



OLD REPUBLIC INSURANCE COMPANY OF CANADA

Aircraft Insurance Policy



Issuing and Policyholder Servicing Offices:

Old Republic Insurance Company of Canada

Box 557, 100 King St W
Hamilton, ON L8N 3K9, Canada

Distributed by:

Old Republic Aerospace, Inc

OLD REPUBLIC INSURANCE COMPANY OF CANADA**Aircraft Policy
Coverage Data Page****POLICY NUMBER:** PC 22402401**NAMED INSURED:** Mark Sorrey**MAILING ADDRESS:** 34761 Hearthstone Ct.
Abbotsford, AB V2S 8G6**POLICY PERIOD:** From October 10, 2021 to October 10, 2022
12:01 A.M. Standard Time at the address of Insured**COVERAGE LIMITS**For each insured aircraft, we will provide the coverages for which a "Premium" is shown.
This policy is completed by Aircraft Policy Form PC500 (11-16).**PHYSICAL DAMAGE COVERAGE:**

Aircraft covered under this policy :

Reg. No.	Year	Make & Model	Total Seats	AC Type	Coverage Type	Deductible		Insured Value
						Not In Motion	In Motion	
C-GPRF	1981	PIPER PA-28-161 Warrior	4	SE/FG	Comp	\$0	\$0	\$120,000

Coverage Type: Comp = Comprehensive, Ltd = Limited

LIABILITY COVERAGE:

	Each Person	Each Occurrence
A. Single Limit Bodily Injury and Property Damage Including Passengers:	****	****
Each Passenger Limited To:	****	****
B. Single Limit Bodily Injury and Property Damage Excluding Passengers:	****	\$1,000,000
C. Single Limit Passenger Bodily Injury Per Seat:	\$100,000	

MEDICAL COVERAGE:

Per Passenger: \$5,000 Each Occurrence: \$20,000

PREMIUMS:

Reg. No.	Physical Damage	Liability	Medical	Amendment(s)	Aircraft Total	FINAL Premium
C-GPRF	\$1,244	\$256	\$0	\$0	\$1,500	\$1,500

Policy Amendment Premiums:	Included
Terrorism Risk Insurance:	Included
Applicable Taxes, Surcharges, Levies:	\$0
TOTAL POLICY PREMIUM	\$1,500

Aircraft is/are principally based at: Abbotsford Airport BC

All values, limits, and premiums referenced herein are in Canadian dollars.

When issued your policy consists of the following additional amendments: CSS02 (09-16), CTEXL (11-16), J2000-CAN (04-16), NCBPA (07-13), NR38B (08-11), ORICC (10-16), PB211 (07-13), PC001 (01-17), PC214 (11-16), PC421 (11-16), PC500 (11-16), RCBEX (07-13), STATC (01-17)

PRODUCER AIR1 INSURANCE SERVICES LTD
8047 199 ST #107
LANGLEY, BC V2Y 0E2

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

In any action to enforce the obligations of the **Insurer** service of such proceedings may validly be made upon the General Counsel for Old Republic Insurance Company of Canada whose address for such service is:
Box 557, 100 King Street West, Hamilton, Ontario L8N 3K9.

NOTICE

Any notice to the **Insurer** may be validly given to:
Old Republic Insurance Company of Canada whose address for such service is
Box 557, 100 King Street West, Hamilton, Ontario L8N 3K9

In witness whereof this policy has been signed as authorized by the **Insurer, Old Republic Insurance Company of Canada.**

Per



For purposes of the Insurance Companies Act (Canada), this document was issued in the course of Old Republic Insurance Company of Canada's insurance business in Canada.

In the event of a loss or occurrence likely to result in a claim under this insurance, immediate notice should be given to the Coverholder whose name and address appears above. All inquiries and disputes are also to be addressed to this Coverholder.

OLD REPUBLIC INSURANCE COMPANY OF CANADA

NAMED PILOT COVERAGE AMENDMENT

Policy Number: PC 22402401 Insured: Mark Sorrey

Policy Period: From: October 10, 2021 To: October 10, 2022

Effective Date of This Amendment: October 10, 2021 12:01 am Standard Time

THIS AMENDMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

In consideration of an additional premium of Included, the following changes are made to your policy:

A. Part 8. GLOSSARY is extended to include the following definition:

Named Pilot means any pilot who is listed by name under the **Who Can Pilot The Aircraft** section of your Pilot Qualification Amendment.

B. The Purpose of flight section of the policy is deleted and replaced with the following:

Your aircraft must be used either for personal or business purposes, including the transportation of executives, employees, customers, and guests. However, you cannot profit from your aircraft by charging others for its use, although you can accept payment to cover your direct aircraft operating expenses such as fuel, oil, landing fees, etc. You can also accept payment to cover your indirect operating and ownership expenses from **Named Pilots** only. If your aircraft is used for any other purpose, and you or anyone else protected by this policy knows about this unauthorized use and agrees to it, we will not provide any coverage under this policy.

If you or anyone else protected by this policy knowingly uses your aircraft to unlawfully traffic in, or carry, persons, drugs, narcotics or other contraband, we will not provide any coverage under this policy.

- C.** Any coverage provided by this endorsement to any **Named Pilot** will be excess coverage over any valid and collectible insurance available to the **Named Pilot**, such as a renters or non-owned aircraft policy or coverage.
- D.** If we pay for a loss under this policy, and a **Named Pilot** is responsible for causing the loss or damage to your aircraft, then we agree to waive our right to recover damages from them, but only to the extent that the **Named Insured** has agreed to waive their right to recover damages.
- E.** If we pay for a loss under this policy as a result of an **In Motion Occurrence**, and a **Named Pilot** is responsible for causing the loss or damage to your aircraft, then we will reduce the amount of any **In Motion** deductible that applies by up to \$500.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Date Issued: September 9, 2021

OLD REPUBLIC INSURANCE COMPANY OF CANADA

PILOT QUALIFICATION AMENDMENT

Policy Number: PC 22402401 Insured: Mark Sorrey

Policy Period: From: October 10, 2021 To: October 10, 2022

Effective Date of This Amendment: October 10, 2021 12:01 am Standard Time

THIS AMENDMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

In consideration of included premium of Included the section of the policy entitled **Who can fly your aircraft** is completed with respect to the aircraft listed below.

