



**STARR UNMANNED AERIAL SYSTEM INSURANCE POLICY
FOR COMMERCIAL OPERATORS**

(SUASIFO v3 (NORWAY) dated APRIL 2019)

INTRODUCTION

ABOUT STARR COMPANIES

Starr Companies is a global, privately-held insurance and investments organisation that provides innovative risk management solutions. Starr Companies leadership and expertise will help you succeed in an ever-changing world of risk.

Starr Companies underwrites a wide variety of property, casualty and specialty lines including accident and health, aviation, construction, crisis management, energy, environmental, marine, and primary and excess casualty insurance. Starr Companies also provides a broad spectrum of insurance-related services, including claims handling and settlement, reinsurance, risk assessment, loss control and worldwide travel assistance services.

Starr Companies is recognised as a major market leader across all classes of Aviation.

INSURERS

Starr International (Europe) Limited (SIEL)

Starr International (Europe) Limited (SIEL) a member of Starr Companies is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

INSURERS CONTACT DETAILS

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PRIVACY NOTICE

The General Data Protection Regulation (GDPR), effective 25 May 2018, provides you with new and enhanced rights over your personal information including the right to be informed on how organisations handle your data. Starr is committed to processing your data in a fair and transparent manner and we encourage you to read our Privacy Notice, via this link <http://www.starrcompanies.co.uk/privacy-policy>

COMPLAINTS PROCEDURE

Any complaint should be addressed in the first instance to your Broker.

Insurers will aim to provide you with its decision on your complaint, in writing, within eight weeks of receipt of the complaint.

Should you remain dissatisfied with the final response from the above or if you have not received a final response within eight weeks of the complaint being made or at any time after you have made the complaint to the party named above, you may be eligible to refer your complaint to the Complaints Board for Consumers in Banking and Finance Matters. The contact details are as follows:

Complaints Board for Consumers in Banking and Finance Matters / Finansklagenemnda (FinKN)
Postboks 53 Skøyen
0212 Oslo
Norway
Tel: +47 23 13 19 60
Fax: +47 23 13 19 70

The complaints handling arrangements above are without prejudice to your rights in law

LANGUAGE OF CONTRACT OF INSURANCE

The Insured accepts the language of this contract of insurance shall be English and confirms that they understand and accept such terms and conditions and agree to be bound by them.

NOTICE OF NO AUTOMATIC RENEWAL

The Insured explicitly agrees that the insurance provided by this Policy will terminate when the Period of Insurance shown in the Policy Schedule expires and that this insurance will not be renewed pursuant to the provisions of sections 3-4 and 3-5 of the Norwegian Insurance Contracts Act.

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DEFINITIONS

Words shown in **bold** type have the same meaning throughout the **Policy** and are defined below. Any changes to these definitions, and any extra definitions, are shown in the Sections to which they apply.

Advertising Liability	means (a) infringement of copyright of, or passing off of a title or slogan; (b) unfair competition, piracy or idea misappropriation contrary to an implied contract; (c) invasion of privacy; or (d) defamation, libel slander, committed or alleged to have been committed during the Period of Insurance in any advertisement, publicity article, broadcast or telecast arising out of the Insured's operation of an Unmanned Aerial System .
Aerial Work	means use for specialised services including but not limited to agriculture, construction, photography, filming, videography, surveying, observation and patrol, search and rescue, aerial advertisement.
Aggregate	means the most that Insurers will pay for all covered losses sustained during the Period of Insurance .
Authorised Operator	means (a) the person who is operating, controlling or piloting the Unmanned Aerial System who is properly trained and qualified to do so and holds all the required certification, such certification shall be maintained and kept fully up to date; (b) the person who is operating, controlling or piloting the Unmanned Aerial System who is under test conditions and in the presence of a qualified examiner.
Aviation Product	means a completed Unmanned Aerial System , and any article forming part thereof, or supplied for installation in, or for use in connection with, or for spare parts for an Unmanned Aerial System including ground handling tools and equipment used in connection therewith. Aviation Product also means training aids, instructions, manuals, blueprints, engineering or other data or any article in respect of which engineering or other advice and services and labour have been given or supplied by the Insured in connection with an Unmanned Aerial System .
Bodily Injury	means physical injury including death at any time resulting from the physical injury.
Broker	means the contact Broker named in the Policy Schedule .
Business	means use for business or professional purposes but NOT use for hire or reward.
Commercial	means use for business or professional purpose for hire and reward.
Deductible	means the amount the Insured will have to pay towards each separate claim.
Endorsement	means a change in the terms and conditions of this Policy .
Flight/Flying	means from the time the Unmanned Aerial Vehicle is switched on, moves forward in taking off or attempting to take off, whilst in the air, and until the Unmanned Aerial Vehicle completes its landing run. A rotary-wing Unmanned Aerial Vehicle shall be deemed to be in Flight when the Unmanned Aerial Vehicle is switched on and the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation. A lighter than air Unmanned Aerial Vehicle shall be deemed to be in Flight from the moment when it first becomes detached from the

surface until the moment when it next becomes attached to the surface or come to rest thereon.

Ground	means whilst the Unmanned Aerial Vehicle is not in Flight/Flying or being Transported .
Insecure Environment	means a building, shipping container, gated compound, trailer, motor vehicle, roof box, left unlocked and any security measures available are not in force including the Unmanned Aerial System, Payload or Spares not being kept out of sight at all times.
Insured	means the person or persons named in the Policy Schedule as the Insured and, in addition, (a) in respect of Section Two shall include any Authorised Operator ; (b) in respect of Sections Two, Three and Four shall include any executive officer, director, employee or agent of the Insured whilst acting on behalf of such Insured.
Insurer(s)	means the Insurer(s) detailed in the Introduction page of this Policy .
Invasion of Privacy	means Data collected from the Unmanned Aerial System whilst in Flight/Flying and subsequently made available to third parties without the consent of the party to whom the data relates, including any breach of confidentiality, infringement, or violation of any right to privacy, or of any statutes, laws and regulations associated with the confidentiality, access, control, and use of personally identifiable, non-public information.
Occurrence	means an accident or a continuous or repeated exposure to conditions occurring during the Period of Insurance which results in Bodily Injury and/or Property Damage neither expected nor intended from the standpoint of the Insured . All liability arising out of such exposure to substantially the same general conditions shall be deemed to arise from one Occurrence .
Payload	means any removable or non-removable equipment as stated in the Policy Schedule attached to the Unmanned Aerial System for the purpose of Flight/Flying and used for the Insureds business.
Period of Insurance	means the length of time for which this Policy is in force, as detailed in the Policy Schedule and for which the Insured has paid and Insurers have accepted a premium.
Policy	means the document that sets out in full the coverage terms, conditions, limitations and exclusions of the insurance cover.
Policy Schedule	means the document showing the details of the Insured , the Insurers limit of liability, the Period of Insurance , details of the Unmanned Aerial System insured and the Sections of this Policy which apply.
Property Damage	means loss of or damage to or destruction of property including the resultant loss of use of such property.
Products Liability	means Bodily Injury or Property Damage arising out of the possession, use consumption or handling of any Aviation Product(s) manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured or his employees, but only in respect of such

Aviation Product(s) after having ceased to be in the possession or under the control of the **Insured**.

