



# VIP Gold



**Administered by:**

**The Magnes Group Inc.**

**1-855-VIP-COPA**

**VIPCOPA@magnesaviation.com**

**magnesaviation.com/COPA**



## **In Case of a Claim**

In case of an accident, incident or claim please contact our offices immediately as noted below.

**1-855-VIP-COPA (847-2672)**

## **Aircraft Insurance Policy**

### **Table of Contents**

In Case of a Claim	Page 1
Insuring Agreement	Page 3
Definitions	Page 3
Section 1: Loss or Damage to Aircraft	Page 4
1) Coverage	Page 4
2) Exclusions	Page 6
3) Conditions	Page 6
Section 2: Aircraft Liability Section	Page 7
1) Coverage	Page 7
2) Exclusions	Page 9
3) Conditions	Page 10
Section 3: Other Coverages	Page 10
Section 4: Exclusions Applicable to All Sections	Page 12
Section 5: Conditions Applicable to All Sections	Page 14
Section 6: In Case of A Loss	Page 15
Short Rate Calculation Table	Page 17

**\*\*Please note – Endorsement(s) may be added to your Policy\*\***

## *Aircraft Insurance Policy*

### Insuring Agreement

The Insurer, as indicated on the Declaration Page, in consideration of the payment of the premium and in reliance upon the information provided by the Insured including any proposal and application for insurance which is agreed to be the basis of and incorporated into this Policy, agrees to insure against loss, damage or liability, arising out of an Occurrence during the Policy Period to the extent and in the manner provided in this Policy and for the Coverages applicable according to the Declarations, and subject to the Conditions, Definitions, Limitations and Exclusions contained herein the Policy or attached endorsements.

### Definitions

Some key words and terms used in this Policy may have a special meaning. Wherever the following words or terms are used in the Policy and, unless expressly stated to the contrary, on the Declarations and any endorsements, they mean what is set out below. All capitalized terms not otherwise defined in this Policy shall have the meanings ascribed to such terms in the Declarations Page:

1. Agreed Value - The amount of insurance stated in the Declarations in respect of each specified Aircraft.
2. Aircraft - The aircraft specified on the Declarations together with the engine(s) and standard instruments, as well as:
  - (a) equipment usually installed in or on the aircraft, while installed in or on the aircraft or temporarily detached from the aircraft and not replaced by similar parts;
  - (b) alternate undercarriages and their fittings for an aircraft for the configuration as stated in the Declarations; and
  - (c) tools, repair and survival equipment in the Insured's aircraft which are usual for its operation.
3. Bodily Injury - bodily injury, sickness, disease, disability or mental anguish including death resulting therefrom, caused by an Occurrence during the Policy period.
4. Combined Claim – An action brought against the Insured which includes both claims that are covered and claims that are not covered by this Policy.
5. Combined Single Limit - The total limit of liability, as expressed for each Aircraft for Liability Coverage, for all sums the insured becomes legally obligated to pay as damages and pre-judgement interest, regardless of the number of claims arising from any one Occurrence.
6. Crewmember – A person on board the Aircraft, or boarding or alighting therefrom, with duties related to the flight.
7. In Motion - Whenever the aircraft is moving under its own power or momentum generated thereby, or in the case of a helicopter whenever the rotors are turning, or in the case of a glider or balloon any time it is being towed for the purpose of immediate flight or while it is in flight.
8. Insured - The name or names shown in Section 1 of the Declarations or as described by the Policy.
9. Not In Motion - Whenever the aircraft is not "In Motion".
10. Occurrence - An accident, or a continuous or repeated exposure to conditions, which results in bodily injury or property damage during the term of the Policy, provided the injury or property damage is accidentally caused; all damage arising out of such exposure to substantially the same general conditions shall be deemed to arise out of the same Occurrence.

11. Overhaul Cost - Costs of labour and materials which are or would be incurred in overhaul or replacement (whichever is necessary) at the end of the Overhaul Life of the Unit.
12. Overhaul Life - Amount of use, or operational and/or calendar time which determines when overhaul or replacement of a Unit is required.
13. Passenger - Any person other than a Crewmember in, on, or boarding the Aircraft for the purpose of riding therein, or alighting therefrom following a flight or attempted flight therein.
14. Physical Damage – Direct and accidental physical damage to or loss of the Aircraft but does not include loss of use or any residual depreciation or diminution in value (including loss of guaranty or warranty), if any, after repairs have been made.
15. Property Damage – Physical injury to tangible property, including resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it.
16. Taxi - When the Aircraft is in motion but on the ground only. Taxi does not include the period from the time the Aircraft moves in an attempt to take off until it has completed its landing run and left the active runway.
17. Unit - Part or an assembly of parts (including any sub-assemblies) of the Aircraft which has been assigned an Overhaul Life as a part or an assembly. Nevertheless, an engine complete with all parts normally attached when removed for the purpose of overhaul or replacement shall together constitute a single Unit.
18. Uses –
  - Private Business and Pleasure - Use for private and pleasure purposes or for any business or professional purpose, but excludes the use of the aircraft for:
    - (a) hire, reward or any use for which any remuneration or benefit is received, promised or anticipated, other than a bona fide reimbursement to the Insured for operating expenses only of the Insured's aircraft as defined by Transport Canada; and
    - (b) instruction, other than for upgrading of Approved Pilots unless endorsed otherwise on this Policy;

Commercial - The uses stated in Private Pleasure and Business and use for the carriage by the Insured of Passengers, baggage accompanying Passengers and cargo for hire or reward, provided that the Insured is validly licensed for such use by Transport Canada and, if applicable, by the Canadian Transportation Agency.

