

OLD REPUBLIC INSURANCE COMPANY

**AERIAL APPLICATOR INSURANCE POLICY**  
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SPECIMEN

## PART 1. YOUR POLICY AND COVERAGES

This is your Aerial Applicator Insurance Policy; it is designed to meet a variety of your **aerial application** insurance needs.

A number of different coverages are available under this policy. Some protect you against physical damage or loss to your aircraft; others offer you protection against claims for **bodily injury** or **property damage** to someone else. The different coverages available are described in the text of the policy.

The phrase on the **Coverage Data Page** means the pages titled **Coverage Data Page** and also includes any **Coverage Data Page** amendment added to this policy. You have only those coverages for which a premium is shown on the **Coverage Data Page**. Those coverages shown are provided to you in consideration for your payment of the premium.

For your convenience, your policy has been designed to help you locate information quickly and easily. It has also been written in clear, readable English to help you understand the coverages.

Throughout this policy, the words "you" and "your" mean the person, persons, or organization named as the **named insured** on the **Coverage Data Page**. "The Company", "we", "us" or "our" mean the insurance company named on the **Coverage Data Page**. Some of the terms appearing in this policy are in bold and have a specific meaning and are defined for you in the Glossary at the end of this policy.

### Your Aircraft

When we refer to your aircraft in this policy we mean your airplane or helicopter described on the **Coverage Data Page**, including the following:

- (1) the engine(s), propeller(s), tools and repair equipment that are designed standard by the manufacturer of the aircraft and that are located in the aircraft for which coverage has been purchased;
- (2) the radio, navigation, global positioning system and operational equipment usually attached;
- (3) spray booms, hoppers and related **aerial application** equipment usually attached;
- (4) any detached parts that have not been replaced by similar parts; and
- (5) aircraft logbooks.

You must own your aircraft solely or in part or you must hold it under a written lease for coverage under this policy to apply.

### Purpose of Use

The aircraft must be used only for the purpose shown on the **Coverage Data Page**. If the aircraft is used for any other purpose and you or any **insured** under this policy knows it is used for any other purpose, we will not provide any coverage under this policy while the aircraft is being used for any purpose not shown on the **Coverage Data Page**.

### Who Can Fly Your Aircraft

When your aircraft is **in flight**, your aircraft must be operated by the pilot or pilots named on the **Coverage Data Page** or by a pilot who meets the minimum qualifications described there. Additionally, the pilot or pilots must hold the proper and current medical and pilot certificates with appropriate ratings

and qualifications as required under the current **Federal Aviation Administration** regulations for the flight involved; otherwise, there is no coverage.

While your aircraft is being held for repair, storage, maintenance, or servicing by an FAA approved repair facility for the purpose of maintenance or repair, the minimum pilot qualifications described on the **Coverage Data Page** will not apply, provided you do nothing that would affect the Recovering Damages from Other People section of your policy.

### **When Your Aircraft Is In Flight**

A fixed wing airplane is **in flight** from the time it enters the runway to start its takeoff run until the time it completes its landing run and exits the runway. A helicopter is **in flight** from the time the rotors start to revolve under power for the purpose of flight until they stop revolving.

### **Where You Can Fly Your Aircraft**

You are covered during the **policy period** while the aircraft is within the following territorial limits: within the United States of America, excluding Alaska and Hawaii.

### **Mexico Warning**

Even though the coverage territory under this policy may include Mexico, you are strongly encouraged to purchase a separate Mexican liability insurance policy through a Mexican insurance company for any travel to Mexico or through Mexican airspace.

You may be detained for hours or spend many days in jail if you do not carry the recommended policy aboard your aircraft and provide proof of coverage when requested by the Mexican authorities.

It is recommended that you purchase this coverage from a company licensed under the laws of Mexico to write such insurance to mitigate any potential complications or other penalties possible under the laws of Mexico, including the possible impoundment of your aircraft.

## PART 2. EXCLUSIONS APPLICABLE TO ALL COVERAGES

We will not cover **bodily injury, property damage** to others, or physical damage to or loss of your aircraft:

- (1) When the aircraft:
  - (a) is leased, rented, or loaned to any person or organization, other than you, operating the aircraft;
  - (b) is used for any unlawful purpose;
  - (c) is operated in violation of any **Federal Aviation Administration** regulation which applies to repairs, alterations or inspections;
  - (d) is operated:
    - (i) in violation of the terms of its **Federal Aviation Administration** Airworthiness Certificate; or
    - (ii) without a Restricted Airworthiness Certificate which is in full force and effect; or
    - (iii) when the aircraft Airworthiness Certificate has been converted to experimental.
  - (e) has a total of more than two (2) seats including all **passengers** and crew seats or carries more than two (2) persons, unless otherwise amended;
  - (f) is equipped for water take-off or landing;
  - (g) is used for the transportation of any cargo which includes any explosive material;
  - (h) is performing or attempting to perform charter, cargo carrying for hire (except agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, defoliants, desiccants** or **chemicals** for the purpose of **aerial application**), instruction, rental, closed course racing, or photography less than 500 feet above the surface, mineral exploration, hunting, herding, tracking or observing animal or fowl, the towing of any object, pipe line, power line or telephone line patrol, fish spotting, fire-fighting, parachute jumping not required by an unexpected emergency, or newspaper delivery, unless such activity is specifically included by an amendment attached to this policy;
  - (i) is used for the **aerial application** of any agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, defoliants, desiccants** or **chemicals** which have not been approved for **aerial application** by each of the federal, state, or local agencies from whom such approval is required; or
  - (j) is used for: smoke or fire patrol, fire-fighting or fire control except as respects emergency assistance provided for wildfire control and provided further that your total flying hours for this use does not exceed five (5) hours during the **policy period**; aerial ignition/controlled burning; or any activity in support of those uses whether intentionally or unintentionally set.
- (2) When caused by an intentional act or intentional omission committed by the **named insured**, an **insured**, or any person or organization using or operating the aircraft. However, if a liability claim results from an attempt to prevent interference with the safe operation of your

aircraft (for example, the prevention of a hijacking); we will cover any loss that arises in connection with the attempt.

(3) Arising from:

(a) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, revolution, rebellion, 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.

\*For the purpose of this exclusion only, the term **chemical** above means **chemicals** intended to be used as an act of war or aggression.

(c) strikes, riots, civil commotions or labor 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, nationalization 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; or

(g) Hi-jacking or any unlawful seizure or wrongful exercise or 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 gathered therefrom, or autorotation.

Furthermore this policy does not cover claims arising while 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).

(4) When claims are directly or indirectly caused by:

- (a) noise (whether heard by the human ear or not), vibration, sonic boom or similar phenomena caused by the movement or operation of an aircraft or any of its parts; and,
- (b) any interference with the quiet enjoyment of the property of others caused by noise resulting from or related to the operation of an aircraft or any of its parts.

This exclusion does not apply to **property damage** to domestic animals caused by noise or vibration. Additionally, this exclusion does not apply to **bodily injury** or **property damage** resulting from the collision of the aircraft with the surface of any object or from intentional "dumping" in an effort to avoid such collision.

(5) When losses of or destruction of or damage to any property whatsoever or any loss or expense whatsoever results or arises from any consequential loss.

