

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

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
 - (i) hostile detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction.
 - (ii) hostile use of radioactive contamination or matter.
 - (iii) hostile use of an electromagnetic pulse.
 - (iv) use of chemical or biological materials that are poisonous or pathogenic arising from 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, or use of such materials for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (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 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. For the purpose of this exclusion (g) 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 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).

AVN48C 04.8.06

In common with all AICG produced AVN Clauses, this Clause is published by AICG, but it is expressly non-binding and AICG makes no recommendation as to its use in particular policies. Insurers are of course free to offer different policy wordings and clauses to their policy holders.

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

1. WHEREAS the Policy of which this Endorsement forms part includes the War, Hi-Jacking and Other Perils Exclusion Clause (Clause AVN 48C), IN CONSIDERATION of an Additional Premium of _____, it is hereby understood and agreed that with effect from _____, all sub-paragraphs other than _____ of Clause AVN 48C forming part of this Policy are deleted SUBJECT to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy except as specifically varied or provided by the terms of this Endorsement.

2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48C.

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 coverage provided by this Endorsement shall be _____ or the applicable policy limit whichever the lesser any one Occurrence and in the annual aggregate (the "sub-limit"). This sub-limit shall apply within the full Policy limit and not in addition thereto.

To the extent coverage is afforded to an Insured under the Policy, this sub-limit shall not apply to such Insured's liability:

- (a) to the passengers (and for their baggage and personal effects) of any aircraft operator to whom the Policy affords cover for liability to its passengers arising out of its operation of aircraft;
- (b) for cargo and mail while it is on board the aircraft of any aircraft operator to whom the Policy affords cover for liability for such cargo and mail arising out of its operation of aircraft.

4. AUTOMATIC TERMINATION

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

- (i) **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
- (ii) **Any cover extended by the deletion of sub-paragraph (a) of Clause AVN 48C**
 - upon the hostile detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction wheresoever or whensoever such detonation may occur and whether or not any aircraft insured under the Policy may be involved
- (iii) **All cover in respect of any aircraft insured under the Policy that is requisitioned for either title or use**
 - upon such requisition

PROVIDED THAT if any aircraft insured under the Policy is in the air when the cover provided by this endorsement would thereby be terminated under (i), (ii) or (iii) of this paragraph, 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 48C - 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.

AVN 52H 04.8.06

(applicable to coverage provided to aircraft operators)

In common with all AICG produced AVN Clauses, this Clause is published by AICG, but it is expressly non-binding and AICG makes no recommendation as to its use in particular policies. Insurers are of course free to offer different policy wordings and clauses to their policy holders.

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

1. WHEREAS the Policy of which this Endorsement forms part includes the War, Hi-Jacking and Other Perils Exclusion Clause (Clause AVN 48C), IN CONSIDERATION of an Additional Premium of _____, it is hereby understood and agreed that with effect from _____, all sub-paragraphs other than _____ of Clause AVN 48C forming part of this Policy are deleted SUBJECT to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy except as specifically varied or provided by the terms of this Endorsement.

2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48C.

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 coverage provided by this Endorsement shall be _____ or the applicable policy limit whichever the lesser any one Occurrence and in the annual aggregate (the "sub-limit"). This sub-limit shall apply within the full Policy 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:

(i) **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

(ii) **Any cover extended by the deletion of sub-paragraph (a) of Clause AVN 48C**

- upon the hostile detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction wheresoever or whensoever such detonation may occur and whether or not any aircraft insured under the Policy may be involved

(iii) **All cover with respect to any aircraft insured under the Policy that is requisitioned for either title or use**

- upon such requisition

PROVIDED THAT if any aircraft insured under the Policy 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 48C - 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.

AVN 52J 04.8.06

(applicable to coverage provided to service providers)

In common with all AICG produced AVN Clauses, this Clause is published by AICG, but it is expressly non-binding and AICG makes no recommendation as to its use in particular policies. Insurers are of course free to offer different policy wordings and clauses to their policy holders.

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

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
 - (i) detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction and any radioactive contamination and electromagnetic pulse resulting directly from such detonation.
 - (ii) use of radioactive contamination or matter.
 - (iii) use of an electromagnetic pulse.
 - (iv) emission, discharge, or release of chemical or biological materials that are poisonous or pathogenic.
- (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 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. For the purpose of this exclusion (g) 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 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).