AIRCRAFT

The aircraft to which this amendment applies is:

C-GPRF, 1981 PIPER PA-28-161 Warrior

QUALIFICATIONS

Your policy will be effective while the aircraft is in flight **only** if all of the following four (4) conditions are met:

1. The pilot flying the aircraft must maintain a valid pilot licence (including the appropriate ratings) and valid medical certificate as required by Transport Canada or its approved equivalent.
2. The pilot flying the aircraft must either:
 - a. be named under **Who Can Pilot The Aircraft**; or
 - b. meet the qualifications described under **Pilots Not Named In This Amendment**

Who Can Pilot The Aircraft:

MARK SORREY
JAMES SORREY

Pilots Not Named In This Amendment:

If the pilot flying the aircraft is not named under **Who Can Pilot The Aircraft**, then the pilot must:

be an appropriately licenced Private, Commercial or Airline Transport Pilot having a minimum of 200 total logged flying hours, including not less than 10 hours in the same make and model aircraft insured herein.

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PILOT QUALIFICATION AMENDMENT

3. The pilot flying the aircraft must have successfully completed the following training for the aircraft:

4. The pilots below must also meet the following additional conditions:

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

OLD REPUBLIC INSURANCE COMPANY OF CANADA

EXPANDED COVERAGE AMENDMENT

Policy Number: PC 22402401 Insured: Mark Sorrey

Policy Period: From: October 10, 2021 To: October 10, 2022

Effective Date of This Amendment: October 10, 2021 12:01 am Standard Time

In consideration of an additional premium of Included, it is agreed that only the coverages identified by an "x" below are included in your policy:

PART 2. PHYSICAL DAMAGE COVERAGE

☒ **Aircraft Market Appreciation Adjustment:**

If your aircraft is a total loss or a constructive total loss, we will adjust your Coverage Limit for **Physical Damage Coverage** if the market value of your aircraft has increased. We will make this adjustment if the Avg. \$ Retail listing in the Aircraft Bluebook – Price Digest® has increased from the current volume at the effective date of your policy, or effective date of any change to your **Physical Damage Coverage** Limit (whichever is later), to the current volume at the date of the covered loss.

To make this adjustment, we will calculate the percentage increase of Avg. \$ Retail in the Aircraft Bluebook – Price Digest®. The percentage increase calculated will then be applied to the Value Insured as listed on your **Coverage Data Page**. This amount will be your appreciation adjusted **Physical Damage Coverage** limit.

The maximum increase that we will allow to your Coverage Limit is 5%, or \$10,000, whichever is less.

Example: Suppose the effective date of your policy is January 1 and the Value Insured of your aircraft on the **Coverage Data Page** is \$110,000. The Aircraft Bluebook – Price Digest® current Volume on January 1 lists the Avg. \$ Retail of your aircraft as \$100,000. Your aircraft is totally destroyed on September 30. The Aircraft Bluebook – Price Digest® current Volume on September 30 lists the Avg. \$ Retail of your aircraft as \$106,000. The percentage increase in the Aircraft Bluebook – Price Digest® is $\$106,000/\$100,000 = 1.06$ (+06%). We would increase your Coverage Limit by the maximum of 5% as follows:

$\$110,000 \times 1.05 = \$115,500$.

☒ **Extra Expense Coverage:**

We will pay the **extra expense** incurred arising from the leasing or renting of a replacement aircraft if the insured aircraft is removed from service due to a covered loss under **Comprehensive Physical Damage** of this policy, provided:

1. The aircraft is not a total loss, as defined in the policy, or;
2. The repairs to the insured aircraft have not been completed, or;
3. The insured aircraft has not been permanently replaced with another aircraft.

Extra expense is defined as that portion of the actual cost of leasing or renting a replacement aircraft which exceeds the cost of operating the insured aircraft.

The most we will pay for **extra expense** is \$200 for any one day subject to \$5,000 for any one loss.

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We will pay **extra expenses** for the period beginning on the eighth day after the loss or damage and ending not later than 60 days after the loss or damage.

In order to collect under this coverage, you must provide invoices or receipts showing your cost within 90 days after the expense is incurred.

The coverage will cease 7 days after we provide you a final proof of loss to execute.

☒ **Named Storm Expense Coverage**

If you have purchased **Physical Damage Coverage** and Environment Canada issues a watch or warning due to a named storm event for the area where your aircraft is principally based, and the aircraft is relocated to avoid damage, we will pay reasonable costs incurred provided:

1. The aircraft is relocated to another airport which is at least 100 nautical miles away from its principal base and not under a named storm watch or warning.
2. Original documentation and receipts are furnished within 90 days from the warning or watch date for all costs to be reimbursed.

Reasonable cost reimbursement will be limited to 50% of the direct operating expenses incurred for fuel, hangar or tie down, and the cost of a ferry pilot meeting the requirements of the **Pilot Qualification Amendment**.

The reimbursement is further limited to \$1,000 per aircraft for any one Named Storm and \$1,000 per aircraft per policy year.

The deductible will not apply.

☒ **Emergency Landing:**

If your aircraft is forced to make an emergency landing into an area not designed, designated or operated as an airport and there is no physical damage done to your aircraft, we will pay the following:

1. Cost of the least expensive, most reasonable method of transporting your aircraft to the nearest airport up to a maximum of the Insured Value of the aircraft or \$25,000, whichever is more.
2. Reasonable costs to protect your aircraft from damage or loss until your aircraft can be retrieved up to a maximum of the Insured Value of the aircraft or \$25,000, whichever is more.