(6) Arising from the following:

- (a) the actual, alleged or threatened presence, discharge, dispersal, seepage, migration, release or escape of **pollutants** and/or **contaminants**, no matter how caused, no matter where, no matter by whom:
  - (i) at, within or from any aircraft, premises, site or location which is or was at any time owned, occupied by, or rented or loaned to any **insured**;
  - (ii) at, within or from any aircraft, premises, site or location which is or was at any time used by or for any person or organization for the handling, storage, disposal, processing or treatment of waste;
  - (iii) which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom an **insured** may be legally responsible;
  - (iv) at, within or from any aircraft, premises, site or location on which an **insured** or any person or organization or contractors or subcontractors working directly or indirectly on an **insured's** behalf are performing operations:
    - 1. if the **pollutants** or **contaminants** are brought on, within or to the aircraft, premises, site or location or the atmosphere in connection with such operations of any person or organization, contractor or subcontractor; or,
    - 2. if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants** or asbestos.

We will not cover any loss, cost or expense arising out of any:

- (i) request, demand or order that any person or organization test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants** and/or **contaminants**
- (ii) claim or **suit** by or on behalf of a governmental authority for damages because of testing, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants** and/or **contaminants**

**Pollutants** and **contaminants** mean any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapor, silica, soot, fumes, acids, alkalis, fuels, oil, bacteria, fungus, chemicals and waste; or any material which is identified in any private or governmental study or report as requiring removal or remediation, or any

material listed as a possible or probable carcinogenic by any private or governmental agency. Waste includes materials to be recycled, reconditioned or reclaimed, whether or not the materials have been disposed of by an insured or any person or organization handling the material. However, this exclusion does not apply to the spraying or emitting of agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, desiccants, defoliants, or chemicals** intended to be emitted from the aircraft during the process of **aerial application**.

However, only as respects operation of an aircraft by an **insured**, this section will not apply to **pollutants or contaminants** resulting from a crash or collision of the aircraft, or which results from an emergency causing abnormal operation of the aircraft.

- (b) asbestos or the exposure to asbestos, asbestos fibers, asbestos dust, or any product or material containing asbestos or the failure of any product or material containing asbestos or the existence of asbestos in any place or thing in the atmosphere, land, or any water course or body of water.

In addition, we will not pay for any loss, cost or expense incurred out of the testing for, monitoring, cleaning up, containing, treating, protecting against, or removing asbestos or any product or material containing asbestos.

We will not cover any obligation to defend or indemnify due in whole or in part to any claim or **suit** against you alleging damages arising from or related to asbestos that has been excluded in the paragraphs above.

- (c) date recognition; this policy 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):
  - (i) 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) to accurately or completely 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;
  - (ii) 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; or
  - (iii) 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.

Any provision in this policy concerning any duty of **the company** to investigate or defend claims shall not apply to any claims so excluded.

- (d) **fungus(i)** or similar growth, whether caused by, directly or indirectly, in whole or in part by:
  - (i) any **fungus(i), mold(s)**, mildew or yeast;

- (ii) any **spore(s)**, or toxins created or produced by or emanating from such **fungus(i), mold(s)**, mildew or yeast;
- (iii) any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any **fungus(i), mold(s)**, mildew or yeast; or
- (iv) any material, product, building component, building or structure or any concentration of moisture, water or other liquid within such material, product, building component, building or structure that contains, harbors, nurtures, or acts as a medium for any **fungus(i), mold(s)**, mildew or yeast, or **spore(s)** or toxins emanating therefrom;

including:

- (i) **bodily injury**; sickness; disease; occupational disease; headaches; dizziness; neurological disorders of any kind; mental or physical stress, anguish, or injury of any kind; **property damage** or grounding or any other claim whatsoever;
- (ii) any loss, cost, or expenses related to, arising from, or associated with testing for, cleaning up, remediation of, containment of, removal of, or abatement; nor
- (iii) any obligation to defend or indemnify due in whole or in part to any claim or **suit** against the **insured** alleging damages;

regardless of any other cause, event material, product and/or building component that contributed concurrently or in any sequence to any alleged loss or subsequent claim.

- (e) If you may be held liable by reason of: causing or contributing to the intoxication of any person; the furnishing of alcoholic beverages to a person under legal drinking age or under the influence of alcohol; or any statute, ordinance, or regulation relating to the sale, gift, distribution, or use of alcoholic beverages or any illegal or controlled substance.

**(SEE ADDITIONAL EXCLUSIONS IN PARTS 3, 4, AND 5)**

## PART 3. AIRCRAFT PHYSICAL DAMAGE COVERAGE

This part describes the two (2) kinds of coverages that are available to protect you against direct and accidental physical damage or loss to your aircraft.

- (1) Comprehensive Physical Damage Coverage (COVERAGE B) and
- (2) Limited Physical Damage Coverage (COVERAGE A)

The type of coverage you have, if any, is shown on the **Coverage Data Page**.

### **Comprehensive Physical Damage Coverage (COVERAGE B)**

If you have this kind of coverage, you are protected if your aircraft suffers any kind of direct and accidental physical damage or loss. You are also protected if your aircraft is stolen or if it disappears after takeoff and is not found or heard from within 60 days. However, you are not protected against the types of losses described in the **Losses Not Covered** section below.

### **Limited Physical Damage Coverage (COVERAGE A)**

If you have this kind of coverage, you are only protected if your aircraft suffers any kind of direct and accidental physical damage or loss, or is stolen, while it is **not in motion**.

However, you are not protected against those losses described in Part 2. Exclusions Applicable to All Coverages or the Losses Not Covered section below.

### **Losses Not Covered**

Whether you have Comprehensive Physical Damage Coverage (Coverage B) or Limited Physical Damage Coverage (Coverage A), we will not cover the following:

**Loss of Use.** We will not cover any loss, expense or damage that results because your aircraft cannot be used.

**Consequential Loss of Value.** We will not cover any residual depreciation or diminution in the value of your aircraft, either before or after repairs have been made.

**Wear and tear.** Unless the loss is the direct result of other physical damage covered by this policy, we will not cover:

- (1) Loss or damage to your aircraft caused by and confined to freezing, deterioration, mechanical, hydraulic, pneumatic, structural, or electrical breakdown or failure.
- (2) Loss or damage to electronic or electronically driven equipment caused by and confined to power surge, failure or malfunction.
- (3) Corrosion or rust in any form.

However, if a collision is caused by wear and tear, and the collision is otherwise covered by this policy, we will cover the resulting damage, but we will not cover the part that has suffered wear and tear.

**Example:** An electrical surge is the result of a worn voltage regulator causing the landing gear to not operate. The damages caused by the gear-up landing would be covered, but the repair of the voltage regulator and the electrical system would not be covered.

**Wear and Tear to Engines.** We will not cover the following types of damage to your aircraft's engines including auxiliary power units:

- (1) damage caused by heat that results from the operation, attempted operation, or shutdown of the engine.
- (2) damage caused by the mechanical breakdown, failure, or malfunction of the engine, any part attached to the engine or any engine accessory, including any such loss or damage caused in whole or in part by a defective product or the negligent act or omission of any person or entity. Damage caused by the breakdown, failure or malfunction of any engine component or accessory or part will be considered mechanical breakdown of the entire engine and is not covered.
- (3) damage caused by an object not part of the engine or its accessories, whether the damage results from **ingestion** of the object or not. If such damage results from a single incident and the engine requires immediate repairs in compliance with the manufacturer's requirements, the damage will not be considered wear and tear and coverage will apply, subject to the **in motion** deductible shown on the **Coverage Data Page**.

**Tires.** We will cover damage to tires only if it is caused by fire, windstorm, theft, or vandalism, or if it occurs at the same time as another loss covered by this policy. Damage to tires from any other cause is not covered.