AVN48D 04.8.06

In common with all AICG produced AVN Clauses, this Clause is published by AICG, but it is expressly non-binding and AICG makes no recommendation as to its use in particular policies. Insurers are of course free to offer different policy wordings and clauses to their policy holders.

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

1. WHEREAS the Policy of which this Endorsement forms part includes the War, Hi-jacking and Other Perils Exclusion Clause (Clause AVN48D), IN CONSIDERATION of an Additional Premium of....., it is hereby understood and agreed that with effect from.....the liability cover provided by the Policy is extended as set out herein, SUBJECT to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy except as specifically varied or provided by the terms of this Endorsement.

1.1 If this paragraph 1.1 is listed as an operative paragraph in paragraph 1.4 below paragraphs (a) and (c) to (g) of Clause AVN48D are deleted;

1.2 If this paragraph 1.2 is listed as an operative paragraph in paragraph 1.4 below:

(i) such of sub-paragraphs (b)(ii), (b)(iii) and (b)(iv) of Clause AVN48D as are listed in paragraph 1.5 (i) are deleted in respect of claims caused by any of the perils set out in those sub-paragraphs originating solely and directly on board an aircraft and

(ii) such of sub-paragraphs (b)(ii) and (b)(iv) of Clause AVN48D as are listed in paragraph 1.5 (ii) are deleted in respect of claims caused by any of the perils set out in those sub-paragraphs originating other than solely and directly on board an aircraft in so far as claims are caused by reason of the crash fire explosion or collision or a recorded emergency causing abnormal operation of an aircraft whilst in flight;

For the purposes of sub-paragraph 1.2 (ii), "in flight" shall mean the period commencing 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 aircraft is in the air.

1.3 If this paragraph 1.3 is listed as an operative paragraph in paragraph 1.4 below such of sub-paragraphs (b)(ii),(b)(iii) and (b)(iv) of Clause AVN48D as are listed in paragraph 1.6 are deleted.

1.4 The operative paragraphs are

1.5(i) The sub-paragraphs referred to in paragraph 1.2(i) that are deleted are.....

1.5(ii) The sub-paragraphs referred to in paragraph 1.2(ii) that are deleted are.....

1.6 The sub-paragraphs referred to in paragraph 1.3 that are deleted are.....

1.7 Any cover provided by paragraphs 1.2 and/or 1.3 of this Endorsement shall not be excluded by any radioactive contamination and/or noise and pollution exclusion clauses attached to and forming part of this Policy but the cover provided by this Endorsement shall not apply to liability for or costs associated with pollution or contamination unless such pollution or contamination is caused by a sudden act or event.

2. (a) EXCLUSIONS applicable generally:

No cover is provided under this Endorsement for claims excluded by sub-paragraph (b) (i) of Clause AVN48D.

No cover is provided under paragraph 1.1 of this Endorsement for claims excluded by paragraph (b) of Clause AVN48D.

No cover is provided under this Endorsement by the deletion of sub-paragraph (b) (iv) of Clause AVN48D for claims excluded by sub-paragraph (b) (ii) of Clause AVN48D.

- (b) EXCLUSION applicable only to any cover extended by this Endorsement in respect of the deletion of any of paragraph (a), sub-paragraphs (b)(ii), (b)(iii) and (b)(iv) of Clause AVN 48D.

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

3. LIMITATION OF LIABILITY

- 3.1 In respect of the cover provided by paragraph 1.1 of this Endorsement (if it is an operative paragraph) the limit of Insurers' liability shall beany one Occurrence and in the annual aggregate (the "sub-limit"). This sub-limit is included within and is not in addition to the full Policy limit.

To the extent cover is afforded to an Insured under the Policy, this sub-limit shall not apply to such Insured's liability:

- (a) to the passengers (and for their baggage and personal effects) of any aircraft operator to whom the Policy affords cover for liability to its passengers arising out of its operation of aircraft;

- (b) for cargo and mail while it is on board the aircraft of any aircraft operator to whom the Policy affords cover for liability for such cargo and mail arising out of its operation of aircraft.