This coverage will only apply if comprehensive **Physical Damage Coverage** is purchased on the aircraft.

The deductible will not apply.

☒ **Portable Equipment Coverage:**

The **Physical Damage Coverage** provided by this policy is extended to include any portable headsets, portable communications radios, portable navigation radios (including portable GPS units), portable intercoms, and portable traffic awareness devices that suffers any kind of direct and accidental physical

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EXPANDED COVERAGE AMENDMENT

damage or loss. The damaged or lost portable equipment will be repaired or replaced on a replacement cost basis up to a total limit of \$1,000 per loss. This \$1,000 is the maximum we will pay regardless of the number of items that are damaged or lost. This coverage does not increase the amount that will be paid in the event of a total loss nor will the equipment be surrendered to the company in the event of a total loss payment. This coverage does not require coordination with any other insurance that the **Named Insured** may have available. This portable equipment will not be listed on the current aircraft weight and balance.

It is a condition of this portable equipment coverage extension that the **Named Insured** shall keep a proper record of all items of property insured under this coverage and the value of each item.

☒ **Aircraft Spare Parts Coverage:**

The **Physical Damage Coverage** provided by this policy is extended to apply to aircraft spare parts owned by you. The limit of our liability under this coverage will not exceed \$25,000 any one location and any one loss, subject to a deductible of \$500 each loss.

As respects the aircraft spare parts coverage provided by this extension, the following additional exclusions shall apply:

This extension does not apply to:

1. Loss of or damage to any property occurring at any time after the commencement of the operation of fitting such property to or placing such property on board an aircraft.
2. Loss of or damage to any engine occurring during the running or testing thereof.
3. Mechanical or electrical breakdown or derangement.
4. Loss of or damage to any property defined under this policy as aircraft.
5. Property of others in care of the **Named Insured**.
6. Mysterious disappearance or unexplained loss or shortage discovered upon taking inventory.
7. Loss or damage caused by or resulting from your failure to use reasonable means to save and preserve the property at the time of and after any loss or damage.
8. Loss or damage to any tools.

It is a condition of this aircraft spare parts coverage extension that the **Named Insured** shall keep a proper record of all items of property insured under this coverage and the value of each item.

☒ **Temporary Replacement Parts Coverage:**

If your aircraft sustains physical damage which is covered under this policy, but is not a total loss, we will reimburse you for expenses incurred for leasing or renting temporary replacement component parts, including the cost of installation, removal and transportation for the period required for repair of the original damaged component part or parts, provided the estimated period necessary for repair exceeds ten days. We will not pay more than \$5,000 for all costs under this coverage for any one covered loss.

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PART 3. LIABILITY COVERAGE

☒ **Emergency and First Aid Costs:**

We will pay up to \$5,000 of what others charge you for labor, materials and equipment used for emergency firefighting, crash control and rescue as the result of an **occurrence** involving your aircraft. This payment includes the cost of applying foam to the runway before an emergency or crash landing.

We will also pay up to \$5,000 for the necessary first aid expense you incur if anyone sustains **bodily injury** as the result of an **occurrence** involving your aircraft. But the first aid must be given within 24 hours of the **occurrence**.

☒ **Trip Interruption Expense:**

We will pay up to \$100 each **passenger** up to a maximum of \$500 each **occurrence** for reasonable expenses for food, travel and lodging of **passengers** from the place where your aircraft suffers a covered physical damage loss under the policy to the intended final destination of the damaged aircraft or back to the place you originally boarded the aircraft if the trip is discontinued. You will be required to provide us with duplicate invoices for all covered expenses within 60 days from the date you incur the expenses.

☒ **Personal Injury:**

We will pay up to the limit of liability on the **Coverage Data Page** or \$1,000,000, whichever is less, for claims that someone makes against you for **personal injury**. **Personal Injury** means injury arising out of one or more of the following offenses committed during the **policy period** and resulting from the ownership, maintenance or use of your aircraft:

1. false arrest, detention, or imprisonment;
2. malicious prosecution;
3. evicting someone from your aircraft when you had no right to do so.

We will not cover **personal injury**:

1. sustained by any person or organization shown on the **Coverage Data Page** or endorsed onto the policy as the **Named Insured**;
2. arising from liability assumed by any person or organization described in the **Who is Covered** section of your policy; or
3. arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of any person or organization described in the **Who is Covered** section of your policy.

This coverage is part of and not in addition to the limit of liability stated on the **Coverage Data Page** under **Liability Coverage**.

☒ **Search and rescue:**

We will pay up to \$25,000 of expenses you incur in the search for, and rescue of, the

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passengers of any of your aircraft that is involved in an **occurrence** or has to make a forced landing away from an airport. The expenses we will pay are the normal operating costs of aircraft used in the operations, including the costs of returning rescued persons to the nearest place where hospitalization or public transportation is available. However, we will pay only those expenses you incur after rescue operations have been abandoned by any governmental authority that normally conducts such operations when requested.

☒ **Sale of Aircraft:**

The **Liability Coverage** shown on the **Coverage Data Page** is extended to include coverage for loss or damage resulting from an **occurrence** and arising out of the sale by you of your aircraft. In order to be covered for **Bodily Injury**, including **Bodily Injury to passengers**, or **Property Damage** the loss must occur away from your premises and after physical possession and ownership of the aircraft has been relinquished to someone other than the **Named Insured**.

The coverage provided by this provision shall remain in effect for six (6) months following the date of the sale of the covered aircraft, provided coverage was in effect up to and including the date of the sale of the aircraft. This coverage is excess insurance over any other valid and collectible insurance available to you, and is part of and not in addition to the limit of liability stated on the **Coverage Data Page** under **Liability Coverage**.