## Section 1: Loss of or Damage to Aircraft

### 1. Coverage

- a. *Not In Motion* - If Section 10 of the Declarations shows the Insured purchased Not In Motion Coverage only, the Insurer will at its option pay for, repair, or pay for the repair of, accidental loss of or Physical Damage to the Aircraft caused by an Occurrence during the Policy Period and while the Aircraft was Not In Motion, and from the risks covered as specified in the Declarations but not exceeding the Agreed Value and subject to the amounts to be deducted as specified in the Declarations.
- b. *In Motion* - If Section 10 of the Declarations shows the Insured purchased In Motion and Not In Motion Coverage the Insurer will at its option pay for, repair, or pay for the repair of, accidental loss of or Physical Damage to the Aircraft caused by an Occurrence during the Policy Period, from the risks covered as specified in the Declarations but not exceeding the Agreed Value and subject to the amounts to be deducted as specified in the Declarations.

- c. *Aircraft Safety* - If Section 10 of the Declarations shows the Insured purchased In Motion Coverage, the Insurer will, in addition, pay reasonable expenses necessarily incurred by the Insured for the immediate safety of the Aircraft consequent upon damage or forced landing, up to 20% percent of the Agreed Value of such Aircraft.
- d. *Forced Landing* – If Section 10 of the Declarations shows the Insured purchased In Motion Coverage, the Insurer agrees that in the event of an Aircraft making a forced landing in any place where subsequent safe take-off is impossible the Insurer will pay the costs for the removal of the Aircraft to the nearest suitable take-off area provided always that the Insurer's liability for such costs, and for any loss of or Physical Damage to the Aircraft, shall not exceed the Agreed Value of the Aircraft, even if no damage has been sustained by the Aircraft.
- e. *Personal Property* – Notwithstanding Section 2, Item 2a, and if Section 10 of the Declarations shows the Insured purchased In Motion Coverage, the Insurer agrees to cover the Insured or any approved pilot against loss or damage by theft or fire (or accidental damage if the Aircraft itself is damaged) in respect of flying clothing, maps, navigating equipment and instruments, headsets or similar equipment (not being fixtures in the Aircraft) and baggage (including contents) actually in or on the Aircraft being the property of the Insured or any approved pilot excluding money, cash, debit and credit cards, securities, jewelry and furs of all kinds. This extension is subject to a maximum indemnity of \$5,000 each claim and to a deductible of \$100 each claim
- f. *Hangar Contents* – If Section 10 of the Declarations shows the insured purchased In Motion Coverage, the Insurer agrees to extend coverage for the Insured against loss or damage by theft or fire to hangar contents owned by the Insured excluding money, cash, debit and credit cards, securities, jewelry and furs of all kinds. This extension is subject to a maximum indemnity of \$5,000 each claim and to a deductible of \$100 each claim.
- g. *Trip Interruption Expense* – If Section 10 of the Declarations shows that the Insured purchased In Motion Coverage and the Aircraft is damaged and covered under Section 1 of this Policy, the Insurer agrees to reimburse the Insured for reasonable expenses incurred for food, lodging and travel of crewmembers and Passengers from the location where the damage occurred to the intended final destination, or to the place where the Aircraft originally departed, if the trip is discontinued. The Insurer will pay up to \$500 per person to a maximum of \$3,000 per Occurrence. The Insured will be required to provide the Insurer with duplicate invoices for all covered expenses within ninety (90) days from the date the expenses were incurred. Coverage is in addition to and not part of the Limits of Coverage shown on the Declarations.
- h. *Extra Expense* - If Section 10 of the Declarations shows that the Insured purchased In Motion Coverage and the Aircraft is damaged and covered under Section 1 of this Policy, the Insurer agrees to reimburse the Insured for the “extra expense” that is incurred from renting a “replacement aircraft” while the Aircraft is out of service while being repaired. “Extra Expense” means that portion of the actual cost that the Insured incurs from renting a “replacement aircraft” which exceeds the cost the Insured would have incurred had the Insured operated its own Aircraft which was damaged.

A “replacement aircraft” means an aircraft of similar or lesser size, weight and performance.

The Insurer will not cover Extra Expense after completion of repairs to the Aircraft; or if the Aircraft is a total loss.

