

TAIWAN FIRE & MARINE INSURANCE COMPANY LTD.

AVIATION POLICY

101年2月16日產企字第1010000280號函備查

We, TAIWAN FIRE & MARINE INSURANCE COMPANY LIMITED, (hereinafter called "the Company") hereby agree, in consideration of the payment to us by or on behalf of the Assured of the premium as arranged, to insure against loss, damage or liability arising from an Accident occurring during the Period of Insurance to the extent and in the manner hereinafter provided.

In Witness whereof, the President and the Manager of TAIWAN FIRE & MARINE INSURANCE COMPANY LIMITED, have subscribed their names on behalf of the Company.

「本商品經本公司合格簽署人員檢視其內容業已符合一般精算原則及保險法令，惟為確保權益，基於保險公司與消費者衡平對等原則，消費者仍應詳加閱讀保險單條款與相關文件，審慎選擇保險商品。本商品如有虛偽或違法情事，應由本公司及負責人依法負責。」本公司公開資訊說明文件之內容請至下列網址查閱：<http://www.tfmi.com.tw/>
本公司免費申訴電話：0809-068888

President

Not valid unless Countersigned by _____

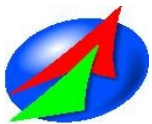
The Assured is requested to read this Policy and if it is incorrect return it immediately for alteration.

○○○Airlines
(Company Name)

**AIRCRAFT HULL, HULL WAR, LIABILITY AND CREW PERSONAL
ACCIDENT INSURANCE**

POLICY NO. XX-40-XX0000XX

FROM : ddmmyy
TO : ddmmyy
both days inclusive at
Local Standard Time



TAIWAN FIRE & MARINE INSURANCE CO., LTD.

Date : mmdd,yy

Policy No. : **XX-40-XX0000XX**

ASSURED : ○ ○ ○ **Airlines (Company Name)** and/or their respective Subsidiary and/or Associated and/or Affiliated Companies for their respective rights and interests.

ADDRESS:

PERIOD : From ddmmyy to ddmmyy both days at 12.01 a.m., local standard time at the address of the Assured.

INTEREST : Hull all risks:

(including Hull War) - To cover any and all aircraft owned, leased, maintained and/or used by the Assured as per Schedule of Aircraft against All Risks and Loss or Damage for Flight/Taxiing/Ingestion/Ground.

Liabilities:

Covering the Assured's legal liability arising out of their operation of aircraft as per Schedule including third party legal liability (Bodily Injury, Property Damage), Passenger Legal Liability, Passenger Baggage and Personal Effects.

Crew Personal Accident:

Covering Crew Members whilst engaging in Air Travel only (including mounting and dismounting) in aircraft as per the Schedule of Aircraft.

SUM INSURED : Hull All Risks:

Liabilities:

Crew Personal Accident:

DEDUCTIBLES :

SITUATION :

CONDITIONS : Policy wording based on London Aircraft Insurance Policy AVN1C in respect of Hull All Risks and Liabilities, Aviation Hull War and Allied Perils Insurance Policy LSW555D.

In respect of Lloyd's Accident Policy K(A) NMA2318:

(other clauses will be arranged between the Assured and the Insurer)

USES:

PILOTS:

CHOICE OF LAW

& JURISDICTION: This insurance shall be governed by and construed in accordance with the law of Taiwan and each party agrees to submit to the exclusive jurisdiction of the Courts of Taiwan in the event of a dispute arising hereunder.

PREMIUM : As arranged.

PAYMENT TERMS : Premium payable in equal quarterly instalments subject Premium Payment Clause AVN 6A.

SCHEDULE OF INSURED AIRCRAFT

<u>Make/Model/MSN</u>	<u>Registration No.</u>	<u>Agreed Value (USD)</u>	<u>Crew/Passenger Seats</u>
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Duty to Disclose Material Information

Material Information is information that would influence the Insurers in deciding whether a risk is acceptable and, if so, the premium, terms and conditions to be applied. Failure to disclose such information could result in the policy being rendered void so that **claims would not be paid.**

The duty of disclosure is re-imposed when there are changes or variations in cover and when the policy is renewed or extended. In addition, changes which substantially increase the risk, or relate to compliance with a warranty or condition in the policy must be notified at once.

To ensure that cover is not prejudiced, please refer to Taiwan Fire & Marine Insurance Co., Ltd. if there is any doubt as to what information needs to be disclosed.

ADDRESS FOR NOTICES :

*Taiwan Fire & Marine Insurance Company Limited
Marine Insurance Department
Aviation Insurance Section*

9F, 49 Kuan Chien Road, Taipei
Taiwan, Republic of China

Telephone: (02) 2382-1666
Direct : (02) 2389-9299
TeleFax : (02) 2361-0859

E-mail : marine@mail.tfmi.com.tw

AVN1C 21.12.98

LONDON AIRCRAFT INSURANCE POLICY

Headings and marginal captions are inserted for the purpose of convenient reference only and are not to be deemed part of this Policy.

Certain words and phrases used in this Policy have special meanings which can be found in Section IV(D) Definitions.

SECTION I LOSS OF OR DAMAGE TO AIRCRAFT

1. Coverage

(a) The Company will at their option pay for, replace or repair, accidental loss of or damage to the Aircraft described in the Schedule arising from the risks covered, including disappearance if the Aircraft is unreported for sixty days after the commencement of Flight, but not exceeding the Amount Insured as specified in the Schedule and subjects to the amounts to be deducted specified in Condition 3 (c).