☒ **Property Expansion:**

The **Property** provision in the **Liability Losses Not Covered** section of **Liability Coverage** is deleted and replaced with the following:

Property. We will not cover damage to any property that you own, rent, use or legally possess. But, we will cover the "personal effects" of each **passenger** in any one **occurrence** for up to \$5,000. "Personal effects" means luggage such as handbags, suitcases and briefcases, and their contents that travelers normally carry. We will also pay up to \$50,000 during the **policy period** for damage to hangars and their contents you do not own, but these coverage limits are part of the **Liability Coverage** limit shown on the **Coverage Data Page**, not in addition to this limit.

PART 5. SUBSTITUTE, OTHER AND NEWLY ACQUIRED AIRCRAFT

☒ **Physical Damage Liability Coverage Increase for Substitute or Other Aircraft:**

The **Physical Damage Liability Coverage for Substitute or Other Aircraft** is amended in part as follows:

The amount we will pay for this coverage will be up to 125% of the highest Coverage Limit amount shown under PHYSICAL DAMAGE COVERAGE on the Coverage Data Page, less a deductible of \$500.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Date Issued: September 9, 2021

OLD REPUBLIC INSURANCE COMPANY OF CANADA

TOTAL EXCLUSION OF ACTS OF TERRORISM

Policy Number: PC 22402401 Insured: Mark Sorrey

Policy Period: From: October 10, 2021 To: October 10, 2022

Effective Date of This Amendment: October 10, 2021 12:01 am Standard Time

THIS AMENDMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

This amendment modifies insurance provided under the following:

AIRCRAFT INSURANCE POLICY

It is agreed that this policy is amended as follows:

I. The following definitions are added and apply under this amendment whenever they are used:

A. **"Terrorism"** means activities against persons, organizations or property of any nature:

1. That involve the following or the preparation for the following:

- a. use or threat of force or violence; or
- b. commission or threat of a dangerous act; or
- c. commission or threat of an act that interferes with or disrupts an electronic communication, information, or mechanical system; and

2. When one or both of the following applies:

- a. The effect is to intimidate or coerce a government or a civilian population or any segment thereof, or to disrupt any segment of the economy; and/or
- b. It appears that the intent is to intimidate or coerce a government or a civilian population or to further a philosophical, ideological, religious, social, or economic objective or to express (or express opposition to) a philosophical, ideological, religious, social or economic objective.

B. For the purposes of this amendment, **"any injury or damage"** means any injury or damage covered under any Coverage Part to which this amendment is applicable, and includes but is not limited to **bodily injury, property damage**, or environmental damage.

II. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for **any injury or damage** caused directly or indirectly by **Terrorism**, including action in hindering or defending against an actual or expected incident of **Terrorism**. **Any injury or damage** is excluded regardless of any other cause or event that contributes concurrently or in any sequence

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TOTAL EXCLUSION OF ACTS OF TERRORISM

to such injury or damage. This exclusion also applies when one or more of the following are attributed to an incident of **Terrorism**:

- A. The **Terrorism** involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- B. The **Terrorism** is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- C. Radioactive material is released, and it appears that one purpose of the **Terrorism** was to release such material; or
- D. The **Terrorism** is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- E. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the **Terrorism** was to release such materials.

Multiple incidents of **Terrorism** which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

In the event of any incident of **Terrorism** that is not subject to this exclusion, coverage does not apply to **any injury or damage** that is otherwise excluded under this Policy.

Except for the provisions described above, this amendment does not affect any of the other terms, provisions, representations, conditions or agreements of your policy.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

OLD REPUBLIC INSURANCE COMPANY OF CANADA

EXCLUSION OF ANY INJURY OR DAMAGE CAUSED BY NUCLEAR, CHEMICAL OR BIOLOGICAL

Policy Number: PC 22402401 Insured: Mark Sorrey

Policy Period: From: October 10, 2021 To: October 10, 2022

Effective Date of This Amendment: October 10, 2021 12:01 am Standard Time

THIS AMENDMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

We will not pay for any injury or damage caused directly or indirectly that involves or results from the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

1. The injury or damage caused by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the action was to release such material to cause injury or damage; or
3. The injury or damage caused by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the action was to release such material to cause injury or damage.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Date Issued: September 9, 2021

OLD REPUBLIC INSURANCE COMPANY OF CANADA

NUCLEAR RISKS EXCLUSION CLAUSE

Policy Number: PC 22402401 Insured: Mark Sorrey

Policy Period: From: October 10, 2021 To: October 10, 2022

Effective Date of This Amendment: October 10, 2021 12:01 am Standard Time

THIS AMENDMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

A. This **Policy** does not cover:

1. 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
2. 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.

B. It is understood and agreed that such radioactive material or other radioactive source in the above paragraph (b) and (c) shall not include:

1. depleted uranium and natural uranium in any form;
2. radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.

C. 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:

1. 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
2. any person or organization is required to maintain financial protection pursuant to legislation in any country; or
3. the Insured under this **Policy** is, or had this **Policy** not been issued would be, entitled to indemnification from any government or agency thereof.