- 3.2 In respect of the cover provided by paragraph 1.2 of this Endorsement (if it is an operative paragraph) the limit of Insurers' liability shall beany one Occurrence and in the annual aggregate. This limit is included within and is not in addition to the sub-limit stated in paragraph 3.1 above.

To the extent cover is afforded to an Insured under the Policy, this limit shall not apply to such Insured's liability:

- (a) to the passengers (and for their baggage and personal effects) on board the aircraft of any aircraft operator to whom the Policy affords cover for liability to its passengers arising out of its operation of aircraft;

- (b) for cargo and mail while it is on board the aircraft of any aircraft operator to whom the Policy affords cover for liability for such cargo and mail arising out of its operation of aircraft.

- 3.3 In respect of the cover provided by paragraph 1.3 of this Endorsement (if it is an operative paragraph) the limit of Insurers' liability shall beany one Occurrence and in the annual aggregate. This limit is included within and is not in addition to the sub-limit stated in paragraph 3.1 above.

To the extent cover is afforded to an Insured under the Policy, this limit shall not apply to such Insured's liability:

(a) to the passengers (and for their baggage and personal effects) of any aircraft operator to whom the Policy affords cover for liability to its passengers arising out of its operation of aircraft;

(b) for cargo and mail while it is on board the aircraft of any aircraft operator to whom the Policy affords cover for liability for such cargo and mail arising out of its operation of aircraft.

The limit of Insurers' liability under (a) and (b) above shall be the following limits which are within and are not in addition to the full Policy limit:

For liability in respect of passengers.....per passenger
For liability in respect of passengers' baggage
and personal effects.....per passenger
For liability in respect of cargo and mail:.....per kilogram

3.4 Where the operative paragraphs include 1.1 and/or 1.2 and/or 1.3, the limit of Insurers' liability for claims caused by both a peril set out in any of sub-paragraphs (b)(ii), (b)(iii) and (b)(iv) that are listed in paragraphs 1.5(i), 1.5(ii) and 1.6 and any other peril for which insurance is afforded by this Endorsement, shall be the applicable limit applying to paragraphs 3.2 and/or 3.3 above.

3.5 If paragraphs 1.2 and 1.3 are both operative paragraphs, only one of the aggregate limits referred to in paragraphs 3.2 and 3.3 shall apply to claims covered by both paragraphs. If the aggregate limits are different then only the higher aggregate limit applies to such claims.

4. AUTOMATIC TERMINATION

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

- (i) **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
- (ii) **Any cover extended by the deletion of paragraph (a) of Clause AVN 48D, and any cover extended by the deletion of sub-paragraphs (b)(ii), (b) (iii) and (b) (iv) of Clause AVN48D with respect to claims that are also caused by a peril set out in paragraph (a) of AVN48D.**
 - upon the hostile detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction wheresoever or whensoever such detonation may occur and whether or not any aircraft insured under the Policy may be involved
- (iii) **All cover with respect to any aircraft insured under the Policy that is requisitioned for either title or use**
 - upon such requisition

PROVIDED THAT if any aircraft insured under the Policy is in the air when the cover provided by this endorsement would thereby be terminated under (i), (ii) or (iii) of this paragraph, 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 (b)(ii), (b)(iii), (b)(iv) and paragraphs (c), (d), (e), (f) and/or (g) of Clause AVN48D - 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.

AVN 52 K 04.8.06

(applicable to coverage provided to aircraft operators)

DRAFTERS' NOTE – AVN52K

This Note is for guidance only. It is NOT an opinion on the coverage that may be provided by endorsement AVN52K.

The endorsement is intended for use with aviation liability policies that include aircraft liability and, with reference to clause AVN48D, its purpose is to offer flexibility in the write back of combinations of perils other than those set out in sub-paragraph (b)(i) of clause AVN48D, subject to various sub-limits of insurers' liability.

Flexibility is provided by the ability of the parties to select which of the available write back options (termed the operative paragraphs) are to apply and by the choices offered by the available operative paragraphs.

The endorsement is designed to give the parties the option of negotiating the insurance cover required while differentiating between various loss scenarios and at the same time offering different limits of liability for an Insured's liability for its passenger and cargo losses and for third party losses in order to limit insurers' exposure to losses arising from so-called weapons of mass destruction.