(b) If the Aircraft is insured hereby for the risks of Flight, the Company will, in addition, pay reasonable emergency expenses necessarily incurred by the Insured for the immediate safety of the Aircraft consequent upon damage or forced landing, up to 10 per cent of the Amount specified in the Schedule.

2. Exclusions applicable to this Section only

The Company shall not be liable for

Wear and
tear,
breakdown

(a) wear and tear, deterioration, breakdown, defect or failure howsoever caused in any Unit of the Aircraft and the consequences thereof within such Unit;

(b) damage to any Unit by anything which has a progressive or cumulative effect but damage attributable to a single recorded incident is covered under paragraph 1 (a) above.

HOWEVER accidental loss of or damage to the Aircraft consequent upon 2 (a) or (b) above is covered under paragraph 1 (a) above.

3. Conditions applicable to this Section only

Dismantling
Transport and
Repairs

(a) If the Aircraft is damaged

(i) no dismantling or repairs shall be commenced without the consent of the Company except whatever is necessary in the interests of safety,

	<p>or to prevent further damage, or to comply with orders issued by the appropriate authority;</p> <p>(ii) the Company will pay only for repairs and transport of labour and materials by the most economical method unless the Company agree otherwise with the Insured.</p>
Payment or Replacement	<p>(b) If the Company exercise their option to pay for or replace the Aircraft</p> <p>(i) the Company may take the Aircraft (together with all documents of record, registration and title thereto) as salvage;</p> <p>(ii) the cover afforded by this Section is terminated in respect of the Aircraft even if the Aircraft is retained by the Insured for valuable consideration or otherwise;</p> <p>(iii) the replacement aircraft shall be of the same make and type and in reasonably like condition unless otherwise agreed with the Insured.</p>
Amounts to be deducted from claim	<p>(c) Except where the COMPANY exercise their option to pay for or replace the Aircraft, there shall be deducted from the claim under paragraph 1 (a) of this Section :</p> <p>(i) the amount specified in the Schedule and</p> <p>(ii) such proportion of the Overhaul Cost of any Unit repaired or replaced as the used time bears to the Overhaul Life of the Unit.</p>
No Abandonment	<p>(d) Unless the Company elect to take the Aircraft as salvage the Aircraft shall at all times remain the property of the Insured who shall have no right of abandonment to the Company.</p>
Other Insurance	<p>(e) No claim shall be payable under this Section if other Insurance which is payable in consequence of lose or damage covered under this Section has been or shall be effected by or on behalf of the Insured without the knowledge or consent of the Company.</p>

See also Section IV

SECTION II LEGAL LIABILITY TO THIRD PARTIES(OTHER THAN PASSENGERS)

1. Coverage

The Company will indemnify the Insured for all sums which the Insured shall become legally liable to pay, and shall pay, as compensatory damages (including costs awarded against the Insured) in respect of accidental bodily injury (fatal or otherwise) and accidental damage to property caused by the Aircraft or by any person or object falling therefrom.

2. Exclusions applicable to this Section only

The Company shall not be liable for

Employees and others	(a) injury (fatal or otherwise) or loss sustained by any director or employee of the Insured or partner in the Insured's business whilst acting in the course of his employment with or duties for the Insured;
Operational Crew	(b) injury (fatal or otherwise) or loss sustained by any member of the flight, cabin or other crew whilst engaged in the operation of the Aircraft;
Passengers	(c) injury (fatal or otherwise) or loss sustained by any passenger whilst entering, on board, or alighting from the Aircraft;
Property	(d) loss of or damage to any property belonging to or in the care, custody or control of the Insured.
Noise and Pollution and Other Perils	(e) claims excluded by attached Noise and Pollution and Other Perils Exclusion Clause.

3. Limits of indemnity applicable to this Section

The liability of the Company under this Section shall not exceed the amounts stated in Coverage of the Schedule, less any amounts under Deductible. The Company will defray in addition any legal costs and expenses incurred with their written consent in defending any action which may be brought against the Insured in respect of any claim for compensatory damages covered by this Section, but should the amount paid or awarded in settlement of such claim exceed the Limit of Indemnity then the liability of the Company in respect of such legal costs and expenses shall be limited to such proportion of the said legal costs and expenses as the Limit of Indemnity bears to the amount paid for compensatory damages.

See also Section IV

SECTION III LEGAL LIABILITY TO PASSENGERS

1. Coverage

The Company will indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay, and shall pay, as compensatory damages (including costs awarded against the Insured) in respect of

- (a) accidental bodily injury (fatal or otherwise) to passengers whilst entering, on board, or alighting from the Aircraft and
- (b) loss of or damage to baggage and personal articles of passengers arising out of an Accident to the Aircraft.

Provided always that

Documentar
y
Precautions

- (i) before a passenger boards the Aircraft the Insured shall take such measures as are necessary to exclude or limit liability for claims under (a) and (b) above to the extent permitted by law;

(ii) if the measures referred to in proviso (i) above include the issue of a passenger ticket/baggage check the same shall be delivered correctly completed to the passenger a reasonable time before the passenger boards the Aircraft.

