASSURED MUST;

1. Notify the Insurers by the quickest means possible, of any occurrence or event which could result in a claim under this Policy, including details of:
 - g) the nature and place of the Occurrence or event
 - h) the aircraft or other property involved
 - i) the name of the pilot(s) (if any) or employee(s) involved
 - j) deaths, injuries or damage to property
 - k) names and addresses of any witnesses
 - l) name(s) and telephone number(s) of any contact(s) for further information.

Any information given by telephone, telex, telegram, must be confirmed in writing.
2. Inform the police immediately if the aircraft or other property is discovered stolen or criminally damaged. A written report must be provided to Insurers
3. Cooperate in and with the Insurers investigations, hearings and trials, as and when required
4. Send to the Insurers any documents received when a claim is made or a suit is filed against them
5. Maintain any item(s) insured or involved in any claim within manufacturer's specification at a manufacturer's approved facility.

THE ASSURED MUST NOT;

1. Act in any way to the detriment of Insurers
2. Make statements without the permission of the Insurers other than to a government official or other authorized person
3. Promise to pay amounts to any person other than the cost of providing emergency services which are imperative at the time and place of occurrence
4. Assume or admit any liability without the permission of the Insurers, such payments shall not constitute an admission of liability of the Assured or the Insurers to pay under Section 2 of this Policy

GENERAL POLICY WARRANTY:

Notwithstanding any provision as to notice of cancellation contained in this policy, it is a condition that in the event of any installment not being paid to Insurers by its due date the cover afforded by this Policy shall be deemed to have ceased at midnight of such date.

In the event of the advice of a claim or possible claims hereunder which exceeds the installments of premium paid on this Policy the installments of premium then outstanding shall become payable forthwith.

Full premium in the event of a claim; It is understood and agreed that in the event of a claim arising hereunder, any balance of the Full Annual Premium due and outstanding shall become due and payable forthwith.

CLAIMS NOTIFICATION AND MATERIAL ALTERATIONS

In the event of a claim or material change to this policy contact the Company in writing;

Commodore Insurance Company Limited

POB 3169, PMB 270

Road Town, Tortola, BVI

Telephone 284-494-8925 Telecopier 661-420-8602

www.commodoreinsurance.com eMail: mail@commodoreinsurance.com

AIRPORT OWNERS & OPERATORS LIABILITY INSURANCE POLICY