A Guidance Note has been produced at the request of representatives of the buyers of aviation insurance in view of the complexities of the endorsement. The Note can be found on the website of the Aviation Insurance Clauses Group: www.aicg.co.uk.

In common with all AICG produced AVN Clauses, this Clause is published by AICG, but it is expressly non-binding and AICG makes no recommendation as to its use in particular policies. Insurers are of course free to offer different policy wordings and clauses to their policy holders.

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

1. WHEREAS the Policy of which this Endorsement forms part includes the War, Hi-jacking and Other Perils Exclusion Clause (Clause AVN48D), IN CONSIDERATION of an Additional Premium of....., it is hereby understood and agreed that with effect from.....the liability cover provided by the Policy is extended as set out herein, SUBJECT to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy except as specifically varied or provided by the terms of this Endorsement.

1.1 If this paragraph 1.1 is listed as an operative paragraph in paragraph 1.4 below paragraphs (a) and (c) to (g) of Clause AVN48D are deleted;

1.2 If this paragraph 1.2 is listed as an operative paragraph in paragraph 1.4 below:

(i) such of sub-paragraphs (b)(ii), (b)(iii) and (b)(iv) of Clause AVN48D as are listed in paragraph 1.5 (i) are deleted in respect of claims caused by any of the perils set out in those sub-paragraphs originating solely and directly on board an aircraft and

(ii) such of sub-paragraphs (b)(ii) and (b)(iv) of Clause AVN48D as are listed in paragraph 1.5 (ii) are deleted in respect of claims caused by any of the perils set out in those sub-paragraphs originating other than solely and directly on board an aircraft in so far as claims are caused by reason of the crash fire explosion or collision or a recorded emergency causing abnormal operation of an aircraft whilst in flight;

For the purposes of sub-paragraph 1.2 (ii), "in flight" shall mean the period commencing 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 aircraft is in the air.

1.3 If this paragraph 1.3 is listed as an operative paragraph in paragraph 1.4 below such of sub-paragraphs (b)(ii),(b)(iii) and (b)(iv) of Clause AVN48D as are listed in paragraph 1.6 are deleted.

1.4 The operative paragraphs are

1.5(i) The sub-paragraphs referred to in paragraph 1.2(i) that are deleted are.....

1.5(ii) The sub-paragraphs referred to in paragraph 1.2(ii) that are deleted are.....

1.6 The sub-paragraphs referred to in paragraph 1.3 that are deleted are.....

1.7 Any cover provided by paragraphs 1.2 and/or 1.3 of this Endorsement shall not be excluded by any radioactive contamination and/or noise and pollution exclusion clauses attached to and forming part of this Policy but the cover provided by this Endorsement shall not apply to liability for or costs associated with pollution or contamination unless such pollution or contamination is caused by a sudden act or event.

2. (a) EXCLUSIONS applicable generally:

No cover is provided under this Endorsement for claims excluded by sub-paragraph (b) (i) of Clause AVN48D.

No cover is provided under paragraph 1.1 of this Endorsement for claims excluded by paragraph (b) of Clause AVN48D.

No cover is provided under this Endorsement by the deletion of sub-paragraph (b) (iv) of Clause AVN48D for claims excluded by sub-paragraph (b) (ii) of Clause AVN48D.

- (b) EXCLUSION applicable only to any cover extended by this Endorsement in respect of the deletion of any of paragraph (a), sub-paragraphs (b)(ii), (b)(iii) and (b)(iv) of Clause AVN 48D.