**Personal Effects.** We will not cover loss of clothing or other personal items including but not limited to money, jewelry, legal papers, business documents, passports or tickets.

**Third Parties.** Your Physical Damage Coverage is designed to protect you and any lienholder named on the **Coverage Data Page**. We will not make payment under this coverage to anyone else for direct or indirect losses suffered by someone legally using your aircraft or holding it for repair, storage, maintenance, or servicing.

**Sale or Disposition of Your Aircraft.** If someone is legally holding your aircraft, and later sells or disposes of your aircraft, or keeps you from using it, we will not cover your losses.

**Contents.** We will not cover loss of or damage to any agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, defoliants, desiccants** or **chemicals** carried in or on the aircraft.

**Financial Interest.** We will not cover any loss of or damage to your aircraft if you are not the **sole owner** of the aircraft, unless this policy has been amended by us to show other ownership.

IN ADDITION TO THE ABOVE, PLEASE REFER TO **PART 2. EXCLUSIONS APPLICABLE TO ALL COVERAGES**.

### **Payments under Physical Damage Coverage**

In this section we describe the payments we will make if your aircraft suffers a total or partial loss or if it is stolen.

**Coverage Limit.** The coverage limit for Physical Damage Coverage is shown on the **Coverage Data Page**. This amount is the most we will pay for loss or damage to your aircraft.

**Total Loss.** We will pay your coverage limit minus any applicable deductible for a total loss or constructive total loss. Your aircraft is a total loss or constructive total loss if:

- (1) the cost to repair it, plus the amount determined by us to be the value of the salvage, is greater than or equal to your coverage limit; or
- (2) it disappears after take-off and is not found or heard from within sixty (60) days; or
- (3) it is stolen and not recovered within sixty (60) days.

**Partial Loss – You Make Repairs.** If your aircraft is damaged but is not a total loss or constructive total loss, and you elect to repair your aircraft, we will pay you the following items, less any deductible that applies:

- (1) the cost of required material and parts of similar kind and quality; and
- (2) actual wages paid at the current straight-time rate, at the place of repair, plus 100% of this amount to cover the cost of any overhead including supervision. We will not pay any overtime paid by you.

**Partial loss – someone else makes repairs.** If your aircraft is damaged, but is not a total loss or a constructive total loss, and someone else makes repairs, we will pay for repairs to your aircraft with material and parts of a similar kind and quality, less any deductible that applies. We will not pay any overtime charged to you nor will we pay for repair costs that exceed the reasonable and necessary costs to repair the aircraft.

Whether you or someone else makes repairs to your aircraft, we will also reimburse you for the cost to transport your aircraft by the least expensive of the following means:

- (1) the cost of transporting damaged parts from the site of the loss to the most practical place where they can be repaired;
- (2) the cost of transporting replacement parts from the place nearest the site of the loss; or
- (3) the cost of transporting the aircraft to the most practical place where it can be repaired and then back to the place of the loss or your home airport, whichever is closer.

Whether you or someone else makes repairs, the words “similar kind and quality” mean similar kind and quality, less any allowance for physical deterioration and depreciation. If the repair or replacement of damaged parts results in better than similar kind and quality, you must pay for any **betterment**.

**Theft.** If you have purchased either coverage A or B, you are protected if the aircraft is stolen while **not in motion** and is not found or heard from within sixty (60) days. If you have purchased coverage B, you are also protected if the aircraft is stolen **in flight** or disappears after take-off and is not found or heard from within sixty (60) days.

If your aircraft is stolen or lost and later found, we will pay the cost of the least expensive method to return it to the place from which it was stolen or its home airport, whichever is closer. We will do this after repairs or replacement, if required, whether or not your aircraft was damaged.

**Deductible.** The deductible is the amount of a covered loss that we subtract from any payment for loss that we make. There is no deductible for losses that are caused by fire, lightning, explosion, transportation, theft, robbery, or pilferage. However, if a deductible is shown on the **Coverage Data Page**, the deductible will apply if your aircraft is in a collision and loss or damage is caused by fire or explosion resulting from the collision.

You may have an **in motion** or a **not in motion** deductible shown on your **Coverage Data Page**. Each time your aircraft suffers a covered loss we will subtract the deductible amount and pay the rest of the covered loss up to the applicable coverage limit shown on the **Coverage Data Page**.

If you have several aircraft covered under this policy, and two or more of them suffer a loss, the deductible will apply separately to each aircraft.

**When We Will Pay.** We will pay for a covered loss within 30 days after we reach an agreement with you about the amount of the loss, or a final court judgment is entered, or an appraisal award is filed with us. You must comply with all terms of this policy before we pay for a covered loss.

**Recovered Loss.** If any lost or stolen property is found before we pay for the loss, we have a right to return the property to you and pay for any damage to it.

**Salvage.** If your aircraft has suffered a total loss or a constructive total loss, and we have paid for your loss, we have the right to take possession of the wreckage and sell it for whatever salvage value we can get. We keep the salvage value, but you agree not to abandon the damaged property to us without our consent. Also, we will not be responsible for the wreckage unless we agree to assume the responsibility.

### **Amount of Insurance after a Loss**

If your aircraft is damaged, we will reduce the amount of coverage on your aircraft by the amount of the loss. We will do this as of the date of the loss, whether or not the loss is covered by this policy. As repairs are completed, we will increase the amount of coverage by the value of these repairs until the original amount of coverage is restored or this policy expires.

Example: Suppose one wing, the fuselage and the landing gear are damaged in an accident. The amount of loss is \$6,000. If your coverage limit is \$50,000, we would reduce that amount by \$6,000 to \$44,000. If the wing is repaired and valued at \$2,000, we would increase your coverage by this amount. Your coverage limit would now be  $\$44,000 + \$2,000 = \$46,000$ . As the other repairs are completed the value of your coverage will increase until the \$50,000 coverage limit is restored.

### **Appraisal**

If there is damage or loss to your aircraft and we cannot agree with you on the amount of the loss, the following procedure will be used to settle the disagreement:

- (1) Either you or we can request in writing that the dispute be submitted to an appraisal process within sixty (60) days of the time we receive your proof of loss. Each side will then select an appraiser and notify the other of that choice within twenty (20) days of the initial request for appraisal.
- (2) The appraisers will select an impartial umpire who is experienced in valuing aircraft, their equipment and parts. If they cannot agree on an umpire within fifteen (15) days, either you or we can ask that a qualified umpire be appointed by a judge of the state or province where the property is located.
- (3) The appraisers will assess the loss for each item and submit any differences to the umpire. Agreement by any two of these three will determine the amount of the loss.
- (4) You will pay your appraiser and we will pay ours. Each will share equally any other costs of the appraisal and the umpire.

## PART 4. AIRCRAFT LIABILITY COVERAGE EXCLUDING CHEMICAL LIABILITY COVERAGE

This part describes the different kinds of Aircraft Liability Coverage **Excluding Chemical** Liability Coverage available under this policy. This liability coverage is designed to pay on your behalf claims for damages made by someone else against you for **bodily injury** or **property damage**.

You must be legally responsible for the damages. Also, the damages must result from an **occurrence** that happens during the **policy period** and that involves your aircraft for which this coverage has been purchased.

The kinds and limits of Aircraft Liability Coverage **Excluding Chemical** Liability Coverage which you have, if any, are shown on the **Coverage Data Page**.