Rental	means rental, lease, charter or hire by the Insured to any person, company or organisation for Business uses only, where the operation of the Unmanned Aerial System is not under the control of the Insured . Rental for any other purpose is NOT insured under this Policy unless specifically declared to Insurers and the detail of such use(s) are stated in the Policy Schedule .
Reasonable Hire Charges	means the reasonable cost of renting temporary replacement equipment in the event of covered damage to the Unmanned Aerial System or Payload can be economically repaired to enable the Insured to continue with his business or operation.
Reconstitution of Data	means the reconstitution of the data that the Insured needs to continue with their business or operations, if their electronic records and electronic data have been lost or distorted. The reconstitution of the data will be to the same or equivalent standard and with the same contents or as near as reasonably possible as immediately before the damage.
Recreational Flying	means Flying for enjoyment and private pleasure outside of the Insureds business or profession.
Transported	means while the Unmanned Aerial System and/or the Payload is being moved from one place to another other than by Flight/Flying as defined.
Unmanned Aerial System	means an Unmanned Aerial Vehicle plus the control station, data links, telemetry, communications, navigation equipment and all of the associated support equipment necessary to operate the Unmanned Aerial Vehicle . If the Unmanned Aerial Vehicle is being controlled by a laptop or iPad or the like these items are included as ground based equipment only whilst being used to control the insured Unmanned Aerial Vehicle .
Unmanned Aerial Vehicle	means a powered, aerial vehicle (other than a balloon or kite) which does not have a human pilot on board, flies autonomously or is piloted remotely, uses aerodynamic forces to provide vehicle lift, is not classified as a guided weapon or similar one-shot device designed for the delivery of munitions.

STARR UNMANNED AERIAL SYSTEM INSURANCE POLICY FOR COMMERCIAL OPERATORS

POLICY PART ONE

SECTION ONE

COVERAGE A – ACCIDENTAL PHYSICAL LOSS OF OR DAMAGE TO AN UNMANNED AERIAL SYSTEM AND/OR PAYLOAD

Insurers will pay for accidental physical loss of or damage to the **Unmanned Aerial System** and/or **Payload** detailed in the **Policy Schedule** occurring during the **Period of Insurance** whilst in **Flight/Flying**, on the **Ground** or whilst being **Transported**.

TOTAL LOSS

In the event of an agreed claim arising under this **Policy** for total loss of the **Unmanned Aerial System**, **Insurers** will pay the cost of replacement or the Agreed Value, whichever shall be the least amount, less any applicable **Deductible** as stated in the **Policy Schedule**. The replacement will be new and the same Type and Model (or its equivalent replacement model if that particular Model is no longer being manufactured).

The **Unmanned Aerial Vehicle** shall also be deemed to be a total loss if it is missing for 48 hours after commencement of **Flight/Flying** and not found.

If the **Unmanned Aerial System** is missing or stolen and then found undamaged before **Insurers** have paid any claim in relation to such loss or theft, then **Insurers** will pay the cost of returning the **Unmanned Aerial System** to the **Insured**.

In the event of an agreed claim arising under this **Policy** for total loss of the **Payload**, **Insurers** will pay the amount stated in the **Policy Schedule**.

In the event that **Insurers** pay for a total loss claim, the coverage in respect of the **Unmanned Aerial System** the subject of such claim, will cease and the **Unmanned Aerial System** will no longer be insured under this **Policy**. In the event that this **Policy** is cancelled as a result of the deletion of the **Unmanned Aerial System** the cancellation provisions in the **Policy** will apply.

REINSTATEMENT

In the event that this **Policy** is cancelled as a result of the payment of a total loss claim the **Insured** may be able to be reinstated the coverage in respect of any replacement **Unmanned Aerial System** subject to the terms agreed by **Insurers**.

PARTIAL LOSS

In the event of damage to the **Unmanned Aerial System** and/or **Payload**, **Insurers** will pay for the cost of repairs. **Insurers** will pay only for repairs and transport of labour and materials by the most economical method unless **Insurers** agree otherwise.

Insurers will deduct from the final payment for the repairs the applicable **Deductible** stated in the **Policy Schedule**.

ADDITIONAL COVERAGE INCLUDED UNDER SECTION ONE COVERAGE A

Reasonable Expenses for Wreck Removal

Insurers will, in addition, pay any reasonable expenses incurred for the purpose of attempted or actual removal, disposal or destruction of the wreck of an **Unmanned Aerial Vehicle** up to the amount stated in the **Policy Schedule**.

Reasonable Trespassers Costs

Insurers will at the request of the **Insured** and regardless of the **Insured's** legal liability, offer reasonable settlement in respect of loss of or damage to crops and/or other property caused by trespassers following a crash of the **Unmanned Aerial Vehicle** up to the amount stated in the **Policy Schedule**.

EXCLUSIONS APPLICABLE TO COVERAGE A

Insurers will not pay for:

- (a) Any consequential loss of use.
- (b) Wear and tear, deterioration, depreciation, freezing, breakdown, defect or failure howsoever caused in the **Unmanned Aerial System** and/or **Payload**.
- (c) Damage by anything that has a progressive or cumulative effect but damage attributable to a single recorded incident is covered under Coverage A

However, accidental loss of or damage to the **Unmanned Aerial System** consequent upon exclusion (b) or (c) above is covered under Coverage A.

- (d) Theft of the **Unmanned Aerial System** and/or **Payload** if they are kept in an **Insecure Environment**. However, theft by others involving violent or forcible entry is covered.
- (e) Physical loss of or damage to aerial cameras or scanners (other than as a result of an accident to the carrying **Unmanned Aerial System**) due to scratching, fogging or misting of lens.
- (f) Any damage to the **Unmanned Aerial System** and/or **Payload** if the lifting weight recommended by the Manufacturer for the **Unmanned Aerial System** make and model is exceeded when any **Payload** is attached.
- (g) Damage occurring whilst the **Unmanned Aerial System** and/or **Payload** is not packed in accordance with manufacturer guidelines or in a securely locked and padded flight case.