Effect of
Non-
Compliance

In the event of failure to comply with proviso (i) or (ii) the limit of the Company under this Section shall not exceed the amount of the legal liability, if any, that would have existed had the proviso been complied with.

2. Exclusions applicable to this Section only

The Company shall not be liable for injury or loss sustained by any

Employees and
Others

(a) director or employee of the Insured or partner in the Insured's business whilst acting in the course of his employment with or duties for the Insured;

Operational
Crew

(b) member of the flight, cabin or other crew whilst engaged in the operation of the Aircraft.

3. Limits of Indemnity applicable to this Section

The liability of the Company under this Section shall not exceed the amounts stated in Coverage of the Schedule, less any amounts under Deductible. The Company will defray in addition any legal costs and expenses incurred with their written consent in defending any action which may be brought against the Insured in respect of any claim for compensatory damages covered by this Section, but should the amount paid or awarded in settlement of such claim exceed the Limit of Indemnity bears to the amount paid for compensatory damages.

See also Section IV

SECTION IV (A) GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

This Policy does not apply:-

Illegal Uses

1. Whilst the Aircraft is being used for any illegal purpose or for any purpose other than those stated in the Schedule and as defined in the Definitions.

Geographical
Limits

2. Whilst the Aircraft is outside the geographical limits stated in the Schedule unless due to force majeure.

Pilots

3. Whilst the Aircraft is being piloted by any person other than as stated in the Schedule except that the Aircraft may be operated on the ground by any person competent for that purpose.

Transportation by other Conveyance	4. Whilst the Aircraft is being transported by any means of conveyance except as the result of an Accident giving rise to a claim under Section I of this Policy.
Landing and Take-off Areas	5. Whilst the Aircraft is landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the Aircraft except as a result of force majeure.
Contractual Liability	6. To liability assumed or rights waived by the Insured under any agreement (other than a passenger ticket/baggage check issued under Section III hereof) except to the extent that such liability would have attached to the Insured in the absence of such agreement.
Number of Passengers	7. Whilst the total number of passengers being carried in the Aircraft exceeds the declared maximum number of passengers stated in the Schedule.
Non-Contribution	8. To claims which are payable under any other policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected.
Nuclear Risks	9. To claims excluded by the attached Nuclear Risks Exclusion Clause.
War, Hi-jacking and Other Perils	10. To 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 labour 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, nationalisation, 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) Hijacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured.

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).

(B) CONDITIONS PRECEDENT APPLICABLE TO ALL SECTIONS

It is necessary that Insured observes and fulfils the following Conditions before the Insurers have any liability to make any payment under this Policy.

Due Diligence

1. The Insured shall at all times use due diligence and do and concur in doing everything reasonably practicable to avoid or diminish any loss hereon.

Compliance
with Air
Navigation
Orders, etc.

2. The Insured shall comply with all air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of the Aircraft and shall ensure that

(a) the Aircraft is airworthy at the commencement of each Flight;

(b) all Log Books and other records in connection with the Aircraft which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the Company or their Agents on request;

(c) the employees and agents of the Insured comply with such orders and requirements.

Claims
Procedure

3. Immediate notice of any event likely to give rise to a claim under this Policy shall be given as stated in the Schedule. In all cases the Insured shall

(a) furnish full particulars in writing of such event and forward immediately notice of any claim with any letters or documents relating thereto;

(b) give notice of any impending prosecution;

(c) render such further information and assistance as the Company may reasonably require;

(d) not act in any way to the detriment or prejudice of the interest of the Company.

The Insured shall not make any admission of liability or payment or offer or promise of payment without the written consent of the Company.

(C) GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

- | | |
|-----------------------------|--|
| Claims Control | 1. The Company shall be entitled (if they so elect) at any time and for so long as they desire to take absolute control of all negotiations and proceedings and in the name of the Insured to settle, defend or pursue any claim. |
| Subrogation | 2. Upon an indemnity being given or a payment being made by the Company under this Policy, they shall be subrogated to the rights and remedies of the Insured who shall co-operate with and do all things necessary to assist the Company to exercise such rights and remedies. |
| Variation in Risk | 3. Should there be any change in the circumstances or nature of the risks which are the basis of this contract the Insured shall give immediate notice thereof to the Company and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted by the Company. |
| Cancellation | 4. This Policy may be cancelled by either the Company or the Insured giving 10 days notice in writing of such cancellation. If cancelled by the Company they will return a pro rata portion of the premium in respect of the unexpired period of the Policy. If cancelled by the Insured a return of premium shall be at the discretion of the Company. There will be no return of premium in respect of any Aircraft on which a loss is paid or is payable under this Policy. |
| Assignment | 5. This Policy shall not be assigned in whole or in part except with the consent of the Company verified by endorsement hereon. |
| Not Marine Insurance | 6. This Policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance. |
| Arbitration | 7. This Policy shall be construed in accordance with English Law and any dispute or difference between the Insured and the Company shall be submitted to arbitration in London in accordance with the Statutory provision for arbitration for the time being in force. |
| Two or More Aircraft | 8. When two or more Aircraft are insured hereunder the terms of this Policy apply separately to each. |
| Limits of Indemnity | 9. Notwithstanding the inclusion herein of more than one Insured, whether by endorsement or otherwise, the total liability of the Company in respect of any or all Insureds shall not exceed the limit(s) of indemnity stated in this Policy. |
| False and Fraudulent Claims | 10. If the Insured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise this Policy shall become void and all claims hereunder shall be forfeited. |

