



TAIWAN FIRE & MARINE INSURANCE CO., LTD.

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臺灣產物航空保險

AIRCRAFT HULL AND THIRD PARTY LIABILITY & AIRCRAFT SPARES INSURANCE

109.03.26 產精算字第 1090000764 號函備查



AVN 1C 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.

The Insurers agree to insure against loss, damage or liability, arising out of an Accident occurring during the Period of Insurance to the extent and in the manner provided in this Policy.

**SECTION I LOSS OF OR DAMAGE TO
AIRCRAFT**

1. Coverage

- (a) The Insurers 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 Part 2(5) of the Schedule and subject to the amounts to be deducted specified in Condition 3(c).
- (b) If the Aircraft is insured hereby for the risks of Flight, the Insurers 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 Insured as specified in Part 2(5) of the Schedule.

2. Exclusions applicable to this Section only

The Insurers 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.



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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

- (a) If the Aircraft is damaged
- Dismantling
Transport and
Repairs
- (i) no dismantling or repairs shall be commenced without the consent of the Insurers except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority;
- (ii) the Insurers will pay only for repairs and transport of labour and materials by the most economical method unless the Insurers agree otherwise with the Insured.
- (b) If the Insurers exercise their option to pay for or replace the Aircraft
- Payment or
Replacement
- (i) the Insurers may take the Aircraft (together with all documents of record, registration and title thereto) as salvage;
- (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;
- (iii) the replacement aircraft shall be of the same make and type and in reasonably like condition unless otherwise agreed with the Insured.
- (c) Except where the Insurers exercise their option to pay for or replace the Aircraft, there shall be deducted from the claim under paragraph 1(a) of this the Section
- Amounts to be
Deducted from
the Claim
- (i) the amount specified in Part 6(B) of the Schedule and
- (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.
- (d) Unless the Insurers 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 Insurers.
- No Abandonment
- (e) No claim shall be payable under this Section if other**



Other Insurance

insurance which is payable in consequence of loss 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 Insurers.

See also Section IV

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

1. Coverage

The Insurers 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 Insurers 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 the attached Noise and Pollution and Other Perils Pollution and Exclusion Clause.

3. Limit of Indemnity applicable to this Section

The liability of the Insurers under this Section shall not exceed the amount stated in Part 6(C) of the Schedule, less any amounts under Part 6(B). The Insurers 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 Insurers 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 Insurers 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

Documentary
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

In the event of failure to comply with proviso (i) or



Non-Compliance

(ii) the liability of the Insurers 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 Insurers shall not be liable for injury (fatal or otherwise) 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 Insurers under this Section shall not exceed the amounts stated in Part 6(C) of the Schedule, less any amounts under Part 6(B). The Insurers 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 Insurers 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 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 Part 3 of the Schedule and as defined in the



Definitions.

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| Geographical Limits | 2. Whilst the Aircraft is outside the geographical limits stated in Part 5 of the Limits Schedule unless due to force majeure. |
| Pilots | 3. Whilst the Aircraft is being piloted by any person other than as stated in Part 4 of 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 by Other 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 Part 2(4) of 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 Policy not been effected. |
| Nuclear Risks | 9. To claims excluded by the attached Nuclear Risks Exclusion Clause. |
| War, Hijacking | |



And Other Perils

10. To claims caused by

- (i) 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.
- (ii) 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.
- (iii) Strikes, riots, civil commotions or labour disturbances.
- (iv) 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.
- (v) Any malicious act or act of sabotage.
- (vi) 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.
- (vii) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured.

Furthermore this Policy does not cover claims arising whilst the Aircraft is outside the control of the Insured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical



limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

(B) CONDITIONS PRECEDENT APPLICABLE TO ALL SECTIONS

Due Diligence

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

Compliance with Air Navigation Orders, etc.

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

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)

(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 Insurers or their agents on request;

Claims Procedure

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

3. Immediate notice of any event likely to give rise to a claim under this Policy shall be given as stated in Part 8 of 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 Insurers may reasonably require;

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

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

Claims Control

(C)GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

Subrogation

1. The Insurers 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.

Variation in Risk

2. Upon an indemnity being given or a payment being made by the Insurers 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 Insurers to exercise such rights and remedies.