### Who Is Covered

Besides you, certain other people and organizations are covered for liability. They are:

- (1) Any person who is a **passenger** with your permission but only if **passenger** liability coverage is purchased on the **Coverage Data Page**.
- (2) Pilot(s) named on or meeting the requirements on the **Coverage Data Page**, but only while operating your aircraft with your express permission.
- (3) Any of your employees who are performing work for you, regardless of the type of work, provided it involves your aircraft for which this coverage has been purchased.

If two or more people or organizations are covered by this part of the policy, each one is covered separately. But the most we will pay for all covered claims resulting from any one **occurrence**, no matter how many people are covered by this part of the policy, is the Liability Coverage limit shown on the **Coverage Data Page**.

### Who Is Not Covered

There are certain persons and organizations we will not cover if liability claims are brought or judgments are awarded against them. Such persons or organizations are:

- (1) any officer, director, or employee who, while in the course of his or her work, injures or kills another officer, director, or employee who works for the same employer; or
- (2) any person or organization that makes, sells, rents, repairs, or services aircraft or components; that provides instruction; or that provides pilot or flight services; but only for an **occurrence** which arises from any of these activities.

### Types of Aircraft Liability Coverage Excluding Chemical Liability Coverage

The following sections describe the types of Aircraft Liability Coverage **Excluding Chemical** Liability Coverage that are available. These coverages may not have been purchased. Consult the **Coverage Data Page** to see which liability coverage(s) have been purchased.

### Coverage C - Bodily Injury Liability Excluding Passengers and Excluding Chemical Liability

If this coverage has been purchased, we will pay claims for damages because of **bodily injury** to anyone, except the pilot and/or **passenger**, who is injured resulting from the ownership, maintenance, or use of your aircraft.

Two (2) limits of liability apply to this coverage:

- (1) the per person limit, which regardless of the number of persons or organizations involved, is the most we will pay for damages due to **bodily injury** to any one (1) person resulting from one (1) **occurrence**, including damages for loss of consortium, loss of assistance, loss of services, loss of care, loss of earnings, loss of support, mental anguish, grief, infliction of emotional distress; and
- (2) the per **occurrence** limit, which is the most we will pay for damages due to all **bodily injury** resulting from any one (1) **occurrence**, no matter how many persons or organizations are involved.

### Coverage D – Property Damage Liability Excluding Chemical Liability

If this coverage has been purchased, we will pay claims for **property damage** to someone else's property resulting from the ownership, maintenance, or use of your aircraft. But the most we will pay for **property damage** resulting from one (1) **occurrence** is the limit of liability shown on the **Coverage Data Page**, no matter how many persons or organizations are involved.

Regardless of the number of:

- (1) **insureds** under this policy;
- (2) persons or organizations who sustain **bodily injury** or **property damage**;
- (3) claims made or **suits** brought on account of **bodily injury** or **property damage**; or
- (4) aircraft to which this policy applies

our total liability for all damages because of all **property damage** sustained by one or more persons or organization as a result of any one **occurrence** that arises from the ownership, maintenance or use of your aircraft shall not exceed the per **occurrence** limit of liability stated on the **Coverage Data Page**.

### Coverage E – Passenger Bodily Injury Liability Excluding Chemical Liability

If this coverage has been purchased, we will pay claims for damages because of **bodily injury** to any **passenger** in your aircraft who is injured from the ownership, maintenance or use of your aircraft. This coverage does not apply while the aircraft is used for **aerial application**.

Regardless of the number of:

- (1) **insureds** under this policy;
- (2) persons or organizations who sustain **bodily injury** or **property damage**;
- (3) claims made or **suits** brought on account of **bodily injury** or **property damage**; or
- (4) aircraft to which this policy applies

our total liability for all damages, including but not limited to damages for loss of consortium, loss of assistance, loss of services, loss of care, loss of earnings, loss of support, mental anguish, grief and infliction of emotional distress, regardless of who makes the claim, arising from, deriving from, related to or because of **bodily injury to passengers** shall not exceed:

- (1) as respects any one **passenger**, the per person amount stated for Coverage C on the **Coverage Data Page**; or
- (2) as respects two or more **passengers**, subject to the above provisions respecting any one **passenger**, the per person amount stated for Coverage C on the **Coverage Data Page** multiplied by the number of **passengers** on board your aircraft, but in no event shall our total liability for **bodily injury** to any and all persons and/or all **property damage** as the result of any one **occurrence** exceed the per **occurrence** limit of liability stated on the **Coverage Data Page**.

#### **Coverage F – Combined Bodily Injury and Property Damage Liability Excluding Passengers and Excluding Chemical Liability**

If this coverage has been purchased, we will pay claims for damages due to **bodily injury** and **property damage** resulting from the ownership, maintenance, or use of your aircraft, except claims for damages due to **bodily injury** to a **passenger** in your aircraft. The combined limit of liability shown on the **Coverage Data Page** is the most we will pay for all damages because of all **bodily injury** and **property damage** resulting from any one (1) **occurrence**, no matter how many persons or organizations are involved.

Regardless of the number of:

- (1) **insureds** under this policy;
- (2) persons or organizations who sustain **bodily injury** or **property damage**;
- (3) claims made or **suits** brought on account of **bodily injury** or **property damage**; or
- (4) aircraft to which this policy applies

our total liability for all damages, including but not limited to damages for loss of consortium, loss of assistance, loss of services, loss of care, loss of earnings, loss of support, mental anguish, grief and infliction of emotional distress, regardless of who makes the claim, arising from, deriving from, related to or because of **bodily injury** or **property damage** sustained by one or more persons or organizations as the result of any one **occurrence** that arises from the ownership, maintenance or use of your aircraft shall not exceed the per **occurrence** limit of liability stated on the **Coverage Data Page**. And further provided that if Item 3 of Aircraft Liability Coverage on the **Coverage Data Page** is completed to show a per person limit of liability applicable to any coverage that has been purchased, our total liability for all damages, including but not limited to damages for loss of consortium, loss of assistance, loss of services, loss of care, loss of earnings, loss of support, mental anguish, grief and infliction of emotional distress regardless of who makes the claim, arising from, deriving from, related to or because of **bodily injury to persons** shall not exceed:

- (1) as respects any one **person**, the per person amount stated for Coverage C on the **Coverage Data Page**; or
- (2) as respects two or more **persons**, subject to the above provisions respecting any one **person**, the per person amount stated for Coverage C on the **Coverage Data Page** multiplied by the number of **persons** on board the aircraft, but in no event shall the total liability of **the company** for **bodily injury** to any and all persons and/or all **property damage** as the result of any one **occurrence** exceed the per **occurrence** limit of liability stated on the **Coverage Data Page**.

For the purpose of determining the limit of our liability, all **bodily injury** and **property damage** arising out of the continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

### **Additional Liability Coverage**

In addition to the Liability Coverage limit shown on the **Coverage Data Page**, this policy provides the additional coverages described in this section:

- (1) **Defending lawsuits.** If a lawsuit is brought against you that is covered by this part of the policy, we will pay to defend you against the lawsuit even if the lawsuit is groundless or false. We will also pay any post-judgment interest that you owe on that part of a judgment we pay.

We may investigate and settle any claims against you in any way we think reasonable and appropriate. We will not pay a claim or defend a lawsuit after we have paid the applicable Liability Coverage limit by settlement or judgment.