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NUCLEAR RISKS EXCLUSION CLAUSE

D. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph "B" shall (subject to all other terms, conditions, limitations, warranties and exclusions of this **Policy**) be covered, provided that:

1. 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;
2. 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;
3. in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

Emitter <u>(IAEA Health and Safety Regulations)</u>	<u>Maximum permissible level of non-fixed radioactive surface contamination</u> (Averaged over 300cm ²)
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Becquerels/cm ² (10 ⁻⁴ microcuries/cm ²)
All other emitters	Not exceeding 0.4 Becquerels/cm ² (10 ⁻⁵ microcuries/cm ²)

4. the coverages afforded hereby may be cancelled at any time by the Insurers giving seven days' notice of cancellation.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Date Issued: September 9, 2021

OLD REPUBLIC INSURANCE COMPANY OF CANADA

**RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, AND
ELECTROMAGNETIC WEAPONS EXCLUSION**

Policy Number: PC 22402401 Insured: Mark Sorrey

Policy Period: From: October 10, 2021 To: October 10, 2022

Effective Date of This Amendment: October 10, 2021 12:01 am Standard Time

THIS AMENDMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

This policy is amended as follows:

In the event any of the provisions of this amendment are in conflict with any provisions, exclusions, conditions or terms forming part of this policy, this amendment shall take precedence.

This Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

1. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
2. the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor, or other nuclear assembly or nuclear component thereof
3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

This exclusion in this sub-paragraph does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for **commercial**, agricultural, medical, scientific or other similar peaceful purposes.

5. Any chemical, biological, bio-chemical or electromagnetic weapon.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Date Issued: September 9, 2021

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PART 1. YOUR POLICY AND COVERAGES

This is your Aircraft Insurance Policy; It is designed to meet a variety of your business and personal aircraft insurance needs.

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

The phrase "on the Coverage Data Page" means the page titled "Coverage Data Page" and also includes any amendment added to this policy.

You have only those coverages for which a premium is shown on the Coverage Data Page.

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

Throughout this policy, the words "you" and "your" mean the person(s) or organization(s) named in the **Named Insured** section on the Coverage Data Page. "We", "us", and "our" mean Old Republic Insurance Company of Canada. Some of the terms appearing in this policy have a specific meaning and are defined for you in the **Glossary** located on page 19.

Your Aircraft

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

- the radio, navigation, and operational equipment usually attached;
- any temporarily detached parts even if they have been replaced by similar parts. *This coverage shall be excess insurance over any other valid and collectible insurance available to you;*
- any repair equipment or tools that are standard by the manufacturer for your aircraft and that are located in your aircraft.

You must own your aircraft solely or in part or you must have the right to use it under a written lease of at least one year.

Purpose of flight

Your aircraft, or any Substitute, Other or Newly Acquired Aircraft covered in this policy, must be used either for personal or business purposes, including the transportation of executives, employees, customers, and guests. However, you cannot charge any person or organization for using your aircraft for anything other than reimbursement of the direct operating expenses of the aircraft. If your aircraft is used for any other purpose, and you or anyone else protected by this policy knows about this unauthorized use and agrees to it, we will not provide any coverage under this policy.

If you or anyone else protected by this policy knowingly uses your aircraft to unlawfully traffic in, or carry, persons, drugs, narcotics or other contraband, we will not provide any coverage under this policy.

Who can fly your aircraft

When your aircraft is in flight, your aircraft must be operated by the pilot or pilots named in the Pilot Qualification Amendment attached to this policy, or who meet the minimum qualifications described in that amendment; otherwise, there is no coverage.

While your aircraft is being held by others for repair, storage, maintenance, or servicing by a Transport Canada approved repair facility for the purpose of maintenance or repair, the Pilot Qualification Amendment will not apply, provided you do nothing that would affect our rights under the Recovering Damages from Other People section of your policy.

When your aircraft is in flight

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

Where you can fly your aircraft

You are covered during the **policy period** while your aircraft is within the following territorial limits: Canada, the French Islands of St. Pierre and Miquelon, the United States of America and its territories and possessions, Puerto Rico, Mexico, the Bahamas, Caribbean islands and Central America. You are also covered while traveling between these points.

You are covered if your aircraft flies outside the policy territory only if it does so because of:

- a navigational error, or
- necessary pilot action that could not reasonably have been avoided.

Mexico Insurance Warning

When you fly your aircraft to Mexico.

Mexico has specific requirements regarding aircraft insurance. It may be necessary for you to secure insurance coverage from a company licensed under the laws of Mexico in order to avoid complications that could include the possible impoundment of your aircraft and even time in jail. Speak to your agent or broker about current requirements and obtaining proper evidence of coverage.

PART 2. AIRCRAFT PHYSICAL DAMAGE COVERAGE

This part of the policy describes the two kinds of coverage that are available under the policy to protect you against direct and accidental physical damage to or loss of your aircraft. These two kinds of coverage are Comprehensive Physical Damage Coverage and Limited Physical Damage Coverage.

The type of coverage you have is the one for which premium is shown on the Coverage Data Page.

Comprehensive Physical Damage Coverage

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

Limited Physical Damage Coverage

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

However, you are not protected against the type of losses described in the **Losses Not Covered** section below.

Losses Not Covered

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

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

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

Other Landing Gear Configurations. We will not cover any loss while the aircraft is being operated on floats or skis unless declared as such on the Coverage Data Page or as amended.

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

Wear and Tear. We will not cover damage to your aircraft caused by and confined to freezing, deterioration, corrosion, erosion, mold, mildew or any other form of wear and tear. However, if the wear and tear results in damage that would otherwise be covered by this policy, we will cover the resulting damage.

Example: Corrosion found on a control surface such as an elevator would not be covered. However, if the elevator fell apart and caused the aircraft to crash, we would cover the crash damage but not the elevator.

Example: Your aircraft engine fails and the wing becomes damaged during the resulting off airport landing. The engine failure is not covered, but the resulting damages to the wing would be covered through this policy.

Mechanical Breakdown. We will not cover damage to your aircraft caused by and confined to mechanical, pneumatic, structural, electrical, electronic or any other form of breakdown, malfunction or failure. This includes any damage caused in whole or in part by a defective product or an act of negligence. However, if the breakdown, malfunction or failure results in damage that would otherwise be covered by this policy, we will cover the resulting damage. Any system or group of components comprising a system will be considered a single unit and not covered.