The Insured must notify the Insurer prior to incurring any Extra Expense. The Insured will be required to provide the Insurer with invoices and other documentation to support the claim for all covered Extra Expenses within ninety (90) days of the date the Extra Expense were incurred.

The Insurer will pay up to \$250 per day for rented Replacement Aircraft. The most the Insurer will pay for all Extra Expense is \$2,500 per Occurrence.

Coverage for Extra Expense will only apply to the period from the date of the Occurrence to the sixtieth (60) day following the date of the Occurrence.

Coverage for Extra Expense is in addition to and not part of the Limits of Coverage shown on the Declarations.

If the Aircraft Hull Coverage is subject to a deductible, the amount of the deductible shown on the Declaration will apply once to the Aircraft hull damage and the Extra Expense when combined together as one claim.

This coverage shall not apply to claims paid under the Trip Interruption Expense Coverage.

## 2. Exclusions

- a. *Wear and Tear*– The Insurer will not pay for any claims arising from wear and tear, deterioration, or mechanical or electrical failure. However, this Policy applies to other such loss or damage covered by this Policy resulting from these forgoing causes.
- b. *Care, Custody or Control* – The Insurer will not pay for any claims arising from loss of or Physical damage which arise out of taking, holding, repossessing, sale or embezzlement by anyone who the Insured has given care, custody, control or use of the Aircraft; or by any person making a claim for or against the Aircraft under any contract or agreement at law.
- c. *Interest* - The Insurer will not pay for any claims arising from loss of or Physical damage to the Aircraft if the Insured's interest is other than as stated in the Declarations.
- d. *Loss of Use* - The Insurer will not pay for any claims arising from loss of use of the Aircraft.

## 3. Conditions

- a. *Repairs* - No dismantling or repairs to the Aircraft shall be commenced without the consent of the Insurer except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority.
- b. *Claim Settlement* - Once the Insurer has agreed upon the final amount of the loss to be paid, the Insurer will pay the Insured no later than thirty (30) days after receiving the completed and signed proof of loss. The Insurer may, at its option only, reduce the amount shown on the proof of loss by any premiums not paid to the Insurer or not paid to the Insured's Broker who placed the insurance with the Insurer.
- c. *Legal Action Against the Insurer For Physical Damages* – No legal action shall be commenced against the Insurer under this Policy unless all the requirements of this Policy have been complied with.
- d. *Total Loss* - The Insurer may, at its option, declare the Aircraft to be a total loss:
  - i. if the amount of salvage/recovery costs and estimated repair costs exceeds the Agreed Value for the Aircraft; or
  - ii. if the Aircraft is stolen or disappears and is not found within 10 days.

The Insurer will then pay the Insured the Agreed Value for the Aircraft. Following such payment:

- i. the Insurer may elect to take the Aircraft (together with all documents of record, registration and title thereto) as salvage; and
- ii. all coverages provided for the Aircraft by this Policy cease.

If the Insurer elects not to take the Aircraft as salvage the Aircraft shall at all times remain the property of the Insured who shall continue to be responsible for the Aircraft.

- e. *Partial Loss* - If the Aircraft is not a total loss, the Insurer will pay as follows:

- i. The cost, as agreed by the Insurer, where necessary, of transporting the Aircraft, from the place of accident to the place where repairs can be made and returned to the public airfield nearest to the place of the accident or the Insured's home base whichever is nearer. The Insurer will also pay the cost, as agreed by the Insurer, where necessary of transporting repair parts to the Aircraft.
  - ii. If repairs are made by other than the Insured, the net cost to the Insured (excluding additional charges for overtime) to repair the Aircraft with materials of like kind and quality.
  - iii. If repairs are made by the Insured, the actual net cost for materials and parts of like kind and quality, actual wages paid (excluding additional charges for overtime) plus an amount for overhead equal to 50% of such actual wages paid.
- f. *Limits of Liability* - Whether the Physical Damage to the Aircraft is repaired or settled on a total loss basis, the Insurer will not pay for more than the Agreed Value for the Aircraft. The amount of insurance on the Aircraft is reduced, from the date of loss by the amount of damage. The amount of insurance will then increase by the value of repairs performed until the original amount of insurance is reached. If the Aircraft is settled on a total loss, then all coverage ceases.
- g. *Overhaul Life* – In event of a partial loss of the Aircraft there shall be deducted from the claim such proportion of the Overhaul Cost of any unit repaired or replaced as the used time bears to the Overhaul Life of the Unit.
- h. *Deductibles* - The deductible shown on the Declarations is the amount that the Insured must first pay towards any loss of or Physical damage claim for the Aircraft.