(D) DEFINITIONS

1. “ACCIDENT” means any one accident or series of accidents arising out of one event.
2. “UNIT” means a part or an assembly of parts (including any sub-assemblies) of the Aircraft which has been assigned an Overhaul Life as a part or an assembly. Nevertheless, an engine complete with all parts normally attached when removed for the purpose of overhaul or replacement, shall together constitute a single Unit.
3. ”OVERHAUL LIFE” means the amount of use, or operational and/or calendar time which, according to the Airworthiness Authority, determines when overhaul or replacement of a Unit is required.
4. “OVERHAUL COST” means the costs of labour and materials which are or would be incurred in overhaul or replacement (whichever is necessary) at the end of the Overhaul Life of the damaged or a similar Unit.
5. “PRIVATE PLEASURE” means use for private and pleasure purposes but NOT use for any business or profession nor for hire or reward.
6. ”BUSINESS” means the uses stated in Private Pleasure and use for business or professional purposes but NOT use for hire or reward.
7. ”COMMERCIAL” means the uses stated in Private Pleasure and Business and use for the carriage by the Insured of passengers, baggage accompanying passengers and cargo for hire or reward.
8. “RENTAL” means rental, lease, charter or hire by the Insured to any person, company or organisation for Private Pleasure and Business uses only, where the operation of the Aircraft is not under the control of the Insured. Rental for any other purpose is NOT insured under this Policy unless specifically declared to Company and the detail of such use(s) stated under SPECIAL RENTAL USES.

Definitions 5. 6. 7. and 8. Constitute Standard Uses and do not include Instruction, Aerobatics, Hunting, Patrol, Fire-fighting, the intentional dropping, spraying or release of anything, any form of experimental or competitive flying, and any other use involving abnormal hazard, but when cover is provided details of such use(s) are stated in the Schedule under SPECIAL USES.

9. ”FLIGHT” means from the time the Aircraft moves forward in taking off or attempting to take off, whilst in the air, and until the Aircraft completes its landing run. A rotor-wing aircraft shall be deemed to be in Flight when the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.

10. "TAXYING" means movement of the Aircraft under its own power other than in Flight as defined above. Taxying shall not be deemed to cease merely by reason of a temporary halting of the Aircraft.

11. "MOORED" means, in the case of aircraft designed to land on water, whilst the Aircraft is afloat and is not in Flight or Taxying as defined above, and includes the risks of launching and hauling up.

12. "GROUND" means whilst the Aircraft is not in Flight or Taxying or Moored as defined.

AVN1C 21.12.98

Clauses

Reference: LSW 555D
Title: AVIATION HULL WAR & ALLIED PERILS POLICY (04/06)
AVIATION HULL WAR & ALLIED PERILS POLICY (04/06)

THE SCHEDULE

Policy Number: {Missing}

Assured:

{Missing}

Address of Assured:

{Missing}

Additional Assured(s):

{Missing}

Approved Lienholder(s) for Breach of Warranty protection:

{Missing}

Aircraft hereby insured:

Manufacturer	Model	Registration	Agreed Value
{Missing}	{Missing}	{Missing}	{Missing}

Geographical Limits:

{Missing}

Excluding Confiscation, etcetera by Government(s) of:

{Missing}

Period of Policy:

From: {Missing}

To: {Missing}

Both days inclusive

Extortion and Hi-jack Expenses Limit of Policy:

90% of {Missing} any one loss and in all (WARRANTED REMAINING 10% UNINSURED)

Premium:

{Missing}

Immediate notice of changes in risk or of circumstances likely to give rise to a loss hereunder to be communicated to:

{Missing}

Dated in London: {Missing}

AVIATION HULL “WAR AND ALLIED PERILS” POLICY

SECTION ONE: LOSS OF OR DAMAGE TO AIRCRAFT

Subject to the terms, conditions and limitations set out below, this Policy covers loss of or damage to the Aircraft stated in the Schedule against claims excluded from the Assured's Hull “All Risks” Policy as 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) Strikes, riots, civil commotions or labour disturbances.
- (c) 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.
- (d) Any malicious act or act of sabotage.
- (e) Confiscation, nationalisation, 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.
- (f) 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. For the purpose of this paragraph (f) only, an aircraft is considered to be in flight at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation or when the aircraft is in motion. A rotor-wing aircraft shall be deemed to be in flight when the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.

Furthermore this Policy covers claims excluded from the Hull “All Risks” Policy from occurrences 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).

SECTION TWO: EXTORTION AND HI-JACK EXPENSES

1. This Policy will also indemnify the Assured subject to the terms, conditions, exclusions and limitations set out below, and up to the limit stated in the Schedule, for 90% of any payment properly made in respect of:
 - (a) threats against any Aircraft stated in the Schedule or its passengers or crew made during the currency of this Policy.
 - (b) extra expenses necessarily incurred following confiscation, etcetera (as Section One clause (e)) or hi-jacking, etcetera (as Section One clause (f)) of any Aircraft stated in the Schedule.

insurance is not lawful, and the Assured is at all times responsible for ensuring that no arrangements of any kind are made which are not permitted by the proper authorities.