Cancellation

3. Should there be any change in the circumstances or nature of the risks which Risk are the basis of this contract the Insured shall give immediate notice thereof to the Insurers and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted by the Insurers.

Assignment

4. This Policy may be cancelled by either the Insurers or the Insured giving 10 days notice in writing of such cancellation. If cancelled by the Insurers 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 Insurers. There will be no return of premium in respect of any Aircraft on which a loss is paid or is payable under this Policy.



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| Not Marine Insurance | 5. This Policy shall not be assigned in whole or in part except with the consent of the Insurers verified by endorsement hereon. |
| Arbitration | 6. This Policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance.
7. This Policy shall be construed in accordance with the law of the Insured's country of domicile and any dispute or difference between the Insured and the Insurers 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 | |
| Limit(s) of Indemnity | 8. When two or more Aircraft are insured hereunder the terms of this Policy apply separately to each.
9. 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 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 Insurers and the detail of such use(s) stated in Part 3 of the Schedule 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 Part 3 of 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 rotary-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. "TAXIING" means movement of the Aircraft under its own power other than in Flight as defined above. Taxiing 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 Taxiing as defined above, and includes the risks of launching and hauling up.
12. "GROUND" means whilst the Aircraft is not in Flight or Taxiing or Moored as defined above.
11. "MOORED" means, in the case of aircraft designed to land on water, whilst the Aircraft is afloat and is not in Flight or Taxiing as defined above, and includes the risks of launching and hauling up.
12. "GROUND" means whilst the Aircraft is not in Flight or Taxiing or Moored as defined above.

AVN 1C 21.12.98



1. Intention

Subject to the terms, conditions and exclusions hereinafter contained this Policy insures Property being only Engines, Spare Parts and Equipment destined to be fitted to or to form part of an aircraft and being the property of the Assured or the property of others for which the Assured is responsible, while such property is in the care, custody or control of the Assured on the ground, or is being carried as cargo in transit, by air (including Assured's aircraft) and/or steamers (approved or held covered at a premium to be arranged) and/or road and/or rail and/or conveyance.

2. Conditions

All risks of Physical Loss or Damage (except as hereafter excluded) but

Air Transits

Institute Cargo Clauses (AIR) 1/1/82

Marine Transits

Institute Cargo Clauses (A) 1/1/82

3. Geographical limits

This Policy to cover the property described above, against the risks described above, whilst {Response}

4. Exclusions

This Policy does not insure:-

- (a) Loss of or damage to any such property occurring at any time after the commencement of the operation of fitting it to or placing it on board the aircraft to which it is destined.
- (b) Loss of or damage to an Engine occurring during the running or testing thereof.
- (c) Mechanical or electrical derangement.
- (d) Loss or damage caused by wear, tear or gradual deterioration.
- (e) Loss or damage caused by or resulting from neglect of the Assured to use reasonable means to save and preserve the property at the time of and after any loss or damage.
- (f) Loss of or damage to any property which has been detached from an aircraft and which is intended to be refitted to the aircraft and not to be replaced by other property.



- (g) Loss of or damage to any property hereby insured which may be sustained whilst the same is under any process and directly resulting therefrom.
- (h) Property carried in an aircraft as a spare parts kit.
- (i) Property fitted to or forming part of an aircraft.
- (j) The property of others carried or stored by the Assured for hire or reward.
- (k) Mysterious disappearance or unexplained loss or shortage disclosed upon taking inventory.

5. This Policy is subject to the Nuclear Risks Exclusion Clause AVN71.

(ii) This Policy does not cover claims caused by:

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (c) Strikes, riots, civil commotions or 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) Hi-jacking or any unlawful seizure or wrongful exercise of control of an 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 consent of the Assured.
- (h) An aircraft being outside the control of the Assured by reason of a peril excluded by paragraphs (f) or (g).

(iii) DEDUCTIBLE CLAUSE

Each claim for loss or damage arising out of one event shall be adjusted separately and from the amount of such adjusted claim the sum of {Response} shall be deducted but claims for loss or damage caused by fire, wind, tornado and cyclone shall be paid in full.