## Section 2: Aircraft Liability Section

### 1. Coverage

- a. The Insurer will pay on behalf of the Insured all amounts which the Insured is legally obligated to pay as damages, including any pre-judgment interest except as excluded or limited in this Policy, as follows:
- i. if the Declarations show the Insured purchased Coverage A, Bodily Injury sustained by any person who is not a Passenger or damage to or loss of property, including loss of use thereof; and
  - ii. if the Declarations show the Insured purchased Coverage B, Bodily Injury sustained by a Passenger,
- caused by an Occurrence during the Policy Period and arising out of the ownership, maintenance, or use of the Aircraft or use of the premises on which the Aircraft is stored.
- b. *Emergency Conditions* - If the Declarations show the Insured purchased Coverage A, the Insurer will pay for charges incurred by the Insured arising out of emergency conditions for:
- i. foaming of a runway preceding any emergency or crash landing;
  - ii. fire, crash control and rescue; and
  - iii. search and rescue.

The maximum the Insurer will pay for these expenses will not exceed \$100,000 in the aggregate for any one Occurrence.



- c. *Fire-Fighting* - If the Declarations show the Insured purchased Coverage A, the Insurer will indemnify the Insured for any amount assessed against the Insured by any government or local authority, including any fire fighting authority, in respect of the Insured's liability under any provincial or local law or regulation to reimburse or contribute to fire-fighting expenses incurred in connection with an Occurrence arising out of the operation of the Aircraft. The maximum the Insurer will pay for these expenses will not exceed \$100,000 for any one Occurrence.
- d. *Airport Premises* - If the Declarations show the Insured purchased Coverage A, the Insurer will pay all sums the Insured is legally obligated to pay as damages and pre-judgement interest for Bodily Injury and Property Damage to someone else's property resulting from the Insured's ownership, maintenance or use of any airfield, airport or heliport location. This coverage extension is included within and not in addition to, the Limits of Liability for Bodily Injury and Property Damage shown on the Declarations, and is the same amount as shown for one Aircraft. However, the maximum the Insurer will pay per Occurrence for Property Damage or loss to third party aircraft is \$1,000,000.
- e. *Contingent Employers* – Notwithstanding Section 2., Item 2b., if the Declarations show the Insured purchased Coverage A or B, Section 2 is extended to pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay for an employee who is not a Passenger under Coverage A or if a Passenger under Coverage B as damages and pre-judgement interest arising out of Bodily Injury caused by an Occurrence during the Policy Period sustained by any employee of the Insured who is subject to a Worker's Compensation Act but for whom benefits of such Act have been denied or where the employee subject to the Act or any other person claiming in respect of Bodily Injury of the employee may be permitted to take action against the Insured. The Insured will comply with all statutory and mandatory requirements applicable to coverage for employees under Provincial, Territorial, State or Federal Worker's Compensation Statutes, laws or plans. This coverage extension is part of and not in addition to the Limits of Coverage shown on the Declarations, and is the same amount as shown for one Aircraft.
- f. *Passenger Baggage* - If the Declarations show the Insured purchased Coverage B, notwithstanding Section 2, Item 2a., the Insurer will extend that coverage to pay for damage to a Passenger's personal baggage (including contents) excluding money, cash, debit and credit cards, securities, jewelry and furs of all kinds. This extension is subject to a maximum indemnity of \$10,000 each Passenger and subject to a deductible of \$100.
- g. *First Aid Expenses* - If the Declarations show the Insured purchased Coverage B, the Insurer will agree to pay expenses the Insured incurs for immediate first aid arising out of an Occurrence. The Insurer will pay all reasonable medical expenses the Insured or a Passenger incur within one (1) year from the date of the Occurrence provided the Aircraft was used by or with the Insured's permission. The expenses include the necessary cost of medical, surgical, dental, ambulance, hospital, professional nursing and funeral expenses. The maximum that the Insurer will pay for any of these expenses per Occurrence is \$10,000 per person. Any payment made by the Insurer, whether directly to the Insured or any other organization, will not be considered an admission of legal responsibility of the Insurer, or the Insured.
- h. *Sale of Aircraft* - If the Insured purchased coverage under Section 2, the insurance provided by this Policy will continue to provide the Insured with the liability coverages purchased for one (1) year from the date that the Insured sells an Aircraft provided:
  - i. the use of the Aircraft was for Private Pleasure and Business use only;
  - ii. the Insured sells the Aircraft during the Policy Period shown on the Declarations;
  - iii. the Insured's liability arises out of ownership, maintenance or uses of the Aircraft during the period of time it was insured under this Policy and not for any prior time or subsequent ownership, maintenance or use of the Aircraft, during the period of time it was insured under this Policy and not for any prior time or subsequent ownership, maintenance or use of the Aircraft;
  - iv. the Aircraft is not an Ultra-light, advanced Ultra-light, Amateur Built, Homebuilt or any aircraft that falls under the Owner Maintenance Program as set out by Transport Canada; and

- v. if the Aircraft was insured under this Policy for a period of less than one (1) year prior to its sale the one year period as outlined above shall be reduced by the number of days that it was not insured under this Policy.
- i. *Personal Injury* - If the Insured purchased coverage under Section 2, the Insurer will extend Coverage A to indemnify the Insured for legal liability for damages awarded to any person arising out of one or more of the following offences committed during the Policy Period but only where such offences are committed in connection with that part of the aviation operations or interests for which other coverage is granted by the Policy:
  - i. false arrest, restraint, detention or imprisonment;
  - ii. malicious prosecution;
  - iii. wrongful entry, eviction or other invasion of the right of private occupancy;
  - iv. inadvertent discrimination with respect to withholding or refusal of transportation except with respect to overbooking; and
  - v. the publication or utterance of a libel or slander or of other defamatory or disparaging material in violation of an individual's right of privacy except publication or utterance in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the Insured.