SECTION THREE: GENERAL EXCLUSIONS

This Policy excludes loss, damage or expense caused by one or any combinations of any of the following:

- (a) war (whether there be a declaration of war or not) between any of the following States: the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China; nevertheless, if any Aircraft is in the air when an outbreak of such war occurs, this exclusion shall not apply in respect of such Aircraft until the said Aircraft has completed its first landing thereafter;
- (b) confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the authority of the Government(s) stated in the Schedule, or any public or local authority under its jurisdiction;
- (c) the emission, discharge, release or escape of any chemical, biological or biochemical materials or the threat of same but this exclusion shall not apply;
 - (i) if such materials are used or threatened to be used solely and directly in:
 - 1. the Hi-jacking, unlawful seizure or wrongful exercise of control of an Aircraft in flight and then only in respect of loss of or damage to such Aircraft the subject of a valid claim under clause (f) Section One above; or
 - 2. any threat against an Aircraft stated in the Schedule or its passengers or crew and then only in respect of payments as are insured under Section Two above
 - (ii) other than as provided for in sub-paragraph 1 above, to loss of or damage to an Aircraft if the use of such materials is hostile and originates solely and directly;
 - 1. on board such Aircraft, whether it is on the ground or in the air.or
 - 2. external to such Aircraft and causes physical damage to the Aircraft whilst the Aircraft's wheels are not in contact with the ground.

Any emission, discharge, release or escape originating external to the Aircraft that causes damage to the Aircraft as a result of contamination without other physical damage to the Aircraft exterior is not covered by this Policy.
- (d) any debt, failure to provide bond or security or any other financial cause under court order or otherwise;
- (e) the repossession or attempted repossession of the Aircraft either by any title holder, or arising out of any contractual agreement to which any Assured protected under this Policy may be party;
- (f) delay, loss of use, or except as specifically provided in Section Two any other consequential loss; whether following upon loss of or damage to the Aircraft or otherwise.
- (g) any use, hostile or otherwise, of radioactive contamination or matter but this exclusion shall not apply to loss of or damage to an Aircraft if such use is hostile and originates solely and directly;
 - (i) on board such Aircraft, whether it is on the ground or in the air, or
 - (ii) external to such Aircraft and causes physical damage to the Aircraft whilst the

Aircraft's wheels are no longer in contact with the ground

Any such use originating external to the Aircraft that causes damage to the Aircraft as a result of contamination without other physical damage to the Aircraft exterior is not covered by this Policy.

- (h) any use, hostile or otherwise, of an electromagnetic pulse but this exclusion shall not apply to loss of or damage to an Aircraft if such use originates solely and directly on board such Aircraft, whether it is on the ground or in the air.
- (i) any detonation, hostile or otherwise, of any device employing atomic or nuclear fission and/or fusion or other like reaction, and notwithstanding (g) and (h) above, any radioactive contamination and electromagnetic pulse resulting directly from such detonation is also excluded by this Policy.

SECTION FOUR: GENERAL CONDITIONS

1. This Policy is subject to the same warranties, terms and conditions (except as regards the premium, the obligations to investigate and defend, the renewal agreement (if any), the amount of deductible or self insurance provision where applicable AND EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or may be added to the Assured's Hull "All Risks" Policy.
2. Should there be any Material Change in the nature or area of the Assured's operations, the Assured shall give immediate notice of such Change to the Underwriters; no claim arising subsequent to a Material Change over which the Assured had control shall be recoverable hereunder unless such change has been accepted by the Underwriters.

"Material Change" shall be understood to mean any change in the operation of the Assured which might reasonably be regarded by the Underwriters as increasing their risk in degree or frequency, or reducing possibilities of recovery or subrogation.
3. The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy shall be conditions precedent to any liability of the Underwriters to make any payment under this Policy: in particular the Assured should use all reasonable efforts to ensure that he complies and continues to comply with the laws (local or otherwise) of any country within whose jurisdiction the Aircraft may be, and to obtain all permits necessary for the lawful operation of the Aircraft.
4. Subject always to the provisions of Section Five, and the Schedule, Underwriters hereon agree to follow the Hull "All Risks" Policy in respect of Breach of Warranty Cover, Hold Harmless Agreements and Waivers of Subrogation.

SECTION FIVE: CANCELLATION REVISION AND AUTOMATIC TERMINATION

- | | | |
|------------------------------------|--------|---|
| Amendment of Terms or Cancellation | 1. (a) | Underwriters may give notice, effective on the expiry of 7 days from midnight G.M.T. on the day on which notice is issued, to review the rate of premium and/or the geographical limits. In the event of the review of the rate of premium and/or geographical limits not being accepted by the Assured then at the expiry of the said 7 days, this Policy shall become cancelled at that date. |
| Automatic Review | (b) | Notwithstanding 1(a) above, this Policy is subject to |

of Terms or
Cancellation

automatic review by Underwriters of the rate of premium and/or conditions and/or geographical limits effective on the expiry of 7 days from the time of any hostile detonation of any device including any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the insured Aircraft may be directly affected. In the event of the review of the rate of premium and/or conditions and/or geographical limits not being accepted by the Assured then at the expiry of the said 7 days, this Policy shall become cancelled at that date.

Cancellation by
Notice

(c) This Policy may be cancelled by the Assured or Underwriters giving notice not less than 7 days prior to the end of each period of 3 months from inception.