COVERAGE B – ACCIDENTAL PHYSICAL LOSS OF OR DAMAGE TO SPARES AND EQUIPMENT

The **Insurers** will pay (less any applicable **Deductible** stated in the **Policy Schedule**) for accidental physical loss of or damage to property being **Unmanned Aerial System** spares, engines and equipment detailed in the **Policy Schedule** being the property of the **Insured** or the property of others for which the **Insured** is responsible provided that such loss or damage occurs during the **Period of Insurance** whilst such property is on the ground in the care, custody or control of the **Insured** or whilst at the premises of others, or is in transit.

EXCLUSIONS APPLICABLE TO COVERAGE B

Insurers will not pay for:

- (a) Loss of or damage to any property which has been detached from an **Unmanned Aerial System** and which is intended to be refitted to the **Unmanned Aerial System** and not to be replaced by

other property;

- (b) Loss of or damage to any property hereby insured which may be sustained whilst the same is under any process and directly resulting therefrom;
- (c) Property fitted to or forming part of an **Unmanned Aerial System** including the **Payload**;
- (d) Mysterious disappearance or unexplained loss or shortage disclosed upon taking inventory;
- (e) The property of others carried or stored for hire or reward;
- (f) Loss of or damage to an engine occurring during the running or testing thereof;
- (g) Loss of or damage to property which occurs after the Commencement of the Operation of Fitting such part to an **Unmanned Aerial System**.
- (h) Mechanical or electrical derangement.
- (i) Loss or damage caused by wear, tear or gradual deterioration.

COVERAGE C - RECONSTITUTION OF DATA

Insurers will at their option, repair or pay for the **Reconstitution of Data** and will pay **Reasonable Hire Charges** whilst repairs to the **Unmanned Aerial System** or **Payload** are being carried out or during the **Reconstitution of Data** to enable the **Insured** to continue with his business or operation.

The maximum amount that **Insurers** will pay for this **Reconstitution of Data** and **Reasonable Hire Charges** is stated in the **Policy Schedule**. However, **Insurers** will not pay for any **Reasonable Hire Charges** in respect of a total loss claim.

CONDITION APPLICABLE TO COVERAGE C

Data Backup

The **Insured** must take all reasonable steps to have a suitable data backup process in place, which includes taking back-up copies of all such data at least weekly and have appropriate off site back up in place.

SECTION TWO

THIRD PARTY LEGAL LIABILITY

COVERAGE

Insurers will pay on behalf of the **Insured** all sums up to the limit(s) stated in the **Policy Schedule** which the **Insured** becomes legally liable to pay as damages for **Bodily Injury** and/or **Property Damage** caused by an **Occurrence** and arising from the **Insured's** business operations.

EXCLUSIONS APPLICABLE TO SECTION TWO

This Section Two does not cover:

- (a) The **Insured's** liability unless it arises from one or more of the following:
 - (1) **Occurrences** involving the ownership, operation or use of an **Unmanned Aerial System**.
 - (2) **Occurrences** arising at airfield/airport locations in connection with the operation or use of an **Unmanned Aerial System**.
 - (3) **Occurrences** arising at any other location in connection with the **Insured's** ownership, operation or use of an **Unmanned Aerial System**.
 - (4) **Occurrences** arising out of the supply of goods or services to others in connection with an **Unmanned Aerial System**.
- (b) **Bodily Injury** sustained by any director or employee of the **Insured** or partner in the **Insured's** business or operation while acting in the course of his employment with or duties for the **Insured**.
- (c) **Property Damage** to any property belonging to or in the care, custody or control of the **Insured**.
- (d) Claims arising out of or in any way connected with nuisance and/or compensation for the taking, use of or acquisition of rights to property or airspace.
- (e) Claims arising out of or in any way connected with **Advertising Liability**.
- (f) Claims arising out of or in any way connected with the wrongful entry or intentional **Invasion of Privacy**.
- (g) Any liability arising out of or in any way connected with any deliberate act or omission of the **Insured** or any employee and which could reasonably have been expected, having regard to the nature and circumstances of such an act or omission.
- (h) Any liability for any amount in respect of fines, penalties or punitive or exemplary damages.
- (i) Liability for which the **Insured** or his insurer may be held liable under any employers liability, workers compensation, unemployment compensation or disability benefits law or any similar law.
- (j) Liability assumed or rights waived by the **Insured** under any agreement except to the extent that such liability would have attached to the **Insured** in the absence of such agreement.
- (j) Liability for which compulsory insurance or security is required by any applicable law governing road traffic or, in the absence of any applicable law, to liability arising from the use of any vehicle upon the public highway.

In respect of any such liability arising from an **Occurrence** within the confines of an airport or airfield this exclusion does not apply:

- (i) if there is no such applicable law;
- (ii) to the **Insureds** liability to pay an amount which is excess of:
 - (1) any prescribed limit that is required to be insured where insurance may be effected to comply with the law whether the **Insured** effects an insurance in respect of such liability or not
 - (2) the limit of liability of the insurance effected by the **Insured** insuring such liability
whichever is the greater.
- (k) Liability for the cost or expense of the **Insured** for the inspection, repair, alteration, modification, replacement of or for work completed by or on behalf of the **Insured** to an **Unmanned Aerial System** or parts or equipment relating thereto by reason of a defect or deficiency known or suspected to exist in and **Unmanned Aerial System** or parts or equipment relating thereto not actually involved in an **Occurrence**.
- (l) Liability arising from illegal or criminal activities or dishonest acts alleged or otherwise committed by or at the direction of or with the knowledge and consent of the **Insured**, management or directors and officers of the **Insured**.
- (m) Loss arising out of improper or inadequate performance, design or specification but this exclusion shall be deemed not to apply to **Bodily Injury** and/or **Property Damage** insured hereby resulting therefrom.
- (n) Loss arising out of improper or inadequate performance, design or specification but this exclusion shall be deemed not to apply to **Bodily Injury** and/or **Property Damage** insured hereby resulting therefrom.
- (o) Any liability arising from any restriction on or withdrawal from use of an **Aviation Product**.
- (p) 1. Claims directly or indirectly occasioned by, happening through or in consequence of:-
 - (i) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith, unless caused by an identified **Unmanned Aerial System** being operated by the **Insured** or **Authorised Operator**.
 - (ii) pollution and contamination of any kind whatsoever,
 - (iii) electrical and electromagnetic interference,
 - (iv) 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 **Unmanned Aerial System** operation.
- 2. With respect to any provision in the **Policy** concerning any duty of **Insurers** to investigate or defend claims, such provision shall not apply and **Insurers** 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").
- 3. In respect of any Combined Claims, **Insurers** 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**:

- (i) damages awarded against the **Insured** and
 - (ii) defence fees and expenses incurred by the **Insured**.
4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this **Policy**.