The limit of liability applicable to this coverage shall not exceed the maximum limit of liability under Coverage A shown in the Declarations any one offence and in the aggregate during the Policy Period being part of and not in addition to the overall Policy limit.

- j. *Defense Costs* - If the Insured purchased coverage under Section 2, the Insurer will defend any lawsuit brought against the Insured seeking damages for Bodily Injury or Property Damage for which coverage is provided in this Policy even if the lawsuit is groundless, false or fraudulent. The Insurer may investigate and settle any claim or suit it deems appropriate. During the time that the Insurer is obligated to defend the suit it will pay all costs of defense including the investigation, court costs and all interest on the amount of any judgment after the judgment has been made by the court for that part of the judgment which does not exceed the total limit of liability. The Insurer is not obligated to defend the Insured after the limits of liability have been exhausted by any settlement or tender into court or tender to the Insured. In the event that the Insurer has requested the execution of a Non-Waiver Agreement or has issued a letter reserving of rights with respect to a claim or suit, and the Insured appoints a lawyer of choice to defend itself, then in that event all costs of such lawyer appointed by the Insured shall be paid by Insured. In respect of any Combined Claims the Insurer shall, subject to the limits of liability of this Policy, indemnify and defend the Insured only for that portion of the claim or claims covered by this Policy. The Insurer will not pay for the Insured or the Insured's employee's loss of earnings, wages or salaries incurred in the defense of a claim.
- k. *Bonds* - If the Insured purchased coverage under Section 2, the Insurer will provide a maximum of \$10,000 to pay premiums on appeal bonds required; bonds required to release any property that is being held as security; bail bonds required by the Insured because of an Occurrence or violation of law or regulation.
- l. *Violations* - If the Insured purchased coverage under Section 2, the Insurer will provide a maximum of \$5,000 for the cost to defend a legal action against any pilot approved under this Policy in the event that an aviation authority takes action against that pilot for a violation arising out of an Occurrence. The Insurer will not however be responsible to provide a defense or pay any fines or penalties assessed.
- m. *Non Owned Hangars and Contents* – if the Declarations show the Insured purchased Coverage A, notwithstanding Section 2, Item 2a., the Insurer will pay all sums the Insured is legally obligated to pay for Property Damage to non owned aircraft hangars rented, leased, or occupied by or in the Insured's care, custody or control. This coverage is included within and not in addition to, the Limits of Liability shown on the Declarations, and is the same amount shown for one Aircraft, and subject to a deductible of \$1,000.

## 2. Exclusions

- a. *Property* – The Insurer will not pay for damage to or loss of property including loss of use of property, which is owned, rented, leased, occupied or used by or in the Insured's care, custody or control.
- b. *Employer's Liability* – The Insurer will not pay for any obligation for which the Insured may be liable under any law relating to worker's compensation, occupational disease, disability benefit, unemployment compensation or other similar legislation.
- c. *Intentional Injury* – The Insurer will not pay for any Bodily Injury or damage to or loss of property including loss of use thereof, which is caused intentionally by the Insured or at the Insured's direction, except for the purpose of preventing the dangerous interference with the operation of the Aircraft.
- d. *Other Damages* – The Insurer will not pay for:
  - i. any fines or penalties assessed against the Insured;
  - ii. any liability arising from the Insured's failure to provide transportation services, loss of reputation, goodwill or financial losses of a customer of the Insured's due to the manner in which the services were provided or were not provided; and
  - iii. any punitive damages, or other non-compensatory damages, assessed against the Insured.
- e. *Assumed Liability* – The Insurer will not pay for any liability assumed by the Insured under a contract or agreement other than an airport contract the Insured signs in order to use the airport or airport facilities, provided the agreement or contract does not increase the limits of liability under this Policy. The Insurer will also acknowledge any agreement the Insured is required to sign holding a hangarkeeper, repair or service organization free from liability arising out of the storage of the Aircraft.