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

3. LIMITATION OF LIABILITY

- 3.1 In respect of the cover provided by paragraph 1.1 of this Endorsement (if it is an operative paragraph) the limit of Insurers' liability shall beany one Occurrence and in the annual aggregate (the "sub-limit"). This sub-limit is included within and is not in addition to the full Policy limit.
- 3.2 In respect of the cover provided by paragraph 1.2 of this Endorsement (if it is an operative paragraph) the limit of Insurers' liability shall beany one Occurrence and in the annual aggregate. This limit is included within and is not in addition to the sub-limit stated in paragraph 3.1 above.
- 3.3 In respect of the cover provided by paragraph 1.3 of this Endorsement (if it is an operative paragraph) the limit of Insurers' liability shall beany one Occurrence and in the annual aggregate. This limit is included within and is not in addition to the sub-limit stated in paragraph 3.1 above.
- 3.4 Where the operative paragraphs include 1.1 and/or 1.2 and/or 1.3, the limit of Insurers' liability for claims caused by both a peril set out in any of sub-paragraphs (b)(ii), (b)(iii) and (b)(iv) that are listed in paragraphs 1.5(i), 1.5(ii) and 1.6 and any other peril for which insurance is afforded by this Endorsement, shall be the applicable limit applying to paragraphs 3.2 and/or 3.3 above.
- 3.5 If paragraphs 1.2 and 1.3 are both operative paragraphs, only one of the aggregate limits referred to in paragraphs 3.2 and 3.3 shall apply to claims covered by both paragraphs. If the aggregate limits are different then only the higher aggregate limit applies to such claims.

4. AUTOMATIC TERMINATION

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

- (i) **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
- (ii) **Any cover extended by the deletion of paragraph (a) of Clause AVN 48D, and any cover extended by the deletion of sub-paragraphs (b)(ii), (b) (iii) and (b) (iv) of**

Clause AVN48D with respect to claims that are also caused by a peril set out in paragraph (a) of AVN48D.

- upon the hostile detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction wheresoever or whensoever such detonation may occur.

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 (b)(ii), (b)(iii), (b)(iv) and paragraphs (c), (d), (e), (f) and/or (g) of Clause AVN48D - 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.

AVN 52 L 04.8.06

(applicable to coverage provided to service providers)

DRAFTERS' NOTE – AVN52L

This Note is for guidance only. It is NOT an opinion on the coverage that may be provided by endorsement AVN52L.

The endorsement is intended for use with aviation liability policies issued to service providers and, with reference to clause AVN48D, its purpose is to offer flexibility in the write back of combinations of perils other than those set out in sub-paragraph (b)(i) of clause AVN48D, subject to various sub-limits of insurers' liability.

Flexibility is provided by the ability of the parties to select which of the available write back options (termed the operative paragraphs) are to apply and by the choices offered by the available operative paragraphs.

The endorsement is designed to give the parties the option of negotiating the insurance cover required while differentiating between various loss scenarios and at the same time offering different limits of liability for an Insured's liability for its passenger and cargo losses and for third party losses in order to limit insurers' exposure to losses arising from so-called weapons of mass destruction.

A Guidance Note has been produced at the request of representatives of the buyers of aviation insurance in view of the complexities of the endorsement. The Note can be found on the website of the Aviation Insurance Clauses Group: www.aicg.co.uk.

In common with all AICG produced AVN Clauses, this Clause is published by AICG, but it is expressly non-binding and AICG makes no recommendation as to its use in particular policies. Insurers are of course free to offer different policy wordings and clauses to their policy holders.

GUIDANCE NOTE: EXTENDED COVERAGE ENDORSEMENT
(AVIATION LIABILITIES)

AVN52K for use in Aircraft Operator Policies etc.
AVN52L for use in Service Provider Policies etc.

This Note is for guidance only and is offered at the request of representatives of the buyers of aviation insurance. It is NOT an opinion on the coverage that may be provided by AVN52K and AVN52L.

The terms of the Note and the paragraph references refer primarily to AVN52K, but as AVN52L is substantially the same apart from coverage relating to passengers, their baggage and personal effects, and cargo and mail the Note and its references can also be used for AVN52L, ignoring references to coverage relating to passengers, their baggage and personal effects, and cargo and mail.

Paragraph 1 – Write Back Options

The various write back options are set out in paragraph 1. Each becomes operative as selected and stated in one or more of the sub-paragraphs of paragraph 1, which as a whole allow for the scope of the coverage provided by the endorsement to be determined: the paragraphs of AVN48D that are deleted and, in respect of any deletion of (b)(ii) and/or (b)(iii) and/or (b)(iv) of AVN48D, the circumstances in which such deletion applies.

No provision is made for the write back of nuclear perils per (b)(i) of AVN48D.

Sub-paragraph 1.1

1.1 provides for the deletion of paragraphs (a) to (g) of AVN48D other than paragraph (b).