DEFENCE AND SETTLEMENT PAYMENTS

With respect to coverage under Section Two this **Policy**:

1. The **Insurers** shall have the right and obligation to (a) investigate, evaluate and settle or (b) defend to discontinuance or judgment, any claim or legal proceedings, even if groundless, false or fraudulent, against the **Insured**.

Nevertheless, the **Insurers** retain the right to tender the applicable limit of liability in settlement of a claim if they consider this to be appropriate and in this event, the **Insurers'** obligations under this **Policy** will cease as regards the claim.

2. The amount payable by **Insurers** in respect of any settlement or judgment requiring payment by the **Insured** shall include any costs and expenses assessed against the **Insured** and interest accruing after entry of judgment and shall not exceed the applicable limit of the **Insurers'** liability.

3. The **Insurers** shall pay any costs and expenses

- (a) of any legal or other person whom **Insurers** appoint, that are incurred for the purpose of investigation, evaluation, settlement or defence of such claim or legal proceedings;
- (b) of the **Insured** (other than the salaries of the **Insured's** employees and the **Insured's** normal expenses) that are incurred with the **Insurers'** prior approval.

These costs and expenses are payable by the **Insurers** in addition to the amount of any settlement or judgment. However, the **Insurers'** liability is limited in case of settlement(s) and/or judgment(s) that exceed the applicable limit of the **Insurers'** liability. In such case **Insurers'** liability is limited to such proportion of those costs and expenses as the applicable limit bears to the total amount for which the **Insured** is adjudged liable and/or which it has agreed to pay in settlement of any such claim(s) or legal proceedings. The **Insured** is liable to reimburse the **Insurers** for any costs and expenses as they may have paid which exceed the limit of the **Insurers'** liability.

4. With respect to any coverage which is subject to an aggregate limit hereunder the **Insurers'** obligations under this **Policy** will cease as regards such coverage once the applicable aggregate limit of liability of this **Policy** has been exhausted and in this event the **Insured** shall have the responsibility to take over control of any claim or legal proceedings from the **Insurers**.

GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS OF THIS POLICY

The following exclusions apply to all Sections of this Policy. Additional exclusions are shown in the Sections to which they apply.

This Policy will not cover:

- (a) Claims arising whilst the **Unmanned Aerial System** is being used for any illegal purpose or for any purpose other than those stated in the **Policy Schedule**.
- (b) Claims arising whilst the **Unmanned Aerial System** is outside the geographical limits stated in the **Policy Schedule** unless due to *force majeure*.
- (c) Claims arising whilst the **Unmanned Aerial System** is being operated by any person other than the **Authorised Operator** as stated in the **Policy Schedule**.
- (d) Claims arising whilst the **Unmanned Aerial System** is landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the **Unmanned Aerial System** except as a result of *force majeure*.
- (e) Any failure by any equipment (including any hardware or software) to correctly recognise any given date or to process any data or to operate properly due to any failure to correctly recognise any given date.
- (f) Claims excluded by Attachment One, War, Hi-Jacking and Other Perils Exclusion Clause AVN48B.
- (g) Claims excluded by Attachment Two, Nuclear Risks Exclusion Clause AVN38B.
- (h) Claims excluded by Attachment Eight, Contract (Rights of Third Parties) Act 1999 Exclusion Clause AVN72 (amended).

GENERAL CONDITIONS APPLICABLE TO ALL POLICY SECTIONS

The following conditions apply to all Sections of this Policy. Any additional conditions are shown in the Sections to which they apply.

1. Compliance with Air Navigation and Airworthiness Orders and Country Regulations

- (i) The **Insured** and any **Authorised Operator** must comply with all air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of an **Unmanned Aerial System**.
- (ii) Whilst flying outside the United Kingdom in European Airspace the Operator/Insured must comply with any regulation in force at the time and hold the relevant permit to fly from the relevant Civil Aviation Authority (CAA).
- (iii) The **Insured** and any **Authorised Operator** must comply with any usage regulations in force issued by any Country where the **Unmanned Aerial System** is being operated.
- (iv) All **Authorised Operators** named on this **Policy** must hold a current and up to date CAA approved pilot qualification unless included as an **Authorised Operator** for the sole purpose of taking an examination or test to obtain the relevant CAA permission.

2. Change in Risk

The **Insured** shall be under a continuing duty, during the **Period of Insurance**, to notify the **Insurers** as soon as reasonably practicable of any changes which increase the risks which have been presented to the **Insurers**. Such changes shall be subject to agreement by **Insurers** and

may require an additional premium to be charged. **There shall be no coverage for any claims resulting from any changed element of the risk unless the changed element of the risk has been notified to and agreed by Insurers.**

1. Subrogation

Once a payment in respect of a claim is made by **Insurers** under this **Policy**, **Insurers** will be entitled to pursue a claim in the name of the **Insured** against third parties for recovery of their outlay and, in this respect, will be subrogated to the **Insured's** rights and remedies and the **Insured** will co-operate with and do all things necessary to assist **Insurers** to exercise such rights or remedies.

4. Cancellation

Insurers have the right to cancel this **Policy** at any time where there is a valid reason for doing so by giving the **Insured** 30 days notice in writing. If **Insurers** cancel this **Policy** **Insurers** will return to the **Insured** a pro- rata portion of the premium that the **Insured** has paid to them in respect of the unexpired **Period of Insurance**.

The **Insured** has the right to cancel this **Policy** at any time giving **Insurers** notice in writing. If the **Insured** cancels this **Policy** the amount of premium that **Insurers** will return to the **Insured** will be calculated in accordance with the Aviation Cancellation Scale below, except that no premium will be returned to the **Insured** in respect of the **Unmanned Aerial System** for which a claim has been made or is pending under this **Policy**.