(iv) LIMITS OF LIABILITY



The liability of the Underwriters shall not exceed: -

- (i) {Response} any one building and/or location
- (ii) {Response} any one sending
- (iii) The cost of repair or the cost of replacement or the insured value, whichever shall be the least amount, in respect of any one item of property.

(v) REPORTING AND PREMIUM ADJUSTMENT CLAUSE

The premium of {Response} is a minimum and deposit premium to be adjusted at expiry as follows:-

(a) Within one month after the expiration date the Assured shall furnish to Underwriters a statement showing the total values at risk over all locations at the last day of each policy month such amounts shall be totalled then divided by the number of policy months and premium will be payable on the resulting amount at a rate of {Response}.

(b) If this Policy is cancelled prior to expiration, the Assured is required to report total monthly values at risk for each completed policy month prior to the date of cancellation and premium payable hereunder shall be calculated on such reported values in the manner and at the rate hereinbefore provided.

It is a condition of this insurance that the Assured shall keep a proper record of all items of property from time to time hereby insured and of the value of each item.

(vi) SALVAGE AND RECOVERIES CLAUSE

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties thereto.

(vii) LOSS CLAUSE

Any loss hereunder shall not reduce the amount of this Policy.

(viii) CANCELLATION CLAUSE

This Policy shall be cancelled either by the Assured or by Underwriters by mailing to the other at the address shown in the Policy, written notice stating when not less than thirty (30) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and effective date and hour of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the Assured or by Underwriters shall be equivalent to mailing. The Assured agrees, in the event of cancellation, to report the values at risk and to pay



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premium thereon to Underwriters as provided by "Reporting and Premium Adjustment Clause" up to the date of cancellation.

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ATTACHMENTS NUMBER ONE

AVN 19A ADDITIONS AND DELETIONS

1. The insurance afforded by this Policy is automatically extended to include at pro rata additional premium further Aircraft added during the currency of this Policy provided such Aircraft are owned or operated by the Insured and are of the same type and value as Aircraft already covered hereunder and of no greater seating capacity.
2. The inclusion of additional Aircraft of other types or different values or greater seating capacity shall be subject to special agreement and rating by Insurers prior to attachment.
3. Under the Aircraft loss or physical damage Section of this Policy Aircraft which have been sold or disposed of shall be deleted from this Policy and the Insured shall be entitled to pro rata return of premium provided no claim has arisen and become payable in respect of such Aircraft under the Aircraft loss or physical damage Section of this Policy and that this Policy is not cancelled by virtue of such deletion.
4. Under the liability Section(s) of this Policy Aircraft which have been sold or disposed of shall be deleted from this Policy and the Insured shall be entitled to pro rata return of premium.
5. Provided always that
 - (i) Notwithstanding the foregoing provisions for additions and deletions the premium in respect of each separate period of Flight risk insurance on any Aircraft covered during the currency of this Policy shall in no case be less than fifteen days' pro rata premium.
 - (ii) In the event of a claim arising in respect of any Aircraft added hereto being settled on a total loss basis the full twelve months' Aircraft loss or physical damage premium shall be paid hereunder in respect of such Aircraft.
 - (iii) Notice of the addition or deletion of any Aircraft under the provisions of Paragraphs 1, 3 and 4 respectively shall be given to the Insurers or their representatives in writing within ten days of attachment or deletion.

AVN 19A 18.3.02



ATTACHMENTS NUMBER TWO

AVN2000A DATE RECOGNITION EXCLUSION CLAUSE

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

1. the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process, exchange or transfer year, date or time data or information in connection with any change of year, date or time;

 whether on or before or after such change of year, date or time;
2. any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;
3. any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time; and any provision in this Insurance concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

AVN 2000A 14.03.01



ATTACHMENTS NUMBER THREE

AVN2001A DATE RECOGNITION LIMITED COVERAGE CLAUSE

WHEREAS the Insurance of which this Endorsement forms part includes the Date Recognition Exclusion Clause (Clause AVN 2000A), it is hereby understood and agreed that, subject to all terms and provisions of this Endorsement, Clause AVN 2000A shall not apply to any sums which the Insured shall become legally liable to pay, and (if so required by the Insurance) shall pay (including costs awarded against the Insured) in respect of:

1. accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an aircraft accident occurring during the Period of Insurance and arising out of a risk insured under the Policy; and/or
2. accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an accident, other than an aircraft accident, occurring during the Period of Insurance and arising out of a risk insured under the Insurance. For the avoidance of doubt, solely for the purposes of this paragraph (2) and without prejudice to the meaning of the words in any other context, “bodily injury” shall mean only physical corporeal injury and unless arising directly therefrom shall not include mental or psychological injury.