## 3. Conditions

- a. *Who Is Covered* - The Insured and any executive, officer, director or employee(s) of the Insured and any pilot approved by the Insurer other than the Insured, while operating the Aircraft.
- b. *Limits Of Liability* - The maximum amount that the Insurer will pay arising out of any one Occurrence will be the amounts shown on the Declarations, for the coverage purchased. If the Declarations show the Insured purchased per Passenger seat sub-limits under Coverage B, then the maximum amount the Insurer will pay for all claims arising from the Bodily Injury of each Passenger is the amount shown on the Declarations. If there is more than one person covered under this Policy, each one is covered separately, but the limit of liability shown on the Declarations for the Coverages purchased is the total amount the Insurer will pay on behalf of all persons insured under this Policy.
- c. *Legal Action Against the Insurer For Liability Claims* - No suit or action to recover any claim under this section of the Policy can be made until the Insured's obligations to pay has been finally determined either by judgment against the Insured after actual trial or agreed to in writing by Insured, the Insurer and the claimant.

## Section 3: Other Coverages

In addition to the Coverages shown on the Declarations, the Insurer will also provide additional Coverages, as listed below:

- a. *Salvage* – The Insurer will pay for any reasonable expenses incurred for the purpose of raising, removal, disposal or destruction (or attempts thereat) of the wreck of a damaged Aircraft. The maximum the Insurer will pay for these expenses will not exceed \$100,000 for any one Occurrence.

*Newly Acquired Aircraft* – If the Insured has purchased or leased an additional aircraft, the Insurer will cover it under this Policy, for an additional premium provided that all of the following conditions are satisfied:

- i. The Insured notify the Insurer within 30 days of purchasing the new aircraft.
  - ii. If the aircraft is leased, the lease must be for a period of not less than 60 days and the Insured must notify the Insurer within 30 days of the lease being signed.
  - iii. The value and the number of seats in the newly acquired aircraft do not exceed the maximum value and maximum seats of any aircraft insured under the Declarations.
  - iv. The Insurer insures all aircraft owned by Insured.
  - v. This automatic coverage will not apply if the newly acquired aircraft is a float aircraft, multi-engine aircraft, helicopter, ultra-light or balloon, unless the existing aircraft insured under this Policy is one of these types.
  - vi. In the event of a claim arising in respect of any aircraft added hereto being settled on a total loss basis full twelve months' hull premium shall be paid hereunder in respect of such aircraft.
  - vii. In the event of loss of or damage to an aircraft added under this provision prior to agreement having been reached as to its agreed value, then the agreed value shall be:
    1. If the Insured is the owner of the aircraft, the purchase price including import duties and taxes applicable to the specified aircraft; or
    2. If the Insured is not the owner of the aircraft, the value agreed between the Insured and the owner or their representative.
- c. *Unauthorized Use* - No claim following theft of an insured Aircraft shall be rejected on the grounds that the Aircraft was used in a place or in a manner or by a person not permitted under the terms of this Policy, regardless of whether the Aircraft was returned to the Insured or not, provided such use was not authorized by the Insured and that the Insured had taken reasonable precautions to prevent such unauthorized use. Any consent given by an employee or agent of the Insured outside the normal scope of their authority shall be deemed not to be authorization given by the Insured.
- d. *Non-Owned Aircraft Liability* - Provided the Insured has purchased liability coverages, then subject to all terms, conditions and exclusions, those coverages purchased are extended to apply to the use of any aircraft by the Insured in the event a claim is made or a suit is brought against the Insured provided that:
- i. The aircraft is not leased to or owned in whole or in part by, or registered in the Insured's name;
  - ii. The number of seats in the aircraft does not exceed the maximum number of seats in an Aircraft insured by this Policy;
  - iii. The aircraft is not a balloon, hang glider, airship, paraglider, hovercraft, unmanned air vehicle, jet or commercially registered aircraft unless the aircraft used is rented or borrowed for Private Business and Pleasure purposes only; and,
  - iv. The Insurer's liability shall not exceed the highest limit of liability as specified on the Declarations.

If the Insured has purchased In Motion Coverage, then subject to all terms, conditions and exclusions, those coverages purchased are extended to apply to the use of any aircraft by the Insured in the event a claim is made or a suit is brought against the Insured provided that Section 3, Item d., point i., ii., iii. and iv. all apply. The maximum amount of hull insurance available is \$200,000 or the highest Agreed Value specified on the Declarations, whatever is less, and is subject to a deductible of one percent of the final determined value of the aircraft.

## Section 4: Exclusions Applicable to All Sections

The Exclusions outlined here are Exclusions of importance applicable to all coverages in the Policy. There are additional Exclusions, which appear in the separate sections of this Policy.

- a. *Illegal or Undeclared Use* – The Insurer will not pay claims arising while the Aircraft is being used for any illegal purpose or for any purpose other than those stated in the Declarations
- b. *Certificate of Airworthiness* – The Insurer will not pay any claims arising while the Aircraft is being operated other than in accordance with its certificate of airworthiness or equivalent Transport Canada regulations.
- c. *Pilots* – The Insurer will not pay any claims arising while the Aircraft is being piloted by any person other than as stated on the Declarations or by endorsement to the Policy, except that the Aircraft may be operated on the ground by any person qualified for that purpose.
- d. *Geographical Limits* – The Insurer will not pay any claims arising while the Aircraft is outside the geographical limits stated on the Declarations, unless due to force majeure.
- e. *Configuration* – The Insurer will not pay any claims arising while the Aircraft is being operated on floats when not declared as such on the Declarations. This exclusion does not apply if the Declarations show the Insured purchased only Coverages A or B, or both.
- f. *Maximum Passenger Numbers* – The Insurer will not pay any claims arising while the total number of Passengers being carried in the Aircraft exceeds the declared maximum number of Passengers stated in the Declarations, but this exclusion does not apply to the carriage of lap-held infants, subject to the maximum take-off weight of the Aircraft not being exceeded.