AVIATION CANCELLATION SCALE (Applicable to Annual Policies)

Period on risk		Percentage of annual premium	Period on risk		Percentage of annual premium
1 day		5	154-156 days		53
2 days		6	157-160 days		54
3-4 days		7	161-164 days		55
5-6 days		8	165-167 days		56
7-8 days		9	168-171 days		57
9-10 days		10	172-175 days		58
11-12 days		11	176-178 days		59
13-14 days		12	179-182 days	(6 months)	60
15-16 days		13	183-187 days		61
17-18 days		14	188-191 days		62
19-20 days		15	192-196 days		63
21-22 days		16	197-200 days		64
23-25 days		17	201-205 days		65
26-29 days		18	206-209 days		66
30-32 days	(1 month)	19	210-214 days	(7 months)	67
33-36 days		20	215-218 days		68
37-40 days		21	219-223 days		69
41-43 days		22	224-228 days		70
44-47 days		23	229-232 days		71
48-51 days		24	233-237 days		72
52-54 days		25	238-241 days		73
55-58 days		26	242-246 days	(8 months)	74
59-62 days	(2 months)	27	247-250 days		75
63-65 days		28	251-255 days		76
66-69 days		29	256-260 days		77
70-73 days		30	261-264 days		78
74-76 days		31	265-269 days		79
77-80 days		32	270-273 days	(9 months)	80
81-83 days		33	274-278 days		81
84-87 days		34	279-282 days		82

88-91 days	(3 months)	35	283-287 days		83
92-94 days		36	288-291 days		84
95-98 days		37	292-296 days		85
99-102 days		38	297-301 days		86
103-105 days		39	302-305 days	(10 months)	87
106-109 days		40	306-310 days		88
110-113 days		41	311-314 days		89
114-116 days		42	315-319 days		90
117-120 days		43	320-323 days		91
121-124 days	(4 months)	44	324-328 days		92
125-127 days		45	329-332 days		93
128-131 days		46	333-337 days	(11 months)	94
132-135 days		47	338-342 days		95
136-138 days		48	343-346 days		96
139-142 days		49	347-351 days		97
143-146 days		50	352-355 days		98
147-149 days		51	356-360 days		99
150-153 days	(5 months)	52	361-365 days	(12 months)	100

5. Assignment

The **Insured** cannot assign the interest under this **Policy** to another person unless **Insurers** consent to the assignment and endorse this **Policy** accordingly.

6. Separate Insurances

Each **Unmanned Aerial System** included under this **Policy** is considered to be covered as if separately insured.

7. Reasonable Precautions

Insofar as coverage is provided by this **Policy**, it is agreed that such coverage shall not be invalidated by any reasonable action by, at the direction of, or on behalf of the **Insured** for the purpose of protecting persons or property.

8. Other Insurance

Insurers will not pay any claim if any loss, damage or liability covered under this **Policy** is also covered wholly or in part under any other insurance except in respect of any excess beyond the amount which would have been covered under such other insurance had this **Policy** not been effected. However, in respect of Section One only, **Insurers** will pay any claim proportionally with any other valid and collectible insurance available to the **Insured**.

9. Fraudulent Claims

An **Insured** shall not in the presentation and furtherance of any claim:

- (a) deliberately or recklessly conceal from **Insurers** any information which the **Insured** knows or ought to know might be material to their consideration of any claim;
- (b) provide to **Insurers** information, which the **Insured** knows to be false, with respect either to any event relied upon as a cause of loss or as to the amount claimed; nor
- (c) otherwise use fraudulent means or devices, including suppressing a known defence to **Insurers'** liability.

In any such event the **Insurers** shall have the option to refuse to pay the whole or any part of the claim to such **Insured**.

In the circumstances set out in sub-paragraph (b) above, **Insurers** shall also have the option to:

- i. terminate the cover provided by all sections of the **Policy** to such **Insured** with effect from the date that such information was provided;
- ii. recover any sums paid to such **Insured** in respect of losses occurring on or after the date that such information was provided; and
- iii. retain any and all premium paid by such **Insured**.

If any provision of this clause is in conflict with the law governing the **Policy** it shall be of no effect to the extent of such conflict.

10. Additions and Deletions

If the **Insured** requires any additional **Unmanned Aerial Systems** to be added to the coverage provided by this **Policy**, full details of such **Unmanned Aerial System** must be advised to **Insurers** and agreed prior to attachment to cover.

Unmanned Aerial Systems which have been sold or disposed of shall be deleted from this **Policy** and the **Insured** will be entitled to a pro rata return of premium provided that no claim has arisen and become payable under this **Policy** and that this **Policy** is not cancelled as a result of the deletion of the **Unmanned Aerial System**. In the event this **Policy** is cancelled the cancellation provision in the **Policy** will apply.

11. Salvage

If **Insurers** pay a claim on the basis of a total loss **Insurers** may take the **Unmanned Aerial System** (together with all documents of record, registration and title) as salvage and the **Unmanned Aerial System** will no longer be insured under this **Policy**.

12. Right of Ownership

Unless **Insurers** agree in writing to take the **Unmanned Aerial System** as salvage the **Unmanned Aerial System** shall at all times remain the property of the **Insured**.

13. Notification of Claims

The Insured should give notice of any event likely to give rise to a claim under this **Policy** to **Insurers** as soon as reasonable practicable. **The Insured** should give full particulars of such event and forward as soon as reasonable practicable to **Insurers** any letters or documents relating to the claim and give notice of any impending prosecution. **The Insured** must give such further information and assistance as the **Insurers** may reasonably require and the **Insured** should not act in any way to the detriment or prejudice of the interests of **Insurers**.

No admission, offer, promise or payment shall be made by the Insured without the consent of the Insurers.

ATTACHMENTS FORMING A PART OF THIS POLICY PART ONE

The attachments apply to all of the Policy Sections unless there is a statement that they do not apply to a particular Section.

ATTACHMENT ONE

WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION) AVN48B

This **Policy** does not cover claims caused by

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (c) Strikes, riots, civil commotions or labour disturbances.
- (d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act or act of sabotage.
- (f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.
- (g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the **Unmanned Aerial Vehicle** in **Flight** (including any attempt at such seizure or control) made by any person or persons acting without the consent of the **Insured**.

Furthermore this **Policy** does not cover claims arising whilst the **Unmanned Aerial System** is outside the control of the **Insured** by reason of any of the above perils. The **Unmanned Aerial Vehicle** shall be deemed to have been restored to the control of the **Insured** on the safe return of the **Unmanned Aerial Vehicle** to the **Insured**.