PROVIDED THAT:

1. Coverage provided pursuant to this Endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Insurance (except as specifically provided herein), and nothing in this Endorsement extends coverage beyond that which is provided by the Insurance.
2. Nothing in this Endorsement shall provide any coverage:
 - (a) applying in excess of any scheduled underlying insurance and/or in respect of any non aviation risks; and/or
 - (b) in respect of grounding of any aircraft; and/or
 - (c) in respect of loss of use of any property unless it arises out of physical damage to or destruction of property in the accident giving rise to a claim under the Insurance.
3. The Insured agrees that it has an obligation to disclose in writing to the Insurers during the Period of Insurance any material facts relating to the Date Recognition Conformity of the Insured’s operations, equipment and products.

AVN 2001A 21.3.01

(Applicable to Hull and Aircraft Liability Coverage)



ATTACHMENTS NUMBER FOUR

AVN23A UNLICENSED LANDING GROUND SUITABILITY CLAUSE

It is understood and agreed that the landing and taking off of the insured Aircraft by day on landing grounds other than licensed airfields are covered under this Policy.

Provided always that

- (a) the Insured and/or the pilot conducting the flight has obtained the permission of the owner or tenant of the land,
- (b) the Insured and/or the pilot conducting the flight has ascertained the suitability of the landing ground and has enquired from the landowner/tenant or from their authorised representative the condition of the landing ground at the expected time of arrival,
- (c) the pilot conducting the flight has surveyed the landing ground by flypast or overflight immediately prior to landing.

In the event of a claim being made under this Policy in respect of an Accident occurring during the use of such landing ground the onus of proving that (a) (b) and (c) above had been complied with shall rest entirely on the Insured.

AVN 23A 4.2.02



ATTACHMENTS NUMBER FIVE

AVN38B NUCLEAR RISKS EXCLUSION CLAUSE

- (1) This Insurance does not cover:
 - (i) loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
 - (ii) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
 - (c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.
- (2) It is understood and agreed that such radioactive material or other radioactive source in paragraph (1) (b) and (c) above shall not include:
 - (i) depleted uranium and natural uranium in any form;
 - (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
- (3) This Insurance, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:
 - (i) the Insured under this Insurance is also an insured or an additional insured under any other insurance, including any nuclear energy liability insurance, or
 - (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
 - (iii) the Insured under this Insurance is, or had this Insurance not been issued would be, entitled to indemnification from any government or agency thereof.
- (4) Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph (2) shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Insurance) be covered, provided that:
 - (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of



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Dangerous Goods by Air”, unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;

- (ii) this Insurance shall only apply to an incident happening during the period of this Insurance and where any claim by the Insured against the Insurers or by any claimant against the Insured arising out of such incident shall have been made within three years after the date thereof;
- (iii) in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

<u>Emitter</u> (IAEA Health and Safety Regulations)	<u>Maximum permissible level of non-fixed radioactive surface Contamination</u> (Averaged over 300 cm ²)
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Becquerels/cm ² (10 ⁻⁴ microcuries/cm ²)
All other emitters	Not exceeding 0.4 Becquerels/cm ² (10 ⁻⁵ microcuries/cm ²)

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

AVN 38B 22.07.96



ATTACHMENTS NUMBER SIX

**AVN46B NOISE AND POLLUTION AND OTHER PERILS EXCLUSION
CLAUSE**

1. This Insurance does not cover claims directly or indirectly occasioned by, happening through or in consequence of:-
 - (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
 - (b) pollution and contamination of any kind whatsoever,
 - (c) electrical and electromagnetic interference,
 - (d) interference with the use of property;unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.
2. With respect to any provision in the Insurance concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend:
 - (a) claims excluded by Paragraph 1 or
 - (b) a claim or claims covered by the Insurance when combined with any claims excluded by Paragraph 1 (referred to below as “Combined Claims”).
3. In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Insurance) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Insurance:
 - (i) damages awarded against the Insured and
 - (ii) defence fees and expenses incurred by the Insured.
4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Insurance.

