



NON-OWNED AIRCRAFT INSURANCE POLICY (PLEASURE & BUSINESS AIRCRAFT)

ISSUED TO

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POLICY NUMBER

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UNDERWRITTEN BY

QBE INSURANCE CORPORATION
88 PINE STREET
WALL STREET PLAZA
NEW YORK, NEW YORK 10005

ARRANGED BY

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MEXICO WARNING

If you are travelling to Mexico, you must obtain additional insurance from a company licensed under the laws of Mexico. Unless you have automobile or aircraft insurance written by a Mexican Insurance Company, you may spend many hours or days in jail if you have an accident in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your automobile or aircraft.



Subject to the policy Limits of Liability, Exclusions, Conditions and approved Endorsements, **we** agree to provide **you** the following insurance in return for **your** premium payment. **Our** agreement to provide coverage and the premium amount are based upon the statements in **your** application being true. This policy is the only agreement between **you** and **us** relating to the subject of insurance. **Our** entire agreement with **you** is contained in this policy. **Our** agreement can be changed only by a written amendment to this policy. If **you** simply notify **us** or **your**, agent about a change or waiver, this will not alter this policy. Nor will it prevent **us** from exercising **our** rights under this policy. **You** can, however, change or waive **your** coverage by having endorsements added to this policy. Contact **us** or **your** agent for information about endorsements.

PART ONE INSURING AGREEMENTS

1. LIABILITY INSURANCE FOR YOUR NON-OWNED AIRCRAFT.

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

We will pay for **bodily injury** and **property damage** for which **you** are legally liable, caused by an **occurrence** arising from **your** use of **non-owned aircraft** but excluding **physical damage** to the **non-owned aircraft** used by **you**.

2. LIABILITY INSURANCE FOR PHYSICAL DAMAGE TO YOUR NON-OWNED AIRCRAFT

COVERAGE B – **Non-Owned Aircraft Physical Damage**

We will pay for physical damage to **your non-owned aircraft** for which **you** are legally liable, caused by an **occurrence** arising from **your** use of a **non-owned aircraft**.

3. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS AND SUITS

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

4. SUPPLEMENTARY PAYMENTS

While **we** are obligated to defend a covered claim under COVERAGE A or B, we will also pay in addition to the applicable limit:

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

5. POLICY PERIOD AND POLICY TERRITORY

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

PART TWO EXCLUSIONS

This insurance does not apply:

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

4. to **bodily injury** to any employee injured while at work for **you**, or to claims by that employee's spouse, child, parent, brother, sister in consequence thereof;
5. to any claim **you** or any insurer may be held liable for by way of indemnity or otherwise under any Worker's Compensation, occupational disease, unemployment or disability benefits law, or any similar law;
6. to **property damage** to property transported, owned or used by **you**, or in **your** care, custody or control. But, **we** will pay up to \$500 for **loss** to each **passenger's personal effects**, subject to an **occurrence** limit equal to \$500 multiplied by the total number of seats for the aircraft involved;
7. under COVERAGE B:
 - a. to **loss** due to repossession, embezzlement, conversion, secretion or taking by anyone claiming a lawful right of possession, nor for any **loss** or damage during or resulting therefrom;
 - b. to **loss** due and confined to wear, tear, deterioration, freezing, mechanical, structural, hydraulic, pneumatic or electrical failure or malfunction. Wear, tear, deterioration, freezing mechanical, structural, hydraulic, pneumatic or electrical failure or malfunction of any engine, component, accessory, equipment or system is considered a failure or malfunction of the entire engine, component, accessory, equipment or system;
 - c. to claims arising from war, whether declared or not, invasion, rebellion, riot, revolution, insurrection or warlike operation;
 - d. to claims arising from capture, seizure, restraint or detention or the consequences thereof or any attempt thereat, or any taking of **your non-owned aircraft** or damage to or destruction thereof by any governmental authority or agent (whether secret or not) for any military, naval or usurped power, whether any of the foregoing be done by way of requisition or otherwise and whether in time of peace or war and whether lawful or unlawful;
 - e. to **loss** to **non-owned aircraft** engines and auxiliary power units caused by heat or temperature change from the operation, attempted operation or shutdown of the aircraft engine or auxiliary power unit unless resulting directly from other **loss** covered by this policy.

PART THREE

LIMITS OF THE COMPANY'S LIABILITY

Only the coverages you have purchased and for which premium is shown on the Coverage Data Page are provided by this policy.

OTHER INSURANCE

This insurance is excess insurance. If there is other insurance available to you that insurance shall apply first. But if other primary insurance was issued to you through the **Company** then the Limits of this policy are reduced by the amount of the applicable Limits of that other insurance.

COVERAGE A – The Limits apply separately to each **occurrence** and the number of claims or claimants does not increase or change the Limits shown on the Coverage Data Page which applies as follows:

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

COVERAGE B – The most **we** will pay for **physical damage** to **your non-owned aircraft** is the limit of liability shown on the Coverage Data Page for each **non-owned aircraft**.