- (2) **Loss of salary.** We will reimburse an **insured** for all reasonable expenses incurred by the **insured** while helping us at our request. We will not, however, pay for loss of earnings or salaries of the **insured's** employees.
- (3) **First Aid Expense.** We will pay up to \$5,000 of what others charge you for labor, materials and equipment used for emergency firefighting, crash control and rescue.
- (4) **Payments for bonds.** We will pay premiums on bonds required to release attachments and to appeal, but we will not pay for bonds covering any aggregate amount more than the limit of liability. We have no obligation to apply for or purchase such bonds.
- (5) **Financial Responsibility Laws.** If your policy is certified as proof of insurance under any aircraft financial responsibility law, we will pay up to the minimum amounts required by such laws, even if we must pay more than your coverage limits under this policy. If we do, you agree to reimburse us for the amount we pay that is greater than what we would otherwise have paid under this policy.
- (6) **Temporary Use of Substitute Aircraft.** While an aircraft owned by you is withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction, such liability insurance as is afforded by this policy with respect to such aircraft applies also with respect to another aircraft of similar type, horse power, seating capacity to that owned by you while temporarily used as a substitute. This provision does not provide coverage to the owner of the substitute aircraft or any agent or employee of such owner.

### **What We Do Not Cover under This Part:**

- (1) We will not cover claims for **bodily injury** or **property damage** which results directly or indirectly from, are caused by, or are a result of the material, product, agent, **chemical**, any substance regardless of its form or nature which is to be or has been sprayed, emitted, or discharged from the aircraft in the process of **aerial application**.
- (2) We will not cover **bodily injury** sustained by any **insured** under this policy. We also will not cover **bodily injury** sustained by any family member of an **insured** under this policy to the extent any such family member's **bodily injury** derives or arises from, relates to or exists because of **bodily injury** sustained by an **insured** under this policy.
- (3) We will not cover losses for **property damage** to property owned, rented, occupied, or used by you, or that is in your care custody or control. Nor will we cover property that is carried in your aircraft.

- (4) We will not cover any liability assumed by an **insured** under a contract or agreement, but this exclusion (4) does not apply to your assumption of the liability of others for **bodily injury** or **property damage** in any written hold harmless agreement required by a military or governmental authority as a prerequisite to use of an airport or an airport facility.
- (5) We will not cover any claim for **bodily injury** to any employee of an **insured** that is sustained in the course and scope of that person's employment by an **insured**. In addition, we will not cover any claim for **bodily injury** to an employee of an **insured** under this policy or its insurer when the **insured** may be held liable under any worker's compensation, unemployment compensation, disability benefits, or any similar law. We also will not cover **bodily injury** sustained by any family member of an employee of an **insured** to the extent any such family member's **bodily injury** derives or arises from, relates to or exists because of **bodily injury** sustained by an employee of an **insured** under such circumstances.
- (6) We will not cover any claim for **bodily injury** or **property damage** due to an **occurrence** which arises from making, selling, renting, repairing, or servicing aircraft or components; from providing instruction; or from providing pilot or flight services.

IN ADDITION TO THE ABOVE, PLEASE REFER TO **PART 2. EXCLUSIONS APPLICABLE TO ALL COVERAGES.**

## PART 5. AIRCRAFT CHEMICAL LIABILITY COVERAGE

This part describes the different kinds of Aircraft **Chemical** Liability Coverage available under this policy. Aircraft **Chemical** Liability Coverage is designed to pay on your behalf claims made by someone else against you for damages arising out of your **aerial application** of agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, desiccants, defoliant**s or **chemicals**.

You must be legally responsible for the damages. Also, the damages must result from an **occurrence** that happens during the **policy period** and that involves the aircraft for which coverage has been purchased.

The kinds and limits of Aircraft **Chemical** Liability Coverage which you have, if any, are shown on the **Coverage Data Page**.

### Who Is Covered

Besides you, certain other people and organizations are covered for **chemical** liability. They are:

- (1) the pilot(s) named on or meeting the requirements on the **Coverage Data Page**, but only while operating your aircraft with your express permission;
- (2) any of your employees who are performing work for you, regardless of the type of work provided it involves your aircraft for which this coverage has been purchased; or
- (3) the farmer, owner, and/or grower for whom the **insured** is performing **aerial application** of seeds, **fertilizers, fungicides, insecticides, herbicides, defoliant**s, **desiccants**, or **chemicals**, but only with respect to the **insured's** negligence.

If two or more people or organizations are covered by this part of the policy, each one is covered separately. But the most we will pay for all covered claims resulting from any one **occurrence**, no matter how many people are covered by this part of the policy, is the Aircraft **Chemical** Liability Coverage limit shown on the **Coverage Data Page**.

### Who Is Not Covered

There are certain persons and organizations we will not cover if **chemical** liability claims are brought or judgments are awarded against them. Such persons or organizations are:

- (1) any officer, director, or employee who, while in the course of his or her work, injures or kills another officer, director, or employee who works for the same employer; or
- (2) any person or organization that makes, sells, rents, repairs, or services aircraft or components; that provides instruction; or that provides pilot or flight services; but only for an **occurrence** which arises from any of these activities.

### Types of Chemical Liability Coverage

The following section describes the types of Aircraft **Chemical** Liability Coverage that are available. You may not have purchased any of these coverages. Consult the **Coverage Data Page** to see which, if any, Aircraft **Chemical** Liability Coverage(s) has been purchased.

### Coverage G – Limited Aircraft Chemical Bodily Injury Liability

If this coverage has been purchased, we will pay claims for damages due to **bodily injury** caused by agricultural seeds, **fertilizers, fungicides, insecticides** and **chemicals** excluding **herbicides, defoliants** and **desiccants**, sprayed or emitted in the process of **aerial application** by your aircraft for which this coverage has been purchased.

Three (3) limits of liability apply to this coverage:

- (1) the per person limit which is the most we will pay for damages due to **Limited Chemical bodily injury** to any one (1) person resulting from any one (1) **occurrence** including damages for loss of consortium, loss of assistance, loss of services, loss of care, loss of earnings, loss of support, mental anguish, grief, infliction of emotional distress; and
- (2) the per **occurrence** limit, which is the most we will pay for damages due to all **Limited Chemical bodily injury** resulting from any one (1) **occurrence**; and
- (3) the aggregate limit, which is the most we will pay for damages due to all **Limited Chemical bodily injury** resulting from all **occurrences** during the **policy period**, irrespective of the number of aircraft insured.

All three (3) limits of liability are applicable no matter how many persons or organizations are involved.

### Coverage H – Limited Chemical Property Damage Liability

If this coverage has been purchased, we will pay claims for **property damage** to someone else's property caused by agricultural seeds, **fertilizers, fungicides, insecticides** and **chemicals** excluding **herbicides, defoliants** and **desiccants**, sprayed or emitted in the process of **aerial application** by your aircraft for which this coverage has been purchased.

Two (2) limits of liability apply to this coverage:

- (1) the per **occurrence** limit, which is the most we will pay for damages due to all **Limited Chemical property damage** resulting from any one (1) **occurrence**; and
- (2) the aggregate limit, which is the most we will pay for damages due to all **Limited Chemical property damage** resulting from all **occurrences** during the **policy period**, irrespective of the number of aircraft insured.

These two (2) limits of liability are applicable no matter how many persons or organizations are involved.

### Coverage I – Limited Chemical Combined Bodily Injury and Property Damage Liability

If this coverage has been purchased, we will pay claims for damages due to **bodily injury** and **property damage** caused by agricultural seeds, **fertilizers, fungicides, insecticides** and **chemicals** excluding **herbicides, defoliants**, and **desiccants**, sprayed or emitted in the process of **aerial application** by your aircraft for which this coverage has been purchased.