AVN 46B 1.10.96



ATTACHMENTS NUMBER SEVEN

AVN52E EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

1. WHEREAS the Insurance of which this Endorsement forms part includes the War, Hi-Jacking and Other Perils Exclusion Clause (Clause AVN 48B), it is hereby understood and agreed that with effect from inception, all sub-paragraphs other than (b) of Clause AVN 48B forming part of this Insurance are deleted SUBJECT TO all terms and conditions of this Endorsement.
2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B.

Cover shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

3. **LIMITATION OF LIABILITY**

The limit of Insurers' liability in respect of the cover provided by this Endorsement shall be a sub-limit of xxxxxxxx or the applicable Insurance limit whichever the lesser each Occurrence and in the annual aggregate. This sub-limit shall apply within the full Insurance limit and not in addition thereto.

4. **AUTOMATIC TERMINATION**

To the extent provided below, cover extended by this Endorsement shall TERMINATE AUTOMATICALLY in the following circumstances:

- (a) All cover-upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following States, namely, France, the People's Republic of China, the Russian Federation, the United Kingdom, the United States of America
- (b) Any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B-upon the hostile detonation of 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 involved
- (c) All cover in respect of any of the Insured Aircraft requisitioned for either title or use: -upon such requisition.

PROVIDED THAT if an Insured Aircraft is in the air when (i), (ii) or (iii) occurs, then the cover provided by this Endorsement (unless otherwise cancelled, terminated or suspended) shall continue in respect of such an Aircraft until completion of its first landing thereafter and any passengers have



disembarked.

5. REVIEW AND CANCELLATION

(a) Review of Premium and/or Geographical Limits (7 days)

Insurers may give notice to review premium and/or geographical limits - such notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which notice is given.

(b) Limited Cancellation (48 hours)

Following a hostile detonation as specified in 4 (ii) above, Insurers may give notice of cancellation of one or more parts of the cover provided by paragraph 1 of this Endorsement by reference to sub-paragraphs (c), (d), (e), (f) and/ or (g) of Clause AVN 48B - such notice to become effective on the expiry of forty-eight hours from 23.59 hours GMT on the day on which notice is given.

(c) Cancellation (7 days)

The cover provided by this Endorsement may be cancelled by either Insurers or the Insured giving notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which such notice is given.

(d) Notices

All notices referred to herein shall be in writing.

AVN52E 20.9.01



ATTACHMENTS NUMBER EIGHT

AVN60A PERSONAL INJURY EXTENSION

The Insurance is extended to indemnify the Insured for legal liability for damages awarded to any person arising out of one or more of the following offences committed during the Period of Insurance but only where such offences are committed in connection with that part of the Insured's aviation operations or interests for which other coverage is granted by the Insurance:

1. False arrest, restraint, detention or imprisonment.
2. Malicious prosecution.
3. Wrongful entry, eviction or other invasion of the right of private occupancy.
4. Inadvertent discrimination with respect to withholding or refusal of transportation except with respect to overbooking.
5. The publication or utterance of a libel or slander or of other defamatory or disparaging material in violation of an individual's right of privacy except publication or utterance in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the Insured.
6. Incidental medical malpractice error or mistake by a physician, surgeon, nurse, medical technician or other person performing medical services but only for or on behalf of the Insured in the provision of emergency medical relief.

The following additional exclusions shall apply to this extension:

- (a) liability assumed by the Insured by agreement under any contract unless such liability would have attached to the Insured even in the absence of such agreement
- (b) liability arising out of the wilful violation of penal statute or ordinance committed by or with the knowledge or consent of the Insured
- (c) liability arising out of offence 5 above
 - (1) if the first injurious publication or utterance of the same or similar material was made prior to the effective date of this insurance
 - (2) if such publication or utterance was made by or at the direction of the Insured with the knowledge of the false nature thereof.
- (d) liability directly or indirectly related to the past, present or potential employment of any person by the Insured.