ATTACHMENT TWO

NUCLEAR RISKS EXCLUSION CLAUSE AVN38B (amended)

1. This **Policy** does not cover:
 - (i) loss of 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 any 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.
2. It is understood and agreed that such radioactive material or other radioactive source in paragraph 1(b) and (c) above shall not include:
 - (i) depleted uranium and natural uranium in any form;
 - (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
3. This **Policy**, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:
 - (i) the **Insured** under this **Policy** is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
 - (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
 - (iii) the **Insured** under this **Policy** is, or had this **Policy** not been issued would be, entitled to indemnification from any government or agency thereof.
4. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph 2 shall (subject to all other terms, conditions, limitations, warranties and exclusions of this **Policy**) be covered, provided that:
 - (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;
 - (ii) this **Policy** shall only apply to an incident happening during the period of this **Policy** and where any claim by the **Insured** against the **Insurers** or by any claimant against the **Insured** arising out of such incident shall have been made within three years after the date thereof;
 - (iv) the cover afforded hereby may be cancelled at any time by the **Insurers** giving seven days' notice of cancellation.

ATTACHMENT THREE

ASBESTOS EXCLUSION CLAUSE 2488AGM00003 (amended)

(Not applicable to Section One and Section Four)

This **Policy** does not cover any claims of any kind whatsoever directly or indirectly relating to, arising out of or in consequence of:

1. the actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain, asbestos; or
2. any obligation, 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 other 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 **Unmanned Aerial Vehicle** operation.

Notwithstanding any other provisions of this **Policy**, **Insurers** will have no duty to investigate, defend or pay defence costs in respect of any claim excluded in whole or in part under paragraphs 1 or 2 hereof.

ATTACHMENT FOUR

Extended Coverage Endorsement (Aviation Liabilities) AVN52E (amended)

1. WHEREAS the **Policy** of which this **Endorsement** forms part includes the War, Hi-Jacking and Other Perils Exclusion Clause (Clause AVN 48B ATTACHMENT ONE), IN CONSIDERATION of an Additional Premium included herein, it is hereby understood and agreed that with effect from inception, all sub-paragraphs other than (b) of Clause AVN 48B forming part of this **Policy** are deleted SUBJECT TO all terms and conditions of this **Endorsement**.

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

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

3. LIMITATION OF LIABILITY

The limit of **Insurers'** liability in respect of the coverage provided by this **Endorsement** shall be the limit specified in the **Policy Schedule** or the applicable policy limit whichever the lesser any one Occurrence and in the annual aggregate (the "sub-limit"). This sub-limit shall apply within the full **Policy** limit and not in addition thereto.

4. AUTOMATIC TERMINATION

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

- (i) **All cover**

- upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following States, namely, France, the People's Republic of China, the Russian Federation, the United Kingdom, the United States of America

- (ii) **Any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B**
 - upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the Insured **Unmanned Aerial System** may be involved
- (iii) All cover in respect of any of the Insured **Unmanned Aerial System** requisitioned for either title or use
 - upon such requisition

PROVIDED THAT if an Insured **Unmanned Aerial Vehicle** is in the air when (i), (ii) or (iii) occurs, then the cover provided by this Endorsement (unless otherwise cancelled, terminated or suspended) shall continue in respect of such an **Unmanned Aerial Vehicle** until completion of its first landing thereafter.

5. REVIEW AND CANCELLATION

- (a) **Review of Premium and/or Geographical Limits (7 days)**

Insurers may give notice to review premium and/or geographical limits - such notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which notice is given.
- (b) **Limited Cancellation (48 hours)**

Following a hostile detonation as specified in 4 (ii) above, Insurers may give notice of cancellation of one or more parts of the cover provided by paragraph 1 of this Endorsement by reference to sub-paragraphs (c), (d), (e), (f) and/ or (g) of Clause AVN 48B - such notice to become effective on the expiry of forty-eight hours from 23.59 hours GMT on the day on which notice is given.
- (c) **Cancellation (7 days)**

The cover provided by this **Endorsement** may be cancelled by either **Insurers** or the **Insured** giving notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which such notice is given.
- (d) **Notices**

All notices referred to herein shall be in writing.

POLICY PART TWO

UNMANNED AERIAL SYSTEM HULL “WAR AND ALLIED PERILS” INSURANCE

SECTION ONE: LOSS OF OR DAMAGE TO UNMANNED AERIAL SYSTEM

Subject to the terms, conditions and limitations set out below, this **Policy** PART TWO covers loss of or damage to the **Unmanned Aerial System** detailed in the **Policy Schedule** against claims excluded from Section One of **Policy** PART ONE as caused by:

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Strikes, riots, civil commotions or labour disturbances.
- (c) 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.
- (d) Any malicious act or act of sabotage.
- (e) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority.
- (f) Hi-jacking or any unlawful seizure or wrongful exercise of control of the **Unmanned Aerial System** flight (including any attempt at such seizure or control) made by any person or persons acting without the consent of the **Insured**.

Furthermore this **Policy** PART TWO covers claims excluded from Section One of **Policy** PART ONE from occurrences whilst the **Unmanned Aerial System** is outside the control of the **Insured** by reason of any of the above perils. The **Unmanned Aerial System** shall be deemed to have been restored to the control of the **Insured** on the safe return of the **Unmanned Aerial System** to the **Insured** at an airfield not excluded by the geographical limits of this **Policy**, and entirely suitable for the operation of the **Unmanned Aerial System** (such safe return shall require that the **Unmanned Aerial System** be parked with engines shut down and under no duress).

SECTION TWO: EXTORTION AND HI-JACK EXPENSES

1. This **Policy** PART TWO will also indemnify the **Insured** subject to the terms, conditions, exclusions and limitations set out below, and up to the limits agreed by Insurers and detailed in the **Policy Schedule**, for any payment properly made in respect of:
 - (a) threats against any **Unmanned Aerial System** insured under this **Policy** made during the **Period of Insurance**.
 - (b) extra expenses necessarily incurred following confiscation, etcetera (as Section One clause (e)) or hi-jacking, etcetera (as Section One clause (f)) of any **Unmanned Aerial System** insured under this **Policy**.
2. No cover will be provided under this Section of the **Policy** PART TWO in any territory where such insurance is not lawful, and the **Insured** is at all times responsible for ensuring that no arrangements of any kind are made which are not permitted by the proper authorities.