Two (2) limits of liability apply to this coverage:

- (1) the per **occurrence** limit, which is the most we will pay for damages due to all **Limited Chemical bodily injury** and **property damage** resulting from any one (1) **occurrence**; and

- (2) the aggregate limit, which is the most we will pay for damages due to all **Limited Chemical bodily injury** and **property damage** resulting from all **occurrences** during the **policy period**, irrespective of the number of aircraft insured.

These two (2) limits of liability are applicable no matter how many persons or organizations are involved.

### **Coverage J – Comprehensive Chemical Bodily Injury Liability**

If this coverage has been purchased, we will pay claims for damages due to **bodily injury** caused by agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, defoliant, desiccants** and **chemicals** sprayed or emitted in the process of **aerial application** by your aircraft for which this coverage has been purchased.

Three (3) limits of liability apply to this coverage:

- (1) the per person limit which is the most we will pay for damages due to **Comprehensive Chemical bodily injury** to any one (1) person resulting from any one (1) **occurrence** including damages for loss of consortium, loss of assistance, loss of services, loss of care, loss of earnings, loss of support, mental anguish, grief, infliction of emotional distress; and
- (2) the per **occurrence** limit, which is the most we will pay for damages due to all **Comprehensive Chemical bodily injury** resulting from any one (1) **occurrence**; and
- (3) the aggregate limit, which is the most we will pay for damages due to all **Comprehensive Chemical bodily injury** resulting from all **occurrences** during the **policy period**, irrespective of the number of aircraft insured.

These three (3) limits of liability are applicable no matter how many persons or organizations are involved.

### **Coverage K – Comprehensive Chemical Property Damage Liability**

If this coverage has been purchased, we will pay claims for **property damage** to someone else's property caused by agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, desiccants, defoliant** and **chemicals** sprayed or emitted in the process of **aerial application** by your aircraft for which this coverage has been purchased.

Two (2) limits of liability apply to this coverage:

- (1) the per **occurrence** limit, which is the most we will pay for damages due to all **Comprehensive Chemical property damage** resulting from any one (1) **occurrence**; and
- (2) the aggregate limit, which is the most we will pay for damages due to all **Comprehensive Chemical property damage** resulting from all **occurrences** during the **policy period**, irrespective of the number of aircraft insured.

These two (2) limits of liability are applicable no matter how many persons or organizations are involved.

### **Coverage L – Comprehensive Chemical Combined Bodily Injury and Property Damage Liability**

If this coverage has been purchased, we will pay claims for damages due to **bodily injury** and **property damage** caused by agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, desiccants, defoliant** and **chemicals** sprayed or emitted in the process of **aerial application** by your aircraft for which this coverage has been purchased.

Two (2) limits of liability apply to this coverage:

- (1) the per **occurrence** limit, which is the most we will pay for damages due to all **Comprehensive Chemical bodily injury** and **property damage** resulting from any one (1) **occurrence**; and
- (2) the aggregate limit, which is the most we will pay for damages due to all **Comprehensive Chemical bodily Injury** and **property damage** resulting from all **occurrences** during the **policy period**, irrespective of the number of aircraft insured.

These two (2) limits of liability are applicable no matter how many persons or organizations are involved.

### **Deductible**

The **Chemical** Liability Deductible as stated in Item 9 on the **Coverage Data Page**, if applicable, shall be payable by you either to the claimant or to us at our request.

### **Additional Liability Coverage**

In addition to the Liability Coverage limit shown on the **Coverage Data Page**, this policy provides the additional coverages described in this section:

- (1) **Defending lawsuits.** If a lawsuit is brought against you that is covered by this part of the policy, we will pay to defend you against the lawsuit even if the lawsuit is groundless or false. We will also pay any post-judgment interest that you owe on that part of a judgment we pay.  
  
We may investigate and settle any claims against you in any way we think reasonable and appropriate. We will not pay a claim or defend a lawsuit after we have paid the applicable Liability Coverage limit by settlement or judgment.
- (2) **Loss of salary.** We will reimburse an **insured** for all reasonable expenses incurred by the **insured** while helping us at our request. We will not, however, pay for loss of earnings or salaries of the **insured's** employees.
- (3) **First Aid Expense.** We will pay up to \$5,000 of what others charge you for labor, materials and equipment used for emergency firefighting, crash control and rescue.
- (4) **Payments for bonds.** We will pay premiums on bonds required to release attachments and to appeal, but we will not pay for bonds covering any aggregate amount more than the limit of liability. We have no obligation to apply for or purchase such bonds.
- (5) **Financial Responsibility Laws.** If your policy is certified as proof of insurance under any aircraft financial responsibility law, we will pay up to the minimum amounts required by such laws, even if we must pay more than your coverage limits under this policy. If we do, you agree to reimburse us for the amount we pay that is greater than what we would otherwise have paid under this policy.
- (6) **Temporary Use of Substitute Aircraft.** While an aircraft owned by you is withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction, such liability insurance as is afforded by this policy with respect to such aircraft applies also with respect to another aircraft of similar type, horse power, seating capacity to that owned by you while temporarily used as a substitute. This provision does not provide coverage to the owner of the substitute aircraft or any agent or employee of such owner.

### What We Do Not Cover under This Part:

- (1) We will not cover any **bodily injury** sustained by any **insured** under this policy. We also will not cover **bodily injury** sustained by any family member of an **insured** under this policy to the extent any such family member's **bodily injury** derives or arises from, relates to or exists because of **bodily injury** sustained by an **insured** under this policy.
- (2) We will not cover **bodily injury** sustained by any member of your family or household.
- (3) We will not cover **bodily injury** sustained by any **passenger** in your aircraft while it is being used for **aerial application**. Operating your aircraft for **aerial application** purposes includes flights to and from the place where you or your pilots will be applying **chemicals**.
- (4) We will not cover losses for damage to property that is owned, rented, occupied, or used by you or that is in your care custody or control. Nor will we cover property that is carried in your aircraft.
- (5) We will not cover any claim for **bodily injury** to any employee of an **insured** that is sustained in the course and scope of that person's employment by an **insured**. In addition, we will not cover any claim for **bodily injury** to an employee of an **insured** under this policy or its Insurer when the **insured** may be held liable under any worker's compensation, unemployment compensation, disability benefits, or any similar law. We also will not cover **bodily injury** sustained by any family member of an employee of an **insured** to the extent any such family member's **bodily injury** derives or arises from, relates to or exists because of **bodily injury** sustained by an employee of an **insured** under such circumstances.
- (6) We will not cover liability assumed, by you under any contract or agreement, but this exclusion (6) does not apply to your assumption of the liability of others for **bodily injury** or **property damage** in any written hold harmless agreement required by a military or governmental authority as a prerequisite to the use of an airport or an airport facility.
- (7) We will not cover any **bodily injury** or **property damage** claims which occur due to the application of any agricultural seeds, **fertilizers**, **fungicides**, **insecticides**, **herbicides**, **desiccants**, **defoliant**s, or **chemicals** within any **residential** area.
- (8) We will not cover any **bodily injury** or **property damage** resulting from the violation by any **insured** of any local state, or federal regulation applicable to the **aerial application** of agricultural seeds, **fertilizers**, **fungicides**, **insecticides**, **herbicides**, **desiccants**, **defoliant**s, or **chemicals**.
- (9) We will not cover any claim for **bodily injury** or **property damage** due to an **occurrence** which arises from making, selling, renting, repairing, or servicing aircraft or components; from providing instruction; or from providing pilot or flight services.
- (10) We will not cover any claim for **bodily injury** or **property damage** arising from the **aerial application** of agricultural seeds, **fertilizers**, **fungicides**, **insecticides**, **herbicides**, **defoliant**s, **desiccants** or **chemicals** to right-of-way or easements for public or quasi-public persons or bodies, waterways, railroads, pipelines or utility companies.
- (11) We will not cover any claim for **bodily injury** or **property damage** arising from seeds, **fertilizers**, **fungicides**, **insecticides**, **herbicides**, **desiccants**, **defoliant**s, or **chemicals** not included in the **Chemical Coverage** purchased by **you** for the aircraft involved in the **occurrence**.