The limit of liability in respect of the cover provided by this Extension US\$XXXXXXXX



each offence and in the annual aggregate, which shall be included within, and not in addition to, the Combined Single Limit as set forth in the Insurance Schedule.

AVN 60A 24.12.2004

ATTACHMENTS NUMBER NINE

AVN61 AGREED VALUE CLAUSE

It is hereby understood and agreed that in consideration of the insured Aircraft being covered on an Agreed Value basis all reference herein to replacement shall be deemed to be deleted but only in respect of claims adjusted on the basis of a total loss.

In respect of claims adjusted on the basis of a total loss Insurers shall pay to the Insured the Agreed Value of the Aircraft as stated in the Policy Schedule less any applicable deductible. Insurers may, at their discretion, take the salvage of such Aircraft, together with all appropriate documents appertaining thereto, but in no event shall there be any abandonment to Insurers.

The foregoing provision shall not apply to claims arising in respect of partial loss or damage where Insurers shall retain the right to repair, replace or make good as they deem expedient.

AVN 61 1.10.96



ATTACHMENTS NUMBER TEN

AVN 76 SUPPLEMENTARY PAYMENTS CLAUSE

It is understood and agreed that this Policy is extended to cover as more fully set forth under those paragraph(s) identified below. It is expressly understood that no cover is provided under those paragraphs of this Clause which have not been identified below.

The Insurers agree to indemnify the Insured for

1. any reasonable expenses incurred for the purpose of search and rescue operations for an Aircraft insured hereunder determined to be missing and unreported after the computed maximum endurance of the flight has been exceeded;
2. any reasonable expenses incurred for the purpose of runway foaming to prevent or mitigate possible loss or damage because of malfunction or suspected malfunction of an Aircraft insured hereunder;
3. any reasonable expenses incurred for the purpose of attempted or actual raising, removal, disposal or destruction of the wreck of an Aircraft insured hereunder and the contents thereof;
4. any reasonable expenses which the Insured may be called upon to pay in respect of any public inquiry or inquiry by the Civil Aviation Authority or any other relevant authority into an Accident involving an Aircraft insured hereunder.

Coverage is provided under paragraphs A, B, C and d above.

Provided always that Insurers' liability shall not exceed xx% in the aggregate over all paragraphs insured.

AVN 76 9.2.01



ATTACHMENTS NUMBER ELEVEN

AVN 77 UNAUTHORISED USE CLAUSE

No claim under this Policy shall be rejected on the grounds that the Aircraft was used in a place or in a manner or by a person not permitted under the terms of this Policy provided such use was not authorised by the Insured and that the Insured had taken reasonable precautions to prevent such unauthorised use. Any consent given by an employee or agent of the Insured outside the normal scope of his authority shall be deemed not to be authorisation given by the Insured.

AVN 77 9.2.01

ATTACHMENTS NUMBER TWELVE

AVN 78 FORCED LANDING CLAUSE

Insurers hereon agree that in the event of an insured Aircraft making a forced landing in any place where subsequent safe take-off is impossible, they will pay all reasonable costs, expenses or expenditure for the removal of the Aircraft to the nearest suitable take-off area provided always that Insurers' liability for such costs, expenses or expenditure, and for any loss of or damage to the Aircraft, shall not exceed the value of the Aircraft as declared in the Policy. .

AVN 78 09.02.01

ATTACHMENTS NUMBER THIRTEEN

AVN 94 BREACH OF NAVIGATION REGULATIONS CLAUSE

The cover afforded to each Insured by the Policy shall not be invalidated by any act or omission which results in a breach of any air navigation or airworthiness orders or requirements issued by any competent authority affecting the safe operation of the Aircraft provided that the Insured so protected has not caused, contributed to or knowingly condoned the said act or omission. Any Insured who has caused, contributed to or knowingly condoned the said act or omission shall not be entitled to indemnity under the Policy.

Except as specifically varied by this clause, all other terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy apply.