The above itemized exclusions (4.a-f inclusive) are only excluded whilst occurring with the knowledge and consent of the Insured or any board member, director or officer of the Insured.

- g. *Faulty Workmanship* – The Insurer will not pay the cost of making good any faulty workmanship for which the Insured may be liable (but this exclusion shall not operate to exclude resulting damage arising out of such faulty workmanship).
- h. *War, Hi-Jacking and Other Perils* – The Insurer will not pay claims arising from:
  - i. War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power;
  - ii. Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
  - iii. Strikes, riots, civil commotions or labor disturbances;
  - iv. Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional;
  - v. Any malicious act or act of sabotage;
  - vi. Confiscation, 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;
  - vii. Hi-jacking or any unlawful seizure or wrongful exercise of control of the aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the aircraft acting without the consent of the Insured.

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

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

i. *Noise and Pollution* –

i. This policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:

- (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
- (b) pollution and contamination of any kind whatsoever,
- (c) electrical and electromagnetic interference,
- (d) interference with the use of property;

unless caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

ii. With respect to any provision in the policy concerning any duty of the Insurer to investigate or defend claims, such provision shall not apply and the Insurer shall not be required to defend:

- (a) claims excluded by paragraph 1., or
- (b) a claim or claims covered by the policy when combined with any claims excluded by paragraph 1. (referred to below as "Combined Claims").

iii. In respect of any Combined Claims, the Insurer shall (subject to proof of loss and the limits of the policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the policy:

- (a) damages awarded against the Insured and
- (b) defense fees and expenses incurred by the Insured.

iv. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this policy.

j. *Radioactive Contamination* – This policy does not cover:

- i. loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- ii. any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
  - (a) the radioactive, toxic, explosive or other hazardous properties of an explosive nuclear assembly or nuclear component thereof ;
  - (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
  - (c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

- k. *Asbestos Exclusion Clause* – The Insurer will not pay for loss, damage or expense directly or indirectly caused by, contributed to, or arising from the actual, alleged or threatened presence of asbestos in any form whatsoever or for any material or product containing, or alleged to contain, asbestos; or any obligations, request, demand, order, or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against or in any way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos. However, this exclusion shall not apply to any claim caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal Aircraft operation. Notwithstanding any other provisions of this Policy the Insurer will have no duty to investigate, defend or pay defense costs in respect of any claim excluded in whole or in part under this paragraph.
- l. *Date Recognition* – The Insurer will not pay 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) accurately or completely to process, exchange or transfer year, date or time data or information in connection with any change of year, date or time; whether on or before or after such change of year, date or time;
  - ii. Any implemented or attempted change or modification or 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;
  - 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.

*Date Recognition Clause Writeback* - The above exclusion titled 'Date Recognition' is deleted in its entirety except for i) in respect of grounding of any Aircraft; or ii) in respect of loss of use of any property unless it arises out of Physical damage to or destruction of property in the accident giving rise to a claim under the Policy, or both.

Any provision of this Policy concerning any duty of the Insurer to investigate or defend claims shall not apply to any claims so excluded.

## Section 5: Conditions Applicable to All Sections

The Conditions outlined here are Conditions of importance applicable to all Coverages in the Policy. There are additional Conditions, which appear in the separate sections of this Policy.

- a. *Use of Aircraft* – The Insurance applies only if the Aircraft is used for the purposes shown on the Declarations or as may have been previously approved in writing by the Insurer or their authorized representative.
- b. *Approved Pilots* – The Insurance applies only if the Aircraft is flown by an approved pilot as stated on the Declarations or in an endorsement to this Policy and provided such pilot has a valid and current pilot's license or permit, a valid and current medical certificate and all necessary ratings and endorsements which are appropriate to the Aircraft and to the flight and who is not in violation of any such license or permit, medical certificate rating or endorsement.
- c. *Policy Changes* – No change may be made to this Policy except by an endorsement issued by the Insurer.
- d. *Assignment* – The Insured cannot assign or transfer interest in this Policy without Insurer's consent. If the Insured(s) die or are declared legally bankrupt or insolvent within the Policy period the Insurer will; i) Add the legal representatives as an Insured in the Declarations; ii) Insure any other person having proper temporary custody of the Insured Aircraft until such time as a legal representative has been appointed.