Example: An electrical surge due to a malfunctioning voltage regulator causes the landing gear not to operate. The damage from the gear-up landing would be covered, but the repair of the voltage regulator, electrical system and avionics would not.

Engines. The Wear and Tear and Mechanical Breakdown provisions described above apply to engines and to any engine component, accessory, exhaust system, turbocharger or part of the engine, all of which are considered to be one mechanical unit.

Example: An alternator gear fails and causes the engine to become contaminated with metal. There is no coverage for the alternator or the removal of contamination from the internal engine components or subsequent catastrophic failure of the engine.

Example: The turbocharger fails and the turbocharger blades are ingested into the engine. There is no coverage for the turbocharger or the engine as they are considered one mechanical unit.

In addition, the following types of engine damage are not covered:

- Heat damage caused by the operation, attempted operation or shutdown of the engine.
- Ingestion of any engine part, engine component or engine accessory. Damage caused by ingestion of other foreign objects is covered, provided such damage results from a single recorded event noted during ground run-up or while the aircraft is **in motion** and the engine requires immediate repairs in compliance with the manufacturer's requirements. The **in motion** deductible shown on the Coverage Data Page will apply. If the damage is discovered at the time of inspection or overhaul, you must establish that the damage occurred during your **Policy Period** and that the foreign object's initial damage area exceeds the manufacturer's acceptable limits for continued service.

War, Hijacking and other Perils. We will not cover any physical damage claim that results from:

- (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
 - i) hostile detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction,
 - ii) hostile use of radioactive contamination or matter,
 - iii) hostile use of an electromagnetic pulse,
 - iv) use of chemical or biological materials that are poisonous or pathogenic arising from war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power, or use of such materials for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (c) Strikes, riots, civil commotions or labor disturbances.
- (d) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act or act of sabotage.
- (f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority.
- (g) Hi-jacking or any unlawful seizure or wrongful exercise or control of the aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the aircraft acting without the consent of the Insured. For the purpose of this exclusion (g) only, an aircraft is considered to be in flight at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation or when the aircraft is in motion. A rotor-wing aircraft shall be deemed to be in flight when the rotors are **in motion** as a result of engine power, the momentum gathered therefrom, or autorotation.

Furthermore this Policy does not cover claims arising while the aircraft is outside the control of the Insured by reason of any of the above perils. The aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the aircraft (such safe return shall require that the aircraft be parked with engines shut down and under no duress).

Date Recognition. This Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

- (a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) to accurately or completely process, exchange or transfer year, date or time data or information in connection with any change of year, date or time; whether on or before or after such change of year, date or time;

- (b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;
- (c) 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;

and any provision in this Policy concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

Conversion, Embezzlement, Sale or Disposition. If someone comes into possession of your aircraft, legally and subsequently interferes with your right of possession or sells or disposes of your aircraft, we will not cover any loss, expense or damage you sustain as a result of that sale, disposal or deprivation of use.

Financial interest. We will not cover damage or loss to your aircraft unless all financial interests anyone has in your aircraft are fully disclosed on the Coverage Data Page.

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

Payments under Physical Damage Coverage

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

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

Total loss. Your aircraft is a total loss or constructive total loss if:

- it disappears after takeoff and is not found or its whereabouts are unknown for 60 days; or
- it is stolen and not recovered within 60 days; or
- the cost to repair it, plus the amount determined by us to be the value of its salvage, is greater than or equal to your coverage limit.

If your aircraft is a total loss or a constructive total loss, we will pay your coverage limit minus any deductible that applies.

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

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

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

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

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

Whether you or someone else makes repairs, the words “similar kind and quality” mean similar kind and quality, less any

allowance for physical deterioration and depreciation. If the repair or replacement of damaged parts results in better than similar kind and quality, you must pay for any **betterment**.

Theft. If your aircraft is stolen and later found, we will pay the cost of the least expensive method to return it to the place from which it was stolen or to its home airport, whichever is closer. We will do this after any necessary repairs have been completed, if required.

Deductible. The deductible is the amount that we will subtract from any payment that we make for a covered loss. There is no deductible for losses that are caused by fire (not started in or by your aircraft), lightning, explosion, transportation, theft, robbery, or pilferage. However, if a deductible is shown on the Coverage Data Page, the deductible will apply if your aircraft catches fire or explodes due to damages that would otherwise be recoverable under this policy.

You may have an **in motion** and/or a **not in motion** deductible shown on your Coverage Data Page. Each time your aircraft suffers a covered loss we will subtract the applicable deductible amount and pay the rest of the covered loss up to the applicable coverage limit shown on the Coverage Data Page. If you have several aircraft covered under this policy, and two or more of them suffer a loss, a deductible will apply separately to each aircraft.

When we will pay. We will pay for a covered loss within 60 days after we reach an agreement with you about the amount of the loss, or a final court judgment is entered, or an appraisal award is filed with us. You must comply with all terms of this policy before we pay.

Recovered loss. If any lost or stolen property is found before we pay for it, we have a right to return the property to you and pay for any damage to it. If any lost or stolen property is found after we pay for it, we have the right to take possession of the property and sell it for whatever value we can get.

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

Amount of Insurance after a Loss

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

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

Appraisal

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

1. Either you or we can request in writing that the dispute be settled by appraisal within 60 days of the time we receive your proof of loss. Each side will then select an appraiser and notify the other of that choice within 21 days of the initial request for appraisal.
2. The appraisers will select an impartial umpire who is experienced in valuing aircraft, their equipment and parts. If the two appraisers cannot agree on an umpire within 15 days, either you or we can ask that a qualified umpire be appointed by a judge of the state or province where the aircraft is located.
3. The two appraisers will independently assess the loss for each item and submit any differences to the umpire. Subsequent agreement by any two of these three persons will determine the amount of the loss.
4. You will pay your appraiser and we will pay ours. Each side will share equally any other costs of the appraisal and the cost of the umpire.