SECTION THREE: GENERAL EXCLUSIONS

This **Policy** PART TWO excludes loss, damage or expense caused by one or any combinations of any of the following:

- (a) war (whether there be a declaration of war or not) between any of the following States: the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China; nevertheless, if any **Unmanned Aerial System** is in the air when an outbreak of such war occurs, this exclusion shall not apply in respect of such **Unmanned Aerial System** until the said **Unmanned Aerial System** has completed its first landing thereafter;
- (b) confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the authority of the Government(s) where the **Unmanned Aerial System** is registered, or any public or local authority under its jurisdiction;
- (c) the emission, discharge, release or escape of any chemical, biological or biochemical materials or the threat of same but this exclusion shall not apply;
 - (i) if such materials are used or threatened to be used solely and directly in:
 1. the Hi-jacking, unlawful seizure or wrongful exercise of control of an **Unmanned Aerial System** in flight and then only in respect of loss of or damage to such **Unmanned Aerial System** the subject of a valid claim under clause (f) Section One above; or
 2. any threat against an Unmanned Aerial System insured under this **Policy** and then only in respect of payments as are insured under Section Two above;
 - (ii) other than as provided for in sub-paragraph 1 above, to loss of or damage to an **Unmanned Aerial System** if the use of such materials is hostile and originates solely and directly;
 1. on board such **Unmanned Aerial System**, whether it is on the ground or in the air.or
 2. external to such **Unmanned Aerial System** and causes physical damage to the **Unmanned Aerial System** whilst the **Unmanned Aerial System's** wheels are not in contact with the ground.

Any emission, discharge, release or escape originating external to the **Unmanned Aerial System** that causes damage to the **Unmanned Aerial System** as a result of

contamination without other physical damage to the **Unmanned Aerial System** exterior is not covered by this **Policy**.

- (d) any debt, failure to provide bond or security or any other financial cause under court order or otherwise;
- (e) the repossession or attempted repossession of the **Unmanned Aerial System** either by any title holder, or arising out of any contractual agreement to which any **Insured** protected under this **Policy** may be party;
- (f) delay, loss of use, or except as specifically provided in Section Two any other consequential loss; whether following upon loss of or damage to the **Unmanned Aerial System** or otherwise.
- (g) any use, hostile or otherwise, of radioactive contamination or matter but this exclusion shall not apply to loss of or damage to an **Unmanned Aerial System** if such use is hostile and originates solely and directly;
 - (i) on board such **Unmanned Aerial System**, whether it is on the ground or in the air, or
 - (ii) external to such **Unmanned Aerial System** and causes physical damage to the **Unmanned Aerial System** whilst the **Unmanned Aerial System's** wheels are no longer in contact with the ground

Any such use originating external to the **Unmanned Aerial System** that causes damage to the **Unmanned Aerial System** as a result of contamination without other physical damage to the **Unmanned Aerial System** exterior is not covered by this **Policy**.

- (h) any use, hostile or otherwise, of an electromagnetic pulse but this exclusion shall not apply to loss of or damage to an **Unmanned Aerial System** if such use originates solely and directly on board such **Unmanned Aerial System**, whether it is on the ground or in the air.
- (i) any detonation, hostile or otherwise, of any device employing atomic or nuclear fission and/or fusion or other like reaction, and notwithstanding (g) and (h) above, any radioactive contamination and electromagnetic pulse resulting directly from such detonation is also excluded by this **Policy**.

SECTION FOUR: GENERAL CONDITIONS

1. This **Policy** PART TWO is subject to the same warranties, terms and conditions (except as regards the premium, the obligations to investigate and defend, the renewal agreement (if any), the amount of deductible or self insurance provision where applicable AND EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or may be added to Section One of **Policy** PART ONE.
2. Subject always to the provisions of Section Five, **Insurers** hereon agree to follow Section One of **Policy** PART ONE in respect of Breach of Warranty Cover, Hold Harmless Agreements and Waivers of Subrogation, Lienholders/Contract Parties, Additional Insureds and additions and deletions of **Unmanned Aerial Systems**.
3. This **Policy** PART TWO is subject to the Fraudulent Claims provision General Condition 9 of **Policy** PART ONE.
4. This **Policy** PART TWO is subject to the attached Sanctions and Embargo Clause AVN111.
5. Notice of any event likely to give rise to a claim under this **Policy** PART TWO shall be given to **Insurers** in accordance with General Condition 13 of **Policy** PART ONE.

SECTION FIVE: CANCELLATION REVISION AND AUTOMATIC TERMINATION

Amendment of
Terms or
Cancellation

1. (a) **Insurers** may give notice, effective on the expiry of 7 days from midnight G.M.T. on the day on which notice is issued, to review the rate of premium and/or the geographical limits. In the event of the review of the rate of premium and/or geographical limits not being accepted by the **Insured** then at the expiry of the said 7 days, this **Policy** PART TWO shall become cancelled at that date.

Automatic Review
of Terms or
Cancellation

- (b) Notwithstanding 1 (a) above, this **Policy** PART TWO is subject to automatic review by **Insurers** of the rate of premium and/or conditions and/or geographical limits effective on the expiry of 7 days from the time of any hostile detonation of any device including any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the insured **Unmanned Aerial System** may be directly affected. In the event of the review of the rate of premium and/or conditions and/or geographical limits not being accepted by the **Insured** then at the expiry of the said 7 days, this **Policy** PART TWO shall become cancelled at that date.

Cancellation by
Notice

- (c) This **Policy** PART TWO may be cancelled by the **Insured** or **Insurers** giving notice not less than 7 days prior to the end of each period of 3 months from inception.

Automatic
Termination

2. Whether or not such notice of cancellation has been given paragraph (a) of Section One of this **Policy** PART TWO shall TERMINATE AUTOMATICALLY

Upon the outbreak of war (whether there be a declaration of war or not) between any of the following States, namely, the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China.

PROVIDED THAT if the **Unmanned Aerial Vehicle** is in the air when such outbreak of war occurs then this insurance, subject to its terms and conditions and provided not otherwise cancelled, terminated or suspended, will be continued in respect of such **Unmanned Aerial Vehicle** until the said **Unmanned Aerial Vehicle** has completed its first landing thereafter.

ATTACHMENTS FORMING A PART OF POLICY PART ONE AND POLICY PART TWO

ATTACHMENT FIVE

SANCTIONS AND EMBARGO CLAUSE

Notwithstanding anything to the contrary in the **Policy** the following shall apply:

1. If, by virtue of any law or regulation which is applicable to an **Insurer** at the inception of this **Policy** or becomes applicable at any time thereafter, providing coverage to the **Insured** is or would be unlawful because it breaches an embargo or sanction, that **Insurer** shall provide no coverage and have no liability whatsoever nor provide any defence to the **Insured** or make any payment of defence costs or provide any form of security on behalf of the **Insured**, to the extent that it would be in breach of such law or regulation.
2. In circumstances where it is lawful for an **Insurer** to provide coverage under the **Policy**, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the **Insurer** will take all reasonable measures to obtain the necessary authorisation to make such payment.
3. In the event of any law or regulation becoming applicable during the **Period of Insurance** which will restrict the ability of an **Insurer** to provide coverage as specified in paragraph 1, then both the **Insured** and the **Insurer** shall have the right to cancel its participation on this **Policy** in accordance with the laws and regulations applicable to the **Policy** provided that in respect of cancellation by the **Insurer** a minimum of 30 days notice in writing be given. In the event of cancellation by either the **Insured** or the **Insurer**, the **Insurer** shall retain the pro rata proportion of the premium for the period that the **Policy** has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the **Insurer**, and in the absence of a more specific provision in the **Policy** relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the **Insurer** shall be effective even though the **Insurer** makes no payment or tender of return premium.