AVN 94 30.4.02



ATTACHMENTS NUMBER FOURTEEN

AVN 110 AVIATION AUTHORITY TEST FLIGHT CLAUSE

Whilst the insured aircraft is being operated for the purpose of a test flight for the award, renewal or continuation of the certificate of airworthiness:

1. The aviation authority having jurisdiction over the insured aircraft is included as an additional Insured under the liability sections of the Policy.
2. The pilots approved by, employed by or contracted to such aviation authority for the purpose of such test flight are included as additional Insureds under the liability sections of the Policy.
3. The permitted pilots provision within the Policy is amended to include any pilot approved by, employed by or contracted to the aviation authority having jurisdiction over the insured aircraft for the purpose of such test flight.
4. The purpose of use provision within the Policy is amended to include such test flight.

Nevertheless, notwithstanding the inclusion herein of more than one Insured the total liability of the Insurers in respect of any or all Insureds shall not exceed the limit(s) of liability stated in the Policy.

Except as specifically provided in the foregoing to the contrary, this clause is subject to the coverage, terms, conditions, limitations and exclusions of the Policy to which it is attached.

AVN 110 15.9.10

ATTACHMENTS NUMBER FIFTEEN

TWO WAY CROSS LIABILITY CLAUSE –LSW715

It is agreed that the inclusion of more than one Insured in the Policy shall not affect the rights of any Insured as respects any claim or suit by any other Insured, or by any employee of such other Insured. The Policy shall insure each Insured in the same manner as though a separate policy had been issued to each and the Underwriters hereby agree to waive all rights of subrogation which they may have or acquire against any party insured hereon arising out of an accident or occurrence in respect of which any claim is made hereunder. PROVIDED NEVERTHELESS that nothing contained herein shall operate to increase the Underwriters liability as set forth elsewhere in the Policy beyond the amount or amounts for which the Underwriters would have been liable if only one Insured had been named.



ATTACHMENTS NUMBER SIXTEEN

ASBESTOS EXCLUSION CLAUSE

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

1. the actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain, asbestos; or
2. any obligation, request, demand, order, or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.

However, this exclusion shall not apply to any claim caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

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

All other terms and conditions of the Insurance remain unchanged.

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ATTACHMENTS NUMBER SEVENTEEN

**CIVIL AVIATION AUTHORITY TRAINEE ENDORSEMENT
LSW707A**

It is noted and agreed that this Policy is extended to indemnify the Insured in respect of Liability assumed under agreement with the Civil Aviation Authority (or its local equivalent) in connection with the flying training by the Insured of employees of the Civil Aviation Authority (or its local equivalent) and the Passenger Legal Liability section is extended to include Civil Aviation Authority (or its local equivalent) employees whilst acting as crew members.



ATTACHMENTS NUMBER EIGHTEEN

**CIVIL AVIATION AUTHORITY SAFETY REGULATION GROUP CLAUSE
LSW708A**

It is noted and agreed that the cover hereunder remains operative whilst the insured aircraft is being flown by any Civil Aviation Authority (or its local equivalent) approved pilot for the purpose of a test flight and during any such test flight the Civil Aviation Authority Safety Regulation Group (or its local equivalent) are included as Joint Insured's in respect thereof.

Nevertheless, notwithstanding the inclusion hereon of more than one Insured the total liability of the Underwriters in respect of any or all Insured's shall not exceed the limits of liability stated in this policy.

ATTACHMENTS NUMBER NINETEEN

**AVN72 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 EXCLUSION
CLAUSE**

The rights of a person who is not a party to this Insurance or reinsurance to enforce a term of this Insurance or reinsurance and/or not to have this Insurance or reinsurance rescinded, varied or altered without his consent by virtue of the provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded from this Insurance or reinsurance.

AVN72 9.2.2000



ATTACHMENTS NUMBER TWENTY

AVN111 SANCTIONS AND EMBARGO CLAUSE

Notwithstanding anything to the contrary in the Policy the following shall apply:

1. If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Policy or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defence to the Insured or make any payment of defence costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such law or regulation.
2. In circumstances where it is lawful for an Insurer to provide coverage under the Policy, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the Insurer will take all reasonable measures to obtain the necessary authorisation to make such payment.
3. In the event of any law or regulation becoming applicable during the Policy period which will restrict the ability of an Insurer to provide coverage as specified in paragraph 1, then both the Insured and the Insurer shall have the right to cancel its participation on this Policy in accordance with the laws and regulations applicable to the Policy provided that in respect of cancellation by the Insurer a minimum of 30 days notice in writing be given. In the event of cancellation by either the Insured or the Insurer, the Insurer shall retain the pro rata proportion of the premium for the period that the Policy has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the Insurer, and in the absence of a more specific provision in the Policy relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the Insurer shall be effective even though the Insurer makes no payment or tender of return premium.