PART 3. AIRCRAFT LIABILITY COVERAGE

This part of the policy describes this policy's Liability Coverage which protects you against certain types of claims that someone else makes against you.

Who Is Covered

Besides you, certain other people and organizations are covered under this part of the policy. They are:

- Any person who is a **passenger** in your aircraft with your permission;
- Any person or organization that uses your aircraft with your permission for a covered purpose or is legally responsible for the use of your aircraft for a covered purpose.
- Any of your employees while they are performing work for you.

For purposes of this part of the policy only, the words "you" and "your" include these other people and organizations.

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

Who Is Not Covered

We will not cover certain people and organizations. They are:

- Any person or organization that manufactures or sells aircraft, aircraft engines or accessories, or that is engaged in an aircraft repair shop, aerial application service, airport, hangar, aircraft sales agency, pilot training center, commercial flying or commuter air service or flying school; or any person or organization providing pilot services or flight instruction, if the occurrence arises from these activities;
- Any officer, director, or employee of a company we cover under this part of the policy who, while in the course of his or her work for that company, causes **bodily injury** to another employee, officer or director of the same company.

What We Will Pay

This section describes the kinds of claims we will cover, and the coverage limits that apply, provided you have Liability Coverage shown on the Coverage Data Page.

If you have two or more aircraft, your Liability Coverage limits apply separately to each aircraft.

Bodily Injury and Property Damage Coverage

Coverage A – Single Limit Bodily Injury and Property Damage Including Passengers. If you purchased this coverage, then the single limit of coverage for **bodily injury** and **property damage** is the amount indicated by the "each **occurrence**" limit shown on the Coverage Data Page for Coverage A. This coverage limit is the most we will pay for all **bodily injury** and **property damage** losses that result from an **occurrence**, regardless of the number of persons bringing a claim or the number of claims made against you, as a result of any one **occurrence**. Furthermore, if Coverage A of the Coverage Data Page shows a limit for "each **passenger**", that amount is the most we will pay for all claims and all **derivative claims** arising or resulting from **bodily injury** to any one person who is a **passenger** of your aircraft in an **occurrence**. The "each **passenger**" limit is part of, and not in addition to, the "each **occurrence**" limit. Likewise, if Coverage A of the Coverage Data Page shows a limit for "each person", that amount is the most we will pay for all claims and all **derivative claims** arising or resulting from **bodily injury** to any one person in an **occurrence**. The "each person" limit is part of, and not in addition to, the "each **occurrence**" limit.

Example: Suppose your single limit coverage for **bodily injury** and **property damage** is \$1,000,000 and the Coverage Data Page does not indicate that your policy has an “each **passenger**” or “each person” coverage limit. An **occurrence** results in a covered **bodily injury** claim for \$700,000 and a covered **property damage** claim for \$500,000. Even though the total amount claimed or awarded is \$1,200,000, the most we will pay is your “each **occurrence**” coverage limit of \$1,000,000.

Coverage B – Single Limit Bodily Injury and Property Damage Excluding Passengers. If you purchased this coverage, then the single limit of coverage for **bodily injury** and **property damage** is the amount indicated by the “each **occurrence**” limit shown on the Coverage Data Page for Coverage B, except that this limit of coverage shall not extend to bodily injury sustained by a **passenger** of your aircraft. This coverage limit is the most we will pay for **bodily injury**, sustained by persons other than **passengers** of your aircraft, and **property damage** losses that result from an **occurrence**, regardless of the number of persons bringing a claim or the number of claims made against you, as a result of any one **occurrence**.

Coverage C – Single Limit Passenger Bodily Injury Per Seat. If you purchased this coverage, then the “each person” limit shown on the Coverage Data Page for Coverage C is the most we will pay for all claims and all **derivative claims** arising or resulting from **bodily injury** to any one (1) **passenger** of your aircraft. The most we will pay for all claims and all **derivative claims** arising or resulting from **bodily injury** to **passengers** of your aircraft, regardless of the number of **passengers** or persons bringing a claim against you, is the Coverage C “each person” limit multiplied times the number of **passenger** seats in your aircraft.

Example: Suppose you have purchased Coverage B and C for an aircraft having four (4) passenger seats. The Coverage B limit for **bodily injury** and **property damage** excluding **passengers** is \$1,000,000 each **occurrence**. The Coverage C limit for **passenger bodily injury per seat** is \$300,000 each person. Three **passengers** and two persons on the ground are physically injured in an **occurrence**. The most we will pay for claims by any one of the **passengers**, together with **derivative claims** by that passenger's family members is \$300,000. The most we will pay for all claims resulting from injuries to all three **passengers**, including **derivative claims** by family members is \$900,000. Additionally, the most we will pay for all claims resulting from injuries to the two persons on the ground, together with derivative claims by their family members, and property damage losses, is \$1,000,000.

Airport premises accidents. If you are legally liable for **bodily injury** or **property damage** that takes place during the **policy period** as the result of an **occurrence** involving your use or maintenance of the premises where you park or store your aircraft, we will pay on your behalf any such legal liability for that **bodily injury** or **property damage**. This coverage is part of and not in addition to the Liability Coverage limit, and the total amount we will pay for all **bodily injury** and **property damage** arising from any one **occurrence** is the “each **occurrence**” amount indicated on the Coverage Data Page for Coverage A or B, whichever is purchased. If you have more than one aircraft insured under this policy, the most we will pay is still one “each **occurrence**” limit.

Additional Liability Coverage

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

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

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

Loss of salary. We may make a specific request that you assist us in connection with a claim or lawsuit. If we do this, we will reimburse you for your actual loss of salary or wages and for reasonable costs you incur, but not for loss of other income.