Automatic
Termination

2. Whether or not such notice of cancellation has been given this Insurance shall TERMINATE AUTOMATICALLY

Upon the outbreak of war (whether there be a declaration of war or not) between any of the following States, namely, the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China.

PROVIDED THAT if the Aircraft is in the air when such outbreak of war occurs then this insurance, subject to its terms and conditions and provided not otherwise cancelled, terminated or suspended, will be continued in respect of such Aircraft until the said Aircraft has completed its first landing thereafter.

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LLOYD'S ACCIDENT POLICY

Whereas the Assured, with a view to effecting an insurance as hereinafter provided with the Underwriters (as defined below), has presented from each Insured Person mentioned in the Schedule of Insured Persons (hereinafter called an Insured Person) a separate proposal upon which the Underwriters have determined their terms and conditions,

We, Underwriting Members of the syndicates whose definitive numbers and proportions are shown in the Table attached hereto (hereinafter referred to as 'the Underwriters'), hereby agree, in consideration of the payment to us by or on behalf of the Assured of the premium specified in the Schedule, to insure against bodily injury in the manner and to the extent hereinafter provided.

The Underwriters, and their heirs, executors and administrators shall be liable only for their own shares of their respective syndicate's proportion, the Underwriters having bound themselves severally and not jointly, each for their own part, and not one for another, and in respect of their due proportion only. The identity of each underwriting member of the syndicates shown in the Table and the amounts of their respective shares may be ascertained by the Assured or the Assured's representative on application to Lloyd's Policy Signing Office, quoting the Lloyd's Policy Signing Office number and date shown in the Table.

In Witness whereof the General Manager of Lloyd's Policy Signing Office has signed on behalf of each of us.

LLOYD'S POLICY SIGNING OFFICE

General Manager

K(A) NMA 2318 (22/9/88) Form approved by Lloyd's Underwriters' Non-Marine Association.

We the Underwriters hereby agree with the Assured, to the extent and in the manner herein provided, that if an Insured Person sustains Bodily Injury during the period of this Insurance, we will pay to the Assured, or to the Assured's Executors or Administrators, according to the Schedule of Compensation after the total claim shall be substantiated under this Insurance.

Provided Always That:

1. a) Compensation shall not be payable under more than one of the items of the Schedule of Compensation in respect of the consequences of one Accident to any one Insured Person, except for any compensation payable hereunder in respect of temporary partial disablement preceding or following temporary total disablement, and

b) No weekly compensation shall become payable until the total amount thereof has been ascertained and agreed. If, nevertheless, payment be made for weekly compensation, the amount so paid shall be deducted from any lump sum becoming claimable in respect of the same Accident.
2. The total sum payable under this Insurance in respect of any one or more Accidents to any one Insured Person shall not exceed in all the largest sum insured under any one of the items contained in the Schedule of Compensation or added to this Insurance by endorsement, except that the Underwriters will in addition pay Medical Expenses.
3. If Item 1 of the Schedule of Compensation is not covered, then no claim shall be payable, other than for weekly compensation and Medical Expenses, in respect of any Accident which would have given rise to a claim under Item 1 had that item been covered.

4. If Item 1 of the Schedule of Compensation is covered and an Accident causes the death of the Insured Person within twelve months following the date of the Accident and prior to the definite settlement of the compensation for disablement provided for under Items 2 to 7 of the Schedule of Compensation, there shall be paid only the compensation provided for in the case of death.
5. Compensation shall only be payable under items of the Schedule of Compensation if:
 - a) Under Item 1, death occurs within twelve months of the date of the Accident,
 - b) Under Items 2 to 6, Loss occurs within twelve months of the date of the Accident,
 - c) Under Item 7, the Insured Person becomes totally disabled within twelve months of the date of the Accident, and such disablement lasts for twelve months.

DEFINITIONS

In this Insurance:

1. 'BODILY INJURY' means identifiable physical injury which:
 - a) is caused by an Accident, and
 - b) solely and independently of any other cause, except illness directly resulting from, or medical or surgical treatment rendered necessary by such injury, occasions the death or disablement of the Insured Person within twelve months from the date of the Accident.
2. 'ACCIDENT' means a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place, but shall also include exposure resulting from a mishap to a conveyance in which the Insured Person is travelling.
3. 'TEMPORARY TOTAL DISABLEMENT' means disablement which entirely prevents the Insured Person from attending to his business or occupation of any and every kind.
4. 'TEMPORARY PARTIAL DISABLEMENT' means disablement which prevents the Insured Person from attending to a substantial part of his business or occupation.
5. 'PERMANENT TOTAL DISABLEMENT' means disablement which entirely prevents the Insured Person from attending to any business or occupation of any and every kind and which lasts twelve months and at the expiry of that period is beyond hope of improvement.
6. 'LOSS OF A LIMB' means loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle and includes total and irrecoverable loss of use of hand, arm or leg.
7. 'MEDICAL EXPENSES' means expenses necessarily incurred by the Insured Person for medical, hospital, surgical, manipulative, massage, therapeutic, X-ray or nursing treatment, including the cost of medical supplies and ambulance hire.
8. 'AIR TRAVEL' means being in or on or boarding an aircraft for the purpose of flying therein or alighting therefrom following a flight.
9. Words in the masculine gender shall include the feminine.