AVN111



ATTACHMENTS NUMBER TWENTY ONE

AVN 28B AIRCRAFT FINANCIAL INTEREST ENDORSEMENT

It is noted that the Party named in the Schedule hereto has a financial interest in the Aircraft under the Agreement. Accordingly, with respect to losses occurring during the period from the Effective Date of this Endorsement until the expiry of the Insurance or until the satisfaction of the obligations under the Agreement, whichever shall first occur, in respect of the interest of the Party and in consideration of an Additional Premium IT IS UNDERSTOOD AND AGREED THAT:

1. The insurance afforded by this Policy for loss of or physical damage to the insured Aircraft shall not be invalidated as regards the interest of the Party by any act or omission by the Insured which results in a breach of any term, condition or warranty of the Policy PROVIDED THAT the Party has not caused, contributed to or knowingly condoned the said act or omission. Nevertheless any change in title or ownership of the Aircraft, conversion, embezzlement or secretion by the Insured in possession of the Aircraft is not covered hereunder.
2. The protection afforded to the Party by the terms of this Endorsement shall be limited to loss of or physical damage to the insured Aircraft and shall not exceed the Original Amount under the Agreement less any relevant Policy Deductible and less all matured Instalments paid or due prior to the accident giving rise to a loss hereunder.
3. The Party shall notify the Insurers of any increase in hazard which comes to the Party's attention and if agreed by the Insurers it shall be endorsed on the Policy, the Party agreeing to pay any additional required premium if the Insured fails to do so on demand of the Insurers.
4. If the Insured fails to notify the Insurers as specified in the Policy Conditions of any event likely to give rise to a claim under the Policy, the Party shall do so immediately he becomes aware of the event in form and manner as prescribed by the Policy.
5. Upon payment of any loss or claim to the Party, Insurers shall to the extent and in respect of such payment be subrogated to all legal and equitable rights of the Party. At the expense of Insurers the Party shall do whatever is necessary to assist the Insurers to exercise such rights.
6. Except in respect of any provision for Cancellation or Automatic Termination specified in the Policy or any endorsement thereof, cover provided by this Endorsement may only be cancelled by Insurers giving not less than Thirty (30) days notice in writing to the Appointed Broker. Notice shall be deemed to commence from the date such notice is given by the Insurers. In the event of cancellation for non-payment of premium, the Party shall have the option to pay all outstanding premiums in respect of the Aircraft within the notice period.



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EXCEPT AS SPECIFICALLY VARIED OR PROVIDED BY THE TERMS OF THIS ENDORSEMENT THE FINANCIAL INTEREST OF THE PARTY IS COVERED BY THE POLICY FOR LOSS OF OR PHYSICAL DAMAGE TO THE INSURED AIRCRAFT ONLY SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS, WARRANTIES, EXCLUSIONS AND CANCELLATION PROVISIONS THEREOF.



ATTACHMENTS NUMBER TWENTY TWO

AVN100 FRAUDULENT CLAIMS

An Insured shall not in the presentation and furtherance of any claim:

- (a) deliberately or recklessly conceal from Insurers any information which he knows or ought to know might be material to their consideration of any claim;
- (b) provide to Insurers information, which he knows to be false, with respect either to any event relied upon as a cause of loss or as to the amount claimed; nor
- (c) otherwise use fraudulent means or devices, including suppressing a known defence to Insurers' liability.

In any such event the Insurers shall have the option to refuse to pay the whole or any part of the claim to such Insured.

In the circumstances set out in sub-paragraph (b) above, Insurers shall also have the option to:

- (i) terminate the cover provided by all sections of the Policy to such Insured with effect from the date of the event relied upon for the claim;
- (ii) recover any sums paid to such Insured in respect of losses occurring on or after the date of the event relied upon for the claim; and
- (iii) retain any and all premium paid by such Insured.

If any provision of this clause is in conflict with the law governing the Policy it shall be of no effect to the extent of such conflict.

AVN 100 26.7.08