Sub-paragraph 1.2(i) (if operative)

1.2(i) provides for the deletion of (b)(ii) and/or (b)(iii) and/or (b)(iv) of AVN48D as stated in 1.5(i) but only where the perils stated in those paragraphs are the cause of the claim(s) AND they originate solely and directly on board an aircraft.

Sub-paragraph 1.2(ii) (if operative)

1.2(ii) provides for the deletion of either or both of (b)(ii) and (b)(iv) of AVN48D as stated in 1.5(ii) but only where the perils stated in those paragraphs are the cause of the claim(s) AND they originate other than solely and directly on board an aircraft and the

For ease of reference the four sub-paragraphs of (b) of AVN48D refer to the following excluded perils: (b)(i) = Nuclear; (b)(ii) = RadCon; (b)(iii) = EMP; and (b)(iv) = BioChem.
These descriptions do NOT reflect the ambit of the excluded perils for which reference must be made to AVN48D itself.

claim(s) is caused by reason of the crash, fire, explosion or collision of an aircraft or a recorded emergency causing abnormal operation of an aircraft.

If these criteria are met, coverage is written back under both 1.2(i) and 1.2(ii) for liability for both losses sustained within the subject aircraft AND for any third party claim(s) caused by that aircraft.

However coverage under 1.2(ii) is only provided for liability for claim(s) while an aircraft is “in flight” as defined in the endorsement. While there may be another “in flight” definition applicable to the policy as a whole, the definition in the endorsement applies to the coverage provided in 1.2(ii).

There is no provision in 1.2(ii) for the write back of the EMP exclusion b(iii) of AVN48D, unlike in 1.2(i).

Sub-paragraph 1.3 (if operative)

1.3 provides for the deletion of (b)(ii) and/or (b)(iii) and/or (b)(iv) and is not restricted to the specific aircraft related circumstances described in 1.2(i) and (ii). For example, the effect of 1.3 is to delete (b)(ii) and/or (b)(iii) and/or (b)(iv) in their entirety so as to write back all coverage excluded under these sub-paragraphs of AVN48D but only for the restricted limits as inserted in 3.3. For example, if the written back cover includes (b)(iii), then such cover will include liability arising from an EMP device external to an aircraft which is not covered by 1.2 to avoid an accumulation of full policy limits for multiple aircraft losses.

Sub-paragraph 1.4

This clause is designed to be used with 1.1 in all cases with the option of using either or both of 1.2 and 1.3.

Sub-paragraph 1.5(i) (if operative)

1.5(i) provides the option of writing back (b)(ii) and/or (b)(iii) and/or (b)(iv) where 1.2(i) has been stated as an operative paragraph. This provides flexibility as to which of the (b)(ii), (b)(iii) and (b)(iv) perils originating on board an aircraft are covered.

For example, if the intention is only to provide coverage for liability arising from an EMP device located on board an aircraft, then ONLY (b)(iii) should be stated.

For ease of reference the four sub-paragraphs of (b) of AVN48D refer to the following excluded perils: (b)(i) = Nuclear; (b)(ii) = RadCon; (b)(iii) = EMP; and (b)(iv) = BioChem. These descriptions do NOT reflect the ambit of the excluded perils for which reference must be made to AVN48D itself.

Sub-paragraph 1.5(ii) (if operative)

1.5(ii) provides the option of writing back (b)(ii) and/or (b)(iv) where 1.2(ii) has been stated as an operative paragraph. This provides flexibility as to which of the (b)(ii) and/or (b)(iv) perils originating other than on board an aircraft are covered.

For example, if the intention is only to provide coverage for liability arising from an EMP device on board an aircraft where the claim(s) arises by reason of the crash, fire, explosion et cetera of the aircraft, then ONLY (b)(iv) should be stated.

Sub-paragraph 1.6 (if operative)

1.6 provides the option of writing back (b)(ii) and/or (b)(iii) and/or (b)(iv) where 1.3 is stated to be an operative paragraph. This provides flexibility as to which of the (b)(ii) and/or (b)(iii) and/or (b)(iv) perils are to be covered.

For example, if the intention is only to provide coverage for the hostile use of radioactive materials, then ONLY (b)(ii) should be stated.