- (12) We will not cover any claim arising from **aerial application of chemicals** or a combination of **chemicals**, unless all **chemicals** are included in the **chemical** category designated for the aircraft involved in the **occurrence**.
- (13) We will not cover any claim arising from **aerial application** involving two or more aircraft owned or operated by you, unless all such aircraft involved in the same **occurrence** are insured by us for the same **chemical** category.
- (14) We will not cover any claim for **bodily injury** or **property damage** arising from agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, desiccants, defoliants**, or **chemicals** excluded in the category definitions for **Excluding Chemical, Limited Chemical** and **Comprehensive Chemical**.
- (15) We will not cover any **bodily injury** or **property damage** caused by the failure of the **chemical** applied to function in the manner, or for the purpose intended or for which it was contracted.
- (16) We will not cover **bodily injury** caused by the existence or storage of **chemicals**.

IN ADDITION TO THE ABOVE, PLEASE REFER TO **PART 2. EXCLUSIONS APPLICABLE TO ALL COVERAGES**.

## PART 6. GENERAL PROVISIONS

This part describes certain additional obligations you have under this policy. It also explains our rights and certain general provisions that apply throughout this policy.

### Other Insurance

If there is other insurance protecting you for an **occurrence** covered by this policy, we will pay the percentage portion that the applicable limit of liability of this policy bears to the total applicable limit of liability of all other policies. If there is other insurance covering the **occurrence** issued through us, we will not pay more than the limits of liability of the policy having the highest limits.

### Transfer of Legal Rights

You agree not to transfer any legal rights you have under this policy without our prior written consent. If we are notified in writing within 60 days of your death, or within 60 days of your being declared bankrupt, we will provide the following coverage:

- (1) We will cover your legal representative against any damage or loss covered under this policy.
- (2) We will cover any person who has temporary legal custody of your aircraft for up to 60 days after your death or after bankruptcy. In any event, we will cover this person until a qualified legal representative is appointed.

### Changes

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 amendments added to this policy. Contact us or your agent for information about policy amendments.

### Cancellation

Either you or we can cancel this policy at any time by giving the other party written notice. If we cancel, notice may be delivered to you or mailed to you at your mailing address shown on the **Coverage Data Page**. Proof of mailing of the notice or delivery of the notice will be proof that you were informed of the cancellation. We must mail notice to you at least 30 days before the effective date of the cancellation.

If the premium is not paid and we cancel this policy as a result, we must mail notice to you at least 10 days before the effective date of the cancellation. Proof of mailing of the notice to you at your mailing address shown on the **Coverage Data Page** will be proof that you were informed of the cancellation.

## Return of Unearned Premium

We will earn premium for the days you had coverage by using the Minimum Earned Premium Scale below.

### MINIMUM EARNED PREMIUM SCALE

Days Coverage In Force	Minimum Earned Premium
1 – 30	33% of Annual Premium
31 – 60	60% of Annual Premium
61 – 90	75% of Annual Premium
91 - 120	85% of Annual Premium
Over 120	100% of Annual Premium

We will compute the premium earned based on the percentage of the original **policy period** for which coverage was provided. Any premium we have not earned will be returned to you, but refunding the return premium is not a condition of cancellation.

If we pay for a total loss of an aircraft, then the annual physical damage premium is fully earned.

### Voiding This Policy

This policy will be voidable if you do not fully and accurately disclose, whether before or after a loss, damage or claim, all of the material information we have requested. This policy will also be voidable if you lie under oath about anything that relates to this policy or the application for insurance.

### Inspection and Audit

You agree to let us inspect your property and operations at any reasonable time. These inspections are made for our benefit. You cannot use them as proof or as a guarantee by us that you have complied with any safety, health, or legal regulation.

You also agree to let us examine the books and records you keep that concern the use, ownership, and maintenance of your aircraft. We can make these audits:

- (1) Up to three years after the end of the **policy period**; or
- (2) Until we settle all claims for losses.

### **Actions against the Company**

Neither you nor anyone else may bring a lawsuit against us unless before bringing the lawsuit, you have fully complied with all the terms of this policy. Neither you nor anyone else may bring a lawsuit against us until the amount of your obligation to pay has been finally determined by either a judgment against you after actual trial or a written agreement between you, us and the claimant. Any person, organization or their legal representative who has secured a judgment or written agreement, as the claimant, may be entitled to recover under this policy but only up to the amount of insurance allowed by this policy. Nothing in this policy gives any person or organization any right to join us as a co-defendant in any action against you to determine your liability.

Your bankruptcy or insolvency will not relieve us of any of our obligations under this policy.

### **Recovering Damages from Other People**

If we pay for a claim under this policy, and someone else is responsible for causing in whole or in part the damage to third parties or your aircraft, you agree to transfer all your rights to recover from this other person to us and do whatever else is necessary to secure those rights. You agree to do nothing to prejudice or waive those rights.

However, in order to protect your aircraft in a time of emergency, you may agree in writing before the loss happens, to give up your right to recover from a third person who damages your aircraft, the Physical Damage Coverage shown on the **Coverage Data Page** will still apply.

### **Applicable Law**

If necessary, we will amend the terms of this policy to comply with the law of the state or province where this policy is issued.

## PART 7. WHAT TO DO IN CASE OF AN OCCURRENCE, ACCIDENT OR SUIT

### Physical Damage to Your Aircraft

If there is physical damage or loss to your aircraft follow these steps:

- (1) Protect your aircraft, whether or not you think the loss is covered under this policy. Any further loss or damage that results because you fail to protect your aircraft will not be covered under this policy.
- (2) Notify us or your agent immediately. You must also notify the police immediately if there is any theft, robbery, or pilferage of your aircraft.
- (3) Within 60 days after the loss, send us a sworn proof of loss including the following:
  - (a) the time, place and nature of the loss;
  - (b) your interest in the damaged or lost aircraft;
  - (c) the interest anyone else has in the damaged or lost aircraft; and,
  - (d) any other insurance you have on your aircraft.

### Recovery

You also agree to cooperate with us in any legal action to recover your aircraft. We will reimburse you for all reasonable expenses you incur in recovering your aircraft, provided the loss is covered under this policy. But we will not pay for any reward you offer without our consent.

### Proof

If we ask, you agree to let us see any damaged property. You also agree to be questioned under oath by someone we choose, and to let us see all relevant records and invoices, or copies of these if the originals are lost.

### Liability Claim or Suit

In the event of an **occurrence** or a claim or if a lawsuit is filed against you, you agree to do the following:

- (1) Take reasonable steps to prevent **bodily injury** or **property damage** from arising out of the same or similar conditions. You must take these steps at your own expense unless we agree to pay for them.
- (2) Notify us or your agent immediately. State the time, place, and circumstances of the **occurrence**, the name and address of anyone who is injured, and any known witnesses.
- (3) Promptly send us any communications and/or legal papers that you receive in connection with any claim or lawsuit.

