

Aviation and Aerospace Practice  
Special bulletin

## Appendix 2 – AVN52 WMD comparison – for guidance only

For the purposes of this Primary Limit comparison as used herein ‘full policy limits’ means:

For aircraft operators - the Combined Single Limit applying to each occurrence/aircraft for passenger liability and third party liability with third party liability limited to US\$150m aggregate for the write-back of AVN48B or AVN48C or AVN48D by AVN52E or AVN52H or AVN52K.

For service providers – US\$50m aggregate limit for the write-back of AVN48B or AVN48C or AVN48D by AVN52G or AVN52J or AVN52L.

Hostile use of:	AVN48B/AVN52E/G	AVN48C/AVN52H/J	AVN48D/AVN52K/L
Atomic or nuclear device	Not covered	Not covered	Not covered
Chemical/biological/biochemical materials (BIO/CHEM)	Covered full policy limits	Not covered	<p>One or both of the following options can be covered subject to underwriters agreement:</p> <p><b>Option 1</b> (Single aircraft cover – Para 1.2 (i) and (ii) of AVN52K/L) Any aircraft with BIO/CHEM device or material on board, whether on the ground or in the air, and/or any aircraft suffering crash fire explosion collision or recorded emergency caused by exposure to BIO/CHEM material or device not on board the aircraft when in flight, may be covered for full policy limits.</p> <p><b>Option 2</b> (Regulatory cover – Paragraph 1.3 of AVN52K/L) All BIO/CHEM losses are covered (unless Single aircraft cover option is operative), but only for restricted limits as negotiated with underwriters.</p> <p>Examples of restricted limits that could be negotiated:</p> <p><b>Aircraft operators:</b> To comply with EU Regulation 785/2004 at this time would require the following limits:</p> <p>US\$375,000 per passenger, US\$1,500 per passenger for baggage, US\$25 per kilogram of cargo and Third party limit of US\$150m aggregate (or market standard) plus additional Excess third party limit where applicable.</p> <p><b>Service Providers</b> As full policy limit is only US\$50m aggregate we are hoping that primary underwriters will maintain this limit. (The debate on restricted limits is likely to focus more on Excess AVN52 policies).</p> <p><b>Above limits apply within full policy limits and not in addition to.</b></p>
Radioactive contamination or matter	Not covered	Not covered	<p>Can be covered, subject to underwriters agreement, on exact same basis as BIO/CHEM.</p> <p>One or both of the following options can be covered subject Underwriters agreement:</p> <p><b>Option 1</b> (Single aircraft cover – Paragraph 1.2 (i) of AVN52K/L) Any aircraft with EMP device on board, whether on the ground on in the air may be covered for full policy limits.</p>
Electromagnetic pulse (EMP)	Covered full policy limits	Not covered	<p><b>NB: There is no Single aircraft cover for any aircraft suffering crash fire explosion collision or recorded emergency caused by exposure to EMP device not on board the aircraft – cover for this peril is included under Option 2 if operative.</b></p> <p><b>Option 2</b> (Regulatory cover – Paragraph 1.3 of AVN52K/L) All EMP losses are covered (unless Single aircraft cover option is operative), but only for restricted limits as negotiated with Underwriters, (as BIO/CHEM).</p>

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