As the coverage provided by 1.3 allows the option of deleting (b)(ii) and/or (b)(iii) and/or (b)(iv) in their entirety, there is an overlap between the coverage provided by 1.6 and the more specific aircraft-related hazards under 1.2.

If the intention is NOT to provide any write back of one or more of (b)(ii) and/or (b)(iii) and/or (b)(iv), then these sub-paragraphs should NOT be specified in either 1.5 or 1.6.

If the intention is to provide a write back for one or more of (b)(ii) and/or (b)(iii) and/or (b)(iv) under 1.2 but NOT under 1.3, then the applicable paragraphs which are to be deleted from AVN48D should be specified in 1.5(i) and/or 1.5(ii), not in 1.6.

Sub-paragraph 1.7

1.7 addresses any possible conflict between the coverage written back by the endorsement and any radioactive contamination and/or noise and pollution exclusion clauses which also form part of the policy. However the intention is NOT to provide cover for pollution or contamination, unless caused by a sudden act or event.

Where such a conflict exists then the coverage provided by the endorsement should prevail over such exclusion clauses.

For ease of reference the four sub-paragraphs of (b) of AVN48D refer to the following excluded perils: (b)(i) = Nuclear; (b)(ii) = RadCon; (b)(iii) = EMP; and (b)(iv) = BioChem. These descriptions do NOT reflect the ambit of the excluded perils for which reference must be made to AVN48D itself.

Paragraph 2 – Exclusions

2(a) confirms that no cover is provided for claims excluded by (b)(i) of AVN48D nor for claims excluded in any part of (b) of AVN48D if only 1.1 is operative. No cover is provided by the deletion of sub-paragraph (b)(iv) of AVN48D for claims excluded by (b)(ii) of AVN48D.

2(b) only applies to cover extended by the deletion of paragraph (a) and/or the deletion of (b)(ii) and/or (b)(iii) and/or (b)(iv) of AVN48D where those perils arise out of 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.

The exclusion does NOT apply to any cover extended by the deletion of paragraphs (c) and/or (d) and/or (e) and/or (f) and/or (g) of AVN48D, nor to any cover extended under sub-paragraphs (b)(ii) and/or (b)(iii) and/or (b)(iv) which do NOT arise from the perils of paragraph (a) of AVN48D.

The intention of the exclusion is that it applies in the same manner as under previous AVN52 clauses. It has been necessary to clarify the scope of this exclusion as the devices and materials specified in paragraph (b) of AVN48D can be used in a war, invasion etc situation as described in (a) of AVN48D.

Paragraph 3 – Limitation of Liability

The purpose of paragraph 3 as a whole is to allow the insertion of different limits applicable to the coverage to be provided by various sections of the endorsement that are operative.

The specified limits apply to any one Occurrence, aggregated on an annual basis for third party losses.

Different limits apply or, in the case of 3.3, can be specified for Insured's liability for passengers, their baggage and personal effects, cargo, and mail. This is referred to below as "passenger liability".

If the policy form to which the endorsement attaches does NOT apply on an Occurrence basis, then "Occurrence" should be replaced as appropriate: for example, with "any one Accident".

The third party liability limits specified in paragraph 3 are part of the overall policy limit and are NOT in addition thereto. The limits specified in 3.2 and 3.3 are NOT cumulative but form part of the third party sub-limit under 3.1.

For ease of reference the four sub-paragraphs of (b) of AVN48D refer to the following excluded perils: (b)(i) = Nuclear; (b)(ii) = RadCon; (b)(iii) = EMP; and (b)(iv) = BioChem. These descriptions do NOT reflect the ambit of the excluded perils for which reference must be made to AVN48D itself.

Sub-paragraph 3.1

3.1 requires the third party sub-limit applicable to 1.1 to be stated. This does not apply to passenger liability for claims arising under 1.1

Sub-paragraph 3.2

3.2 requires the third party sub-limit applicable to 1.2 to be stated. This does not apply to passenger liability for passengers etc on board the aircraft for claims arising under 1.2

A limit should only be included in 3.2 if 1.2 has been stated as operative in 1.4.
If 1.2 is not operative, then 3.2 should be left blank

Sub-paragraph 3.3

3.3 requires the sub-limits applicable to 1.3 to be stated.