### Cooperation and Settlement of Claims

You agree to cooperate with us and help us with the settlement of a claim or the defense of a lawsuit. You agree, for example, to attend hearings and trial, obtain and give evidence, and help us get witnesses to testify. You also agree to help us collect payment in a reasonable manner from any person or organization that is liable for any claim covered by this policy. You agree not to obstruct or limit our reasonable defense of you.

Also, you agree that you will not make any payments of any kind, except for first-aid given within the first 24 hours following an **occurrence**, or whenever survivors of an **occurrence** are found, without our consent. You also agree not to assume any legal responsibility. If you do, we may not reimburse you even if a claim would have been covered by this policy.

SPECIMEN

## PART 8. GLOSSARY

**Aerial Application** means application by aircraft of agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, desiccants, defoliant**s, or **chemicals** and flights required in direct support of such which shall include maintenance flights, **ferry flights**, sales demonstration flights by prospective purchasers and pleasure and business flights.

**Bodily injury** means physical injury to a person, including sickness, disease, mental anguish, or death.

**Chemical** means any substance or mixture of substances intended to prevent, destroy, repel, or mitigate any pest, or any substance or mixture of substances intended for use as a plant or tree regulator, **defoliant**, or **desiccant** registered for **aerial application**. The common name of a **chemical** includes preparations of the **chemical**, in any form, having a trade or proprietary name.

**Comprehensive Chemical** means agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, desiccants, defoliant**s, or **chemicals** registered for **aerial application**. Also included is the release or distribution of sterile insects, predatory/beneficial insects, bacteria, **fungi** or viruses for the purpose of controlling, mitigating or exterminating insects or other pests or weeds.

**Coverage Data Page** means the page titled **Coverage Data Page** and also includes any amendment added to this policy.

**Defoliant** means a material that causes the loss of leaves from plants, normally as a harvest aid.

**Desiccant** means a material that causes the loss of leaves from plants and kills plants as a harvest aid.

**Excluding Chemical** means no agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, desiccants, defoliant**s, **chemicals** nor the release or distribution of sterile insects, predatory/beneficial insects, bacteria, **fungi** or viruses for the purpose of controlling, mitigating or exterminating insects or other pests or weeds or any substance regardless of form or nature. Additionally, this means no insurance is provided under Part 5 Aircraft **Chemical** Liability Coverage for this coverage type.

**Federal Aviation Administration**, also referred to as FAA, means the duly constituted authority of the United States of America which has jurisdiction over civil aviation or its foreign equivalent.

**Ferry Flight(s)** are defined as ferrying your aircraft: from one specific area of operation to another; to or from a maintenance facility in conjunction with repairs or scheduled maintenance; or delivery flights following purchase by you.

**Fertilizer** means any natural or manufactured material added to the soil or foliage in order to supply one or more plant nutrients.

**Fungicide** means any material used to protect seeds, plants and fruits from fungal infection.

**Fungus or fungi** includes but is not limited to, any of the plants or organisms belonging to the major group **Fungi**, lacking chlorophyll, and including **mold(s)**, rusts, mildews, smuts, and mushrooms.

**Herbicide** means any material used to kill or control plants.

**Ingestion** means the sudden and unforeseen absorption of foreign material, not a part of the engine itself. The **in motion** Deductible Item 9 on the **Coverage Data Page** shall apply as respects **ingestion**.

**Insecticide** means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate any insects which may be present in any environment whatsoever.

**Insured** means you as well as any person while using or riding in your aircraft and any person or organization (except with respect to the persons or organizations excluded from coverage under Part IV and V under their respective "who is not covered" section) legally responsible for its use, provided the actual use is with your express permission.

**In flight** means the time commencing with the actual take-off run of the aircraft and continuing thereafter until it has completed its landing roll or, if the aircraft is a rotorcraft, from the time the rotors start to revolve under power for the purpose of flight until they subsequently cease to revolve.

**In motion** means any time the aircraft is **in flight** or is moving under its own power or momentum from this power on the ground, or anytime the aircraft engine is operating. If the aircraft is a rotorcraft, **in motion** means anytime the rotors are moving under engine power (or resulting momentum) or due to autorotation. In reference to coverages and deductibles, **in motion** refers to Comprehensive Physical Damage coverages or deductibles.

**Limited Chemical** means agricultural seeds, **fertilizers, fungicides, insecticides, or chemicals** registered for **aerial application** excluding **herbicides, defoliants and desiccants**. Also included is the release or distribution of sterile insects, predatory/beneficial insects, bacteria, **fungi** or viruses for the purpose of controlling, mitigating or exterminating insects or other pests or weeds.

**Mold(s)** includes, but is not limited to, any superficial growth produced on a damp or decaying organic matter or on living organisms, and **fungi** that produce **mold(s)**.

**Named insured** means the person or organization named on the **Coverage Data Page**, also referred to as "you" and "your" within the policy.

**Not in motion** means all circumstances wherein the aircraft is **not in motion** and which is not the result of fire or explosion following a crash or collision while the aircraft was **in motion**. In reference to coverages and deductibles, **not in motion** refers to Limited Physical Damage coverage or deductible.

**Occurrence** means a sudden and accidental event which is neither expected nor intended from the standpoint of an **insured** and which causes **bodily injury or property damage**; however, this shall not preclude coverage for **bodily injury or property damage** resulting from efforts to prevent dangerous interference with the aircraft. Continuous or repeated exposure to substantially the same conditions shall be considered one (1) **occurrence**. The dropping of any agricultural seeds, **fertilizers, fungicides, insecticides, herbicides, defoliants, desiccants or chemical**, by any one (1) aircraft for one (1) customer on one calendar day shall be considered one (1) **occurrence**.

**Passenger** means anyone, except the pilot, in, on, or boarding the aircraft for the purpose of riding or flying in the aircraft or alighting from the aircraft following a ride, flight, or attempted flight therein.

**Policy period** means the inclusive dates that this policy is in effect. These dates are shown on the **Coverage Data Page**.

**Pollutants and contaminants** mean solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to, smoke, vapor, silica, soot, fumes, acids, alkalis, fuels, oil, bacteria, fungus, chemicals and waste; or any material which is identified in any private or governmental study or report as requiring removal or remediation, or any material listed as a possible or probable carcinogenic by any private or governmental agency.

**Property damage** means any physical damage to or destruction of tangible property, including loss of use of that property. **Property damage** does not include any testing or clean-up costs from any pollution or contamination **occurrence** alleged by anyone.

**Residential** means an incorporated or unincorporated area occupied primarily by private housing.

**Rotors in motion** means any time the rotors are moving under engine power (or resulting momentum) or are moving due to autorotation.

**Sole owner** means ownership by the **named insured** with no partners, conditional sales, mortgages, liens or other encumbrance not endorsed on the policy.

**Spore(s)** means any dormant or reproductive body produced by or arising or emanating out of any **fungus(i), mold(s)**, mildew, plants, organisms, or microorganisms.

**Suit** means any civil lawsuit filed against an **insured** in any court in the United States of America in which another party seeks to recover damages from the **insured** for **bodily injury** or **property damage** covered by this policy. **Suit** does not mean any hearing or proceeding before any administrative or regulatory agency regardless of the purpose for that hearing or proceeding. **Suit** also does not include any criminal case or proceeding.

**The company** and "we", "us" and "our" mean the insurance **company** named on the **Coverage Data Page**.