

AIRCRAFT SPARES WORDING

1. INTENTION

Subject to the terms, conditions and exclusions hereinafter contained this Policy insures Property being only Engines, Spare Parts and Equipment destined to be fitted to or to form part of an aircraft and being the property of the Assured or the property of others for which the Assured is responsible, while such property is in the care, custody or control of the Assured on the ground, or is being carried as cargo in transit, by air (including Assured's aircraft) and/or steamers (approved or held covered at a premium to be arranged) and/or road and/or rail and/or conveyance.

2. CONDITIONS

All risks of Physical Loss or Damage (except as hereafter excluded) but

Air Transits

Institute Cargo Clauses (AIR) 1/1/82

Marine Transits

Institute Cargo Clauses (A) 1/1/82

3. GEOGRAPHICAL LIMITS

This Policy to cover the property described above, against the risks described above, whilst _____

4. EXCLUSIONS

This Policy does not insure:-

- (a) Loss of or damage to any such property occurring at any time after the commencement of the operation of fitting it to or placing it on board the aircraft to which it is destined.
- (b) Loss of or damage to an Engine occurring during the running or testing thereof.
- (c) Mechanical or electrical derangement.
- (d) Loss or damage caused by wear, tear or gradual deterioration.
- (e) Loss or damage caused by or resulting from neglect of the Assured to use reasonable means to save and preserve the property at the time of and after any loss or damage.
- (f) Loss of or damage to any property which has been detached from an aircraft and which is intended to be refitted to the aircraft and not to be replaced by other property.
- (g) Loss of or damage to any property hereby insured which may be sustained whilst the same is under any process and directly resulting therefrom.
- (h) Property carried in an aircraft as a spare parts kit.
- (i) Property fitted to or forming part of an aircraft.
- (j) The property of others carried or stored by the Assured for hire or reward.
- (k) Mysterious disappearance or unexplained loss or shortage disclosed upon taking inventory.

5. This Policy is subject to the Nuclear Risks Exclusion Clause AVN71.

6. 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 an 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 consent of the Assured.
- (h) An aircraft being outside the control of the Assured by reason of a peril excluded by paragraphs (f) or (g).

7. DEDUCTIBLE CLAUSE

Each claim for loss or damage arising out of one event shall be adjusted separately and from the amount of such adjusted claim the sum of {Response} shall be deducted but claims for loss or damage caused by fire, wind, tornado and cyclone shall be paid in full.

8. LIMITS OF LIABILITY

The liability of the Underwriters shall not exceed:-

1. _____ any one building and/or location
2. _____ any one sending
3. 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.

9. REPORTING AND PREMIUM ADJUSTMENT CLAUSE

The premium of _____ is a minimum and deposit premium to be adjusted at expiry as follows:-

- (a) Within one month after the expiration date the Assured shall furnish to Underwriters a statement showing the total values at risk over all locations at the last day of each policy month such amounts shall be totalled then divided by the number of policy months and premium will be payable on the resulting amount at a rate of _____.
- (b) If this Policy is cancelled prior to expiration, the Assured is required to report total monthly values at risk for each completed policy month prior to the date of cancellation and premium payable hereunder shall be calculated on such reported values in the manner and at the rate hereinbefore provided.

It is a condition of this insurance that the Assured shall keep a proper record of all items of property from time to time hereby insured and of the value of each item.

10. SALVAGE AND RECOVERIES CLAUSE

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties thereto.

11. LOSS CLAUSE

Any loss hereunder shall not reduce the amount of this Policy.

12. CANCELLATION CLAUSE

This Policy shall be cancelled either by the Assured or by Underwriters by mailing to the other at the address shown in the Policy, written notice stating when not less than thirty (30) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and effective date and hour of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the Assured or by Underwriters shall be equivalent to mailing. The Assured agrees, in the event of cancellation, to report the values at risk and to pay premium thereon to Underwriters as provided by "Reporting and Premium Adjustment Clause" up to the date of cancellation.

LPO344C
10/96