EXCLUSIONS

This Insurance does not cover death or disablement directly or indirectly arising out of or consequent upon or contributed to by:

1. war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power;
2. radioactive contamination;
3. the Insured Person engaging in or taking part in
 - a) naval, military or air force service or operations;
 - b) winter sports (other than skating or curling)
 - i) at any winter sports resort, or
 - ii) anywhere outside Great Britain, Northern Ireland, the Isle of Man, the Channel Islands or the Republic of Ireland;
 - c) skin diving involving the aid of breathing apparatus, rock climbing or mountaineering normally involving the use of ropes or guides, potholing, hang gliding, parachuting, hunting on horseback, or driving or riding in any kind of race;
 - d) driving or riding on motor cycles or motor scooters other than mopeds;
- ~~4) the Insured Person engaging in Air Travel except as a passenger in a properly licensed multi-engined aircraft being operated by a licensed commercial air carrier or owned and operated by a commercial concern;~~
- 5) suicide or attempted suicide or intentional self-injury or the Insured Person being in a state of insanity;
- 6) Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC) howsoever this syndrome has been acquired or may be named;
- 7) deliberate exposure to exceptional danger (except in an attempt to save human life), or the Insured Person's own criminal act, or the Insured Person being under the influence of alcohol or drugs.

CONDITIONS

1. If an Insured Person shall regularly engage in any occupation, sport, pastime or activity in which materially greater risk may be incurred than disclosed in connection with this Insurance without the Assured first notifying the Underwriters and obtaining their written agreement to the amendment of this Insurance (subject to the payment of such additional premium as the Underwriters may reasonably require as the consideration for such agreement), then no claim shall be payable in respect of any Accident arising therefrom.
2. If the consequences of an Accident shall be aggravated by any condition or physical disability of the Insured Person which existed before the Accident occurred, the amount of any compensation payable under this Insurance in respect of the consequences of the Accident shall be the amount which it is reasonably considered would have been payable if such consequences had not been so aggravated.
3. Notice must be given to the Underwriters as soon as reasonably practicable of any Accident which causes or may cause disablement within the meaning of this Insurance, and the Insured Person must as early as possible place himself under the care of a duly qualified medical practitioner.

Notice must be given to the Underwriters as soon as reasonably practicable in the event of the death of the Insured Person resulting or alleged to result from an Accident.

It is a condition precedent to Underwriters' liability to pay compensation to the Assured or his representatives, that all medical records, notes, and correspondence referring to the subject of a claim or a related pre-existing condition shall be made available on request to any medical adviser appointed by or on behalf of Underwriters and that such medical adviser or advisers shall, for the purpose of reviewing the claim, be allowed so often as may be deemed necessary to make examination of the person of an Insured Person.

4. Any fraud, misstatement or concealment by an Insured Person if unknown to the Assured either in the proposal on which this Insurance is based or in relation to any other matter affecting this Insurance or in connection with the making of any claim hereunder shall render this Insurance null and void in so far as it relates to the Insured Person in question, but any such fraud, misstatement or concealment by or known to the Assured shall render the whole Insurance null and void and all claims hereunder shall be forfeited.

K(A) NMA 2318

SCHEDULE OF BENEFITS (for each Insured Person)

The percentages specified below are % of the Capital Sum Insured stated in the Schedule of Insured Persons applicable to the Insured Person.

Where the letters N.C. (NOT COVERED) are inserted no insurance is provided.

1. Death	100%
2. Total and irrecoverable loss of sight of both eyes	100%
3. Total and irrecoverable loss of sight of one eye	100%
4. Loss of two limbs	100%
5. Loss of one limb	100%
6. Total and irrecoverable loss of sight of one eye and loss of one limb	100%
7. Permanent Total Disablement (other than total and irrecoverable loss of sight of one or both eyes or loss of limb(s))	100%

8. **Temporary Total Disablement** ~~the amount specified in the Schedule of Insured Persons during such disablement for the Maximum Benefit Period specified in the Schedule of Insured Persons regardless of the number of Accidents commencing after the expiry of the Elimination Period specified in the Schedule of Insured Persons from the date on which the Insured Person first became disabled.~~

9. **Temporary Partial Disablement** ~~the amount specified in the Schedule of Insured Persons during such disablement for the Maximum Benefit Period specified in the Schedule of Insured Persons regardless of the number of Accidents commencing after the expiry of the Elimination Period specified in the Schedule of Insured Persons from the date on which the Insured Person first became disabled.~~

Words in bold print in this Insurance have special meaning, as defined in the DEFINITIONS of this Insurance
IMPORTANT NOTICE.

THIS INSURANCE DOES NOT PROVIDE SICKNESS OR DISEASE INSURANCE.

IF THE INSURED PERSON SHALL ENGAGE IN ANY OCCUPATION SPORT OR PASTIME OR OTHER ACTIVITY OF A HAZARDOUS NATURE THEY SHOULD DISCLOSE IT.

We The Insurers hereby agree with the Assured, to the extent and in the manner herein provided, that if the Insured Person sustains **Bodily Injury** caused by an **Accident**, we will pay to the Assured, or to the Assured's Executors or Administrators, according to the Schedule of Benefits after the total claim shall be substantiated under this Insurance.