AVN111 01.10.10 (amended)

ATTACHMENT SIX

CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999 EXCLUSION CLAUSE AVN72 (amended)

The rights of a person who is not a party to this insurance to enforce a term of this insurance and/or not to have this insurance rescinded, varied or altered without his consent by virtue of the provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded from this insurance.

POLICY SCHEDULE

POLICY REFERENCE:

Item 1. NAME OF THE INSURED:

{missing}

ADDRESS OF THE INSURED:

{missing}

Item 2. PERIOD OF INSURANCE:

From: {missing}

To: {missing}

both days inclusive local standard time at the address of the Insured.

Item 3. UNMANNED AERIAL SYSTEM DETAILS, POLICY LIMITS AND DEDUCTIBLES:

The Sections of cover that are included will have an amount shown indicating the limits applicable. If **COVER IS NOT INCLUDED** this will be stated.

POLICY PART ONE			
SECTION ONE			
COVERAGE A - Physical Loss of or Damage to the Unmanned Aerial System			
Unmanned Aerial Vehicle Type <i>(please state whether Fixed-Wing, Rotary-wing or Lighter-than-air (airship))</i>	Model	Serial Number <i>(if applicable)</i>	Agreed Value
{missing}	{missing}	{missing}	{missing}
Associated Support Equipment <i>(i.e. control station, data links, telemetry, communications and navigation equipment etc.necessary to operate the Unmanned Aerial Vehicle)</i>		Agreed Value	
{missing}		{missing}	
Payload <i>(please give details of any camera equipment, sensors, packages/slung items)</i>		Agreed Value	
Make and Model and/or System and Software {missing}		{missing}	

Payload Function	{missing}
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ADDITIONAL COVERAGE INCLUDED UNDER SECTION ONE COVERAGE A	
Reasonable Expenses for Wreck Removal	{missing}
Reasonable Trespassers Costs	{missing}

COVERAGE B - Physical Loss of or Damage to Spares and Equipment	
Spares and Equipment <i>(please list items)</i>	Agreed Value
{missing}	{missing}

COVERAGE C – Reconstitution of Data/Reasonable Hire charges	
Reconstitution of Data	Subject to a Maximum Sum Insured {missing}
Reasonable Hire Charges	Subject to a maximum Sum Insured {missing}

DEDUCTIBLES APPLICABLE TO SECTION ONE	
Unmanned Aerial System (Amount to be deducted in the event of a Partial Loss claim only).	{missing} (or currency equivalent) each and every claim. Nevertheless should a single accident cause more than one Deductible to apply, Insurers will only apply the highest applicable Deductible for all losses arising out of that single accident.
Payload	{missing} (or currency equivalent) each and every claim.
Spares and Equipment	The sum insured shall not exceed the cost of repair or the cost of replacement or the insured value, whichever shall be the least amount, in respect of any one item of property subject to a maximum limit of: {missing} (or currency equivalent) any one occurrence.

SECTION TWO THIRD PARTY LEGAL LIABILITY	
Combined Single Limit (Bodily Injury and/or Property Damage)	<p>{missing} (or currency equivalent) any one Occurrence but</p> <p>(a) the combined single limit stated above shall apply separately in respect of each Unmanned Aerial System in respect of claims arising out of the Insured's ownership, operation or use of Unmanned Aerial System;</p> <p>(b) the combined single limit stated above shall apply in the aggregate in respect of all Occurrences in any one annual Period of Insurance arising out of the possession, use, consumption or handling of any goods or Aviation Product manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured after such goods or Aviation Products have ceased to be in the possession or under the control of the Insured.</p>

ADDITIONAL COVERAGE INCLUDED SECTION TWO	
Extended Coverage Endorsement AVN52E	{missing}

DEDUCTIBLE APPLICABLE TO SECTION TWO	
Property Damage	{missing} (or currency equivalent) any one Occurrence .

POLICY PART TWO UNMANNED AERIAL SYSTEM HULL "WAR AND ALLIED PERILS" INSURANCE	
Section One Coverage Loss of or Damage to Aircraft:	The Agreed value(s) of insured Unmanned Aerial System Subject to a maximum agreed value of {missing} any one Unmanned Aerial System .
Section Two Coverage Extortion and Hi-jack Expenses:	Extortion Expenses: {missing} any one loss and in all (WARRANTED REMAINING 10% UNINSURED) Hi-Jack and Confiscation Expenses: {missing} any on loss and in all.
Excluding Confiscation,	Registration

etcetera by Government(s) of:	
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Item 4 BUSINESS OPERATION OF THE INSURED:

{missing}

Item 5. AUTHORISED OPERATORS:

{missing}

Item 6. GEOGRAPHICAL LIMITS:

{missing}

Item 7. USES:

{missing}

Item 8. PREMIUM:

{missing}

Payable in full at inception subject to Premium Payment Clause LSW3001

Notwithstanding any provision to the contrary within this contract or any **Endorsement** hereto, in respect of non payment of premium only the following clause will apply.

The **Insured** undertakes that premium will be paid in full to Insurers within 60 days of inception of this contract (or, in respect of instalment premiums, when due).

If the premium due under this contract has not been so paid to **Insurers** by the 60th day from the inception of this contract (and, in respect of instalment premiums, by the date they are due) Insurers shall have the right to cancel this contract by notifying the **Insured** via the broker in writing. In the event of cancellation, premium is due to **Insurers** on a pro rata basis for the period that Insurers are on risk but the full contract premium shall be payable to **Insurers** in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that Insurers shall give not less than 30 days prior notice of cancellation to the **Insured** via the broker. If premium due is paid in full to **Insurers** before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Item 9. BROKER CONTACT DETAILS:

{missing}

Item 10. LAW AND JURISDICTION:

This **Policy** is to be governed by and construed in accordance with the law {missing} and each party agrees to submit to the exclusive jurisdiction of the Courts of {missing} in the event of any dispute arising hereunder.