- e. *More than one Aircraft* - If more than one Aircraft is covered under this Policy, then coverage applies separately to each Aircraft.
- f. *Cancellation* –
- i. The Insured may cancel this Policy at any time by giving the Insurer written notice in advance of the date that the Insured requires the Policy to be cancelled. The cancellation will be effective from that date. A return premium due will be calculated based on the short rate table shown in this Policy.
  - ii. The Insurer may cancel this Policy by mailing to the Insured at the address shown in the Policy, written notice stating when, but not less than 30 days thereafter, except 10 days in the event on non-payment of premium, such cancellation shall be effective. The mailing of such will be sufficient proof of notice, and this Policy will end on the date of cancellation shown in the notice. The return premium due to the Insured will be calculated based on a pro rata daily basis.
- If one or more of the Aircraft has been subject to a loss exceeding the premium paid under this Policy, the Insured will not be entitled to any return premium for such Aircraft.
- g. *Other Insurance* - If there is other insurance that also covers a loss covered under this Policy, then the Insurer will not be liable for a greater proportion of the loss, including all expenses, than the amount of insurance or limit of liability under this Policy bears to the total amount of all valid insurance. There are two exceptions: i) the above would not apply with respect to any Policy specifically purchased as excess coverage and ii) if a loss occurs under Section 3.d. of this Policy, “Non-Owned Aircraft Liability”, then the coverage provided by that section will apply as excess insurance only.
- h. *Misrepresentation* - If the Insured has deliberately concealed or misrepresented any material fact concerning this insurance or the subject thereof or in the case of any fraud, attempted fraud whether before or after a loss has occurred, then the insurance that the Insured has for the Aircraft will not apply, and the insurance provided by this Policy will be voided in its entirety.

## Section 6: In Case of a Loss

The Insured must notify the Insurer as soon as possible after an Occurrence giving them the following details: aircraft registration, the time, date, place and details of the Occurrence, including names and addresses of any witnesses or injured people.

- a. *Protection of the Aircraft* –The Insured must protect the Aircraft from further loss. Any loss or Physical Damage due directly or indirectly to the Insured’s failure to protect the Aircraft shall not be recoverable under this Policy. The Insurer will pay all reasonable expenses that are incurred to protect the Aircraft from further loss. The Insurer will not pay for any reward the Insured offers without out prior agreement by the Insurer.
- b. *Theft* - In the event that the Aircraft or Aircraft parts have been stolen, the Insured must notify the police as well as the Insurer.
- c. *Recovery from Others* - When the Insurer pays for a loss, the Insured hereby assigns and subrogates to the Insurer rights of recovery against others. The Insured agrees to cooperate and assist in the enforcement of such rights. The Insurer may then take legal action in the Insured’s name to enforce such rights.
- d. *Recovered Loss* – The Insurer has the right to return to the Insured any property that was stolen or lost if it is recovered before the actual payment for the loss is made.
- e. *Rights of Recovery* – The Insured must not, except at the Insured’s own risk, voluntarily make any payment, assume any obligation, or incur any expenses except for immediate medical first aid.





Aviation Insurance Program  
Programme D'assurances Aériennes

- f. *Assistance and Cooperation* – The Insured must give the Insurer full assistance on any matters in connection with defense and settlement of liability claims including, but not limited to, producing documents in the Insured's possession that relate to the matter in question, attending hearings, proceedings and trials.
- g. *Notice of Claim or Suit* - If a claim is made or a suit is brought against the Insured, the Insured must forward immediately to the Insurer every demand, notice, summons or other documents that the Insured or the Insured's representative receives.



All limits of insurance, premiums and other sums of money as expressed in this policy are in Canadian currency unless otherwise stated in writing.

By signing below, the Chief Executive Officer and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this Policy.

A handwritten signature in dark ink, appearing to read "L. Olygas".

President

A handwritten signature in dark ink, consisting of a stylized initial followed by a long horizontal stroke.

Secretary

**AIG INSURANCE COMPANY OF CANADA**

This Policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either above or on the Declarations page of the policy.



Aviation Insurance Program  
Programme D'assurances Aériennes

## Short Rate Cancellation Table

Number of Days In Force	Earned Premium		Number of Days In Force	Earned Premium
1 to 10	10%		181 to 190	67%
11 to 20	16%		191 to 200	69%
21 to 30	20%		201 to 210	71%
31 to 40	22%		211 to 220	73%
41 to 50	26%		221 to 230	75%
51 to 60	29%		231 to 240	77%
61 to 70	32%		241 to 250	79%
71 to 80	35%		251 to 260	81%
81 to 90	38%		261 to 270	83%
91 to 100	41%		271 to 280	85%
101 to 110	44%		281 to 290	87%
111 to 120	47%		291 to 300	89%
121 to 130	50%		301 to 310	91%
131 to 140	53%		311 to 320	93%
141 to 150	56%		321 to 330	95%
151 to 160	59%		331 to 340	97%
161 to 170	62%		341 to 350	98%
171 to 180	65%		350 to 365	100%