Provided always that:

1. (a) benefit shall not be payable under more than one of the items of the Schedule of Benefits in respect of the consequences of one **Accident** to any one Insured Person, except for any benefit payable hereunder in respect of **Temporary Partial Disablement** preceding or following **Temporary Total Disablement**, and

- (b) no weekly benefit shall become payable until the total amount thereof has been ascertained and agreed. Where any payment is made for weekly benefit, the amount so paid shall be deducted from any lump sum subsequently payable in respect of the same **Accident**.
2. the total sum payable under this Insurance in respect of any one or more **Accidents** to any one Insured Person shall not exceed in all the largest benefit under any one of the items contained in the Schedule of Benefits.
3. if Item 1 of the Schedule of Benefits is not covered, then no claim shall be payable, other than for weekly benefits, in respect of any **Accident** which would have given rise to a claim for death had that item been covered.
4. if Item 1 of the Schedule of Benefits is covered and an **Accident** causes the death of the Insured Person within twelve months following the date of the **Accident** and prior to the definite settlement of the benefit for disablement provided for under Items 2 to 7 of the Schedule of Benefits, there shall be paid only the benefit provided for in the case of death.

DEFINITIONS

In this Insurance:

1. '**BODILY INJURY**' means identifiable physical injury which
- (a) is caused by an **Accident**, and
 - (b) solely and independently of any other cause, except sickness or disease directly resulting from, or medical or surgical treatment rendered necessary by such injury, occasions the death or disablement of the Insured Person within twelve months from the date of the **Accident**.
2. '**ACCIDENT**' means a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place during the Period of Insurance.
- Accident** shall also include
- (a) exposure resulting from a mishap to a conveyance in which the Insured Person is travelling;
 - (b) disappearance. If the Insured Person is not found within twelve months of disappearing, and the sufficient evidence is produced satisfactory to the Insurers that leads them inevitably to the conclusion that the Insured Person has sustained **Bodily Injury** and that such injury has caused the Insured Person's death, the Insurers shall forthwith pay any death benefit, where applicable, under this Insurance, provided that the person or persons to whom such sum is paid shall sign an undertaking to refund such sum to the Insurers if the Insured Person is subsequently found to be living.
3. '**TEMPORARY TOTAL DISABLEMENT**' means disablement which entirely prevents the Insured Person from attending to their business or occupation.
4. '**TEMPORARY PARTIAL DISABLEMENT**' means disablement which prevents the Insured Person from attending to a substantial part of their business or occupation.
5. '**PERMANENT TOTAL DISABLEMENT**' means disablement which entirely prevents the Insured Person from attending to any business or occupation for which they are reasonably suited by training, education or experience and which lasts twelve months and at the end of that period is beyond hope of improvement.
6. '**LOSS OF A LIMB**' means permanent loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle and includes permanent total and irrecoverable loss of use of hand, arm or leg.

EXCLUSIONS

This Insurance does not cover death or disablement in any way caused or contributed to by

1. war, whether war be declared or not, hostilities or any act of war or civil war;
2. radioactive contamination;
3. the Insured Person engaging in or taking part in armed forces service or operations;
4. the Insured Person engaging in flying of any kind other than as a passenger;
5. the Insured Person's suicide or attempted suicide or intentional self-injury or the Insured Person being in a state of insanity;
6. Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or Human Immuno- deficiency Virus (HIV) howsoever these have been acquired or may be named;
7. the Insured Person's deliberate exposure to exceptional danger (except in an attempt to save human life);
8. the Insured Person's own criminal act;
9. the Insured Person being under the influence of alcohol or drugs.

10. Loss arising out of war and terrorism (including any nuclear, biological and chemical losses).

CONDITIONS

1. If the Insured Person shall regularly engage in any occupation, sport, pastime or other activity in which materially greater risk may be incurred than previously disclosed in connection with this Insurance without the Assured first notifying the Insurers and obtaining their written agreement to the inclusion under this Insurance (subject to the payment of any additional premium as the Insurers may reasonably require as the consideration for such agreement), then no claim shall be payable in respect of any **Accident** arising from such activity.
2. Unless otherwise declared and agreed by the Insurers no benefit will be payable for any condition for which the Insured Person has sought advice, diagnosis, treatment or counselling or of which the Insured Person was or should reasonably have been aware at inception of this Insurance or for which the Insured Person has been treated at any time prior to inception.
3. Notice must be given to the Insurers as soon as reasonably practicable of any **Accident** which causes or may cause a claim within the meaning of this Insurance, and the Insured Person must as early as possible seek the attention of a duly qualified medical practitioner. Notice must be given to the Insurers as soon as reasonably practicable in the event of the death of the Insured Person resulting or alleged to result from an **Accident**.

All medical records, notes and correspondence referring to the subject of a claim or a related pre-existing condition shall be made available on request to any medical adviser appointed by or on behalf of the Insurers and such medical adviser or advisers shall, for the purpose of reviewing the claim, be allowed so often as may be deemed necessary to make an examination of the Insured Person.

4. Any fraud, concealment, or deliberate mis-statement by an Insured Person, if unknown to the Assured, either in the proposal on which this Insurance is based or in relation to any other matter affecting this Insurance or in connection with the making of any claim hereunder shall render this Insurance null and void in so far as it relates to the Insured Person in question but any such fraud, concealment, or deliberate mis-statement by or known to the Assured shall render the whole Insurance null and void and all claims hereunder shall be forfeited.

NMA2712 (Amended)