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

PART FOUR

CONDITIONS OF INSURANCE

1. NOTICE OF CLAIM, **OCCURRENCE**, SUIT OR **LOSS**, AND **YOUR** DUTIES

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

- a) not assume any obligation or liability, offer or pay any reward except at **your** expense, or make any payment except for necessary first aid to others;
- b) promptly contact the owner of **your non-owned aircraft** and **us** and provide prompt written notice at the address appearing on the back of the policy cover, including the:
 - i. time, place and description of events;
 - ii. names and locations of **passengers**, injured, deceased and witnesses;
 - iii. description and locations of **property damage** and **loss** to **your non-owned aircraft**;
- c) cooperate with and assist **us** in all matters of the claim or suit and promptly send all suits and legal papers to **us**;
- d) submit a sworn statement under oath by a person designated by **us**;
- e) do nothing after an **occurrence** or **loss** to harm **our** rights of recovery against any person or organization;
- f) authorize **us** to obtain medical and other records;
- g) not abandon **your non-owned aircraft**;
- h) take all reasonable precautions to protect **your non-owned aircraft** after an **occurrence**;
- i) promptly report theft, **disappearance** and vandalism to **us**, the local police and the owner of **your non-owned aircraft**;
- j) allow **us** to inspect **your non-owned aircraft's** damage before any repairs or disposal;
- k) allow **us** to inspect **your non-owned aircraft**, records, repair and service invoices and sales receipts; and the pilot log books during the Policy Period, and until settlement of the claim suit or **loss**.

2. **OUR** RIGHTS OF RECOVERY

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

3. PAYMENTS OF CLAIMS AND SUITS AGAINST **US**

You agree to comply with all terms of this policy before **we** have to pay or before **you** can sue **us**. But **we** do not have to pay nor can **you** sue **us** for **your** liability for **bodily injury** or **property damage** until the amount of **your** legal liability has been determined or by **our** written agreement with the claimant. **Our** obligations are not reduced if **you** or **your** estate is legally declared bankrupt or insolvent.

4. TRANSFER OF THIS POLICY TO OTHERS

Interest in this policy cannot be transferred without **our** prior written agreement. But, if **you** die, or are adjudged legally bankrupt or insolvent, and **you** or **your** representatives notify **us** within 60 days of such judgment, the Policy will cover **your** legal agent, as having the same rights and duties under the policy as **you** but only while in the course of his/her official duties as such.

5. CANCELLATION

You must notify **us** in writing what date in the future to cancel. **Your** refund will be calculated on the following basis:

When **we** cancel this policy, the unearned premium will be returned to **you**. The return will be on a pro-rata basis, which is computed this way:

- a. First, **we** calculate how much time there is between the cancellation date and the day this policy expires.
- b. We then figure out the percentage of your **POLICY PERIOD** that this time represents.

- c. Finally, **we** multiply this percentage by the amount of **your** premium. The result is the unearned premium that **we** return to **you**.
- d. If **you** cancel this policy, **we** will compute the unearned premium on a pro-rata basis, less 50% of the annual premium.

If the **Company** cancels the policy **we** must notify **you** in writing at the last mailing address known to **us** at least 30 days before the date of cancellation. But only 10 days written notice will be provided for cancellation due to non-payment of premium. Proof of mailing is proof **you** were notified.

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

6. POLICY CONFORMS TO LAW

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

Payment of **loss** under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

7. FRAUD OR MISREPRESENTATION

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

8. CHANGING THE POLICY

Our entire agreement with **you** is contained in this policy and its attached endorsements. **Our** agreement can be changed only by a written endorsement to this policy. If **you** simply notify **us** or **your**, agent about a change or waiver, this will not alter this policy. Nor will it prevent **us** from exercising **our** rights under this policy. **You** can, however, change or waive **your** coverage by having endorsements added to this policy. Contact **us** or **your** agent for information about endorsements.

PART FIVE DEFINITION WORDS

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

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

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

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

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

"Loss" means **physical damage**.

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

"Non-Owned Aircraft" means:

1. a fixed wing, non-pressurized, land aircraft having a non-turbine single-engine of 450 horsepower or less (including non-powered sailplanes) and capacity for no more than seven (7) total **passengers** and/or seats;
2. an aircraft that you use with the owner's permission, but excluding any aircraft owned in whole or in part by, or furnished for more than thirty (30) consecutive days to, or under a lease and/or purchase agreement to **you** or

your spouse, parent, child, sibling, domestic partner, corporation, partnership, or other organization in which any of these entities own more than twenty percent (20%).

Furthermore, a **non-owned aircraft** does not include parts temporarily detached, tools and repair equipment, or any form of portable equipment.

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

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

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

“Passenger” means a person while in, on, entering or getting out of the **non-owned aircraft**.

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

“Physical Damage” means direct and accidental physical **loss** of or damage to property (also called **loss**).

“Policy Territory” means within the political boundaries of the United States of America, Canada, Mexico, the Bahamas and the Caribbean Islands (excluding Cuba) and while en route between places therein.

“Property Damage” means:

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

“Related Claims” means all claims for care and loss of service, loss of society and consortium, mental anguish, emotional distress, loss of support, medical and funeral expenses, and any and all other damages from or related to **bodily injury** to any person or **passenger**. Notwithstanding anything to the contrary in the definition of **bodily injury**, the **Company’s** liability and coverage for damages for both **bodily injury** and **related claims** are included and combined within the each person, each **occurrence** limits of liability specified in the Coverage Data Page, as applicable, and there are no separate or additional Limits of Liability for **related claims**.

“We”, “Us”, “Our”, and the **“Company”** means the company issuing this policy and as indicated on the Coverage Data Page.

“You” and **“Your”** means the person or organization named in Item 1 on the Coverage Data Page.