Limits should only be included in 3.3 if 1.3 has been stated as operative in 1.4.

The third party limit to be stipulated in the second line of 3.3 does NOT apply to passenger liability. Instead there is provision to stipulate separate limits where the policy affords cover for passengers and their baggage and personal effects and for cargo and mail.

These separate limits only apply where the policy affords cover for the Insured's liability for passenger liability in respect of passengers of an aircraft operator to whom cover is provided for liability to its passengers arising out of the operation of aircraft. The intention is NOT to provide these separate limits for an Insured's liability for other passengers, baggage, personal effects, cargo and mail. They are third parties for whom the limit stated in the second line of 3.3 will apply.

If 1.3 is not operative, then 3.3 should be left blank.

Sub-paragraph 3.4

3.4 clarifies which limit applies where a claim could be made for the (b)(ii) and/or (b)(iii) and/or (b)(iv) perils of AVN48D which simultaneously arise from any other perils for which coverage is provided by the endorsement. The applicable limit is the limit specified in 3.2 and 3.3 (as applicable) and NOT the limit in 3.1.

For example, the hi-jacking of an aircraft by the discharge of chemical materials on board the aircraft could trigger coverage under 1.1 and 1.2(i), provided both are operative, with

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the limits under 3.1 and 3.2, but the limit that applies is that specified in 3.2 in so far as the loss is caused by the discharge of the chemical materials.

Sub-paragraph 3.5

3.5 acknowledges that there is a duplication of coverage under 1.2 and 1.3, provided both are operative, as 1.3 is a complete write back of any or all of (b)(ii) and/or (b)(iii) and/or (b)(iv) of AVN48D while 1.2 is restricted to specified aircraft-related incidents and does not provide, for example, any write back of (b)(iii) external to an aircraft.

In the event that both 1.2 and 1.3 are operative, then only one aggregate limit will apply. If the aggregate limits are different then only the higher limit will apply to claims covered by both paragraphs.

Paragraph 4 – Automatic Termination

The main change from the previous AVN52 clauses is that reference to (b)(ii), (b)(iii), and (b)(iv) of AVN48D is now included in 4(ii). References to “the Insured Aircraft” in previous clauses has been changed to aircraft covered under the Policy.

Paragraph 5 – Review & Cancellation

The only change from the previous AVN Clauses is an expansion of paragraph 5(b) which now provides for limited cancellation on the expiry of forty-eight hours from 23.59 GMT on the day on which notice is given by reference to cancellation of (b)(ii), (b)(iii), (b)(iv), (c), (d), (e), (f), and (g) of AVN48D following a hostile detonation as specified in 4(ii).

04.8.06

For ease of reference the four sub-paragraphs of (b) of AVN48D refer to the following excluded perils: (b)(i) = Nuclear; (b)(ii) = RadCon; (b)(iii) = EMP; and (b)(iv) = BioChem. These descriptions do NOT reflect the ambit of the excluded perils for which reference must be made to AVN48D itself.

EXTENDED COVERAGE ENDORSEMENT (AIRCRAFT HULLS)

Notwithstanding the contents of the War, Hi-jacking and Other Perils Exclusion Clause forming part of this Policy, it is hereby understood and agreed that this Policy is extended, SUBJECT to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy except as specifically varied or provided by the terms of this Endorsement, to cover claims caused by the following risks:-

- i. Strikes, riots, civil commotions or labour disturbances;
- ii. Any malicious act or act of sabotage;
- iii. 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. For the purpose of this paragraph 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.

PROVIDED ALWAYS THAT

1. The above extension shall only apply to the extent that the loss or damage is not otherwise excluded by (a), (b), (d) and (f) of the War, Hi-jacking and Other Perils Exclusion Clause
2. the limits of Insurers' liability in respect of any or all of the risks covered under this Endorsement shall not exceed the sum of _____ (in the aggregate during the Policy period)
3. the Insured has paid or has agreed to pay the additional premium of _____ required by the Insurers in respect of this extension
4. the insurance provided by this Endorsement may be cancelled by the Insurers giving notice effective on the expiry of seven days from midnight GMT on the day on which notice is issued.

AVN51(A) 04.8.06

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