Example: If you must take time off from your job as an aircraft designer, and lose part of your regular salary, we will reimburse you. But if you lose a commission because you are unavailable during the trial, we will not reimburse you.

Payments for bonds. We will pay premiums on appeal bonds and bonds to release any property and personal effects that are being held as security. But we will not pay more than the applicable Liability Coverage limit.

We will also pay up to \$500 for each bail bond you need as a result of an **occurrence** or violation of a civil aviation rule involving your aircraft. But we have no obligation to apply for or furnish such bonds.

Financial responsibility laws. If your policy is certified as proof of insurance under any aircraft financial responsibility law, we will pay up to the minimum amounts required by such laws, even if we must pay more than your coverage limits under this policy. If we do, you agree to reimburse us for the amount we pay that is greater than what we would otherwise have paid under this policy.

Liability Losses Not Covered

There are certain types of claims we will not cover.

Bodily Injury to the Named Insured. We will not cover any claim for **bodily injury**, including death, to any **Named Insured**.

Property. We will not cover damage to any property that the **Named Insured** owns, rents, controls, transports, uses or legally possesses. But we will cover the personal effects of each **passenger** involved in an **occurrence** up to a limit of \$5,000, and we will also pay up to \$25,000 for damage during the **policy period** to hangars and their contents you do not own, but these limits are part of the Liability Coverage limit shown on the Coverage Data Page, not in addition to that limit.

Contracts. If you sign an agreement that obligates you to assume any liability of someone else, we will not cover that liability unless:

- The government requires you to sign an agreement before you can use an airport; or
- You would have had that liability whether or not you signed the agreement.

Losses by employees, officers and directors. We will not cover the following:

- Claims for **bodily injury** by any of your employees, officers or directors, if they were hurt or died in the course and scope of their work for you; or
- Claims for which you or any insurance company as your insurer is responsible under any unemployment compensation, workers' compensation, disability benefits or other similar laws.

Intentional injury. We will not cover any **bodily injury** or **property damage** that you intentionally caused, or that is intentionally caused at your direction. However, if you attempt to prevent interference with the safe operation of your aircraft (for example, the prevention of a hijacking), we will cover any **bodily injury** that arises in connection with that attempt.

Professional services. We will not cover any claim that results from the performance of any professional services, or the failure to render such services. Professional services include medical treatment by a doctor, nurse or other professional qualified to perform these services.

However, if you are legally liable for damage to a corpse carried in an aircraft covered under this policy, you will be covered under Liability Coverage for damage to the corpse, provided you have this coverage as shown on the Coverage Data Page.

Noise and Related Phenomena. We will not cover any claim for **property damage** or **bodily injury** directly or indirectly caused by:

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

Pollution and Contamination. We will not cover any claim for **bodily injury** or **property damage** directly or indirectly caused by pollution and/or contamination of any kind whatsoever directly or indirectly caused by or arising from the actual, alleged or threatened presence, discharge, dispersal, seepage, migration, release or escape of "pollutants" and/or "contaminants", no matter how caused, no matter where, no matter by whom:

- (a) at, within or from any aircraft, premises, site or location which is or was at any time owned, occupied by, or rented or loaned to any "insured";
- (b) at, within or from any aircraft, premises, site or location which is or was at any time used by or for any person or organization for the handling, storage, disposal, processing or treatment of waste;

- (c) which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom an insured may be legally responsible;
- (d) at, within or from any aircraft, premises, site or location on which an "insured" or any person or organization or contractors or subcontractors working directly or indirectly on an insured's behalf are performing operations:
 - (i) if the "pollutants" or contaminants are brought on, within or to the aircraft, premises, site or location or the atmosphere in connection with such operations of any person or organization, contractor or subcontractor; or,
 - (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants" or asbestos.

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

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

"Pollutants" and "contaminants" mean any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapor, silica, soot, fumes, acids, alkalis, fuels, oil, bacteria, fungus, chemicals and waste; or any material which is identified in any private or governmental study or report as requiring removal or remediation, or any material listed as a possible or probable carcinogenic by any private or governmental agency. Waste includes materials to be recycled, reconditioned or reclaimed, whether or not the materials have been disposed of by an insured or any person or organization handling the material.

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

Asbestos. We will not cover any claim for **bodily injury** or **property damage** directly or indirectly caused by asbestos or the exposure to asbestos, asbestos fibers, asbestos dust, or any product or material containing asbestos or the failure of any product or material containing asbestos or the existence of asbestos in any place or thing in the atmosphere, land, or any water course or body of water.

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

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

Interference with the use of property. We will not cover any claim for **bodily injury** or **property damage** directly or indirectly caused by:

- the interference with the use of any property;
- any trespass to person or property committed by or at your instruction.

Mold. We will not cover any claim for **bodily injury** or **property damage** directly or indirectly caused by mold or mildew.

War, Hijacking and other perils exclusion clause (Aviation). 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
 - i) hostile detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction,
 - ii) hostile use of radioactive contamination or matter,
 - iii) hostile use of an electromagnetic pulse,
 - iv) use of chemical or biological materials that are poisonous or pathogenic arising from war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power, or use of such materials for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (c) Strikes, riots, civil commotions or labor disturbances.

- (d) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act or act of sabotage.
- (f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority.
- (g) Hi-jacking or any unlawful seizure or wrongful exercise or control of the aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the aircraft acting without the consent of the Insured. For the purpose of this exclusion (g) only, an aircraft is considered to be in flight at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation or when the aircraft is in motion. A rotor-wing aircraft shall be deemed to be in flight when the rotors are **in motion** as a result of engine power, the momentum gathered therefrom, or autorotation.

Furthermore this Policy does not cover claims arising while the aircraft is outside the control of the Insured by reason of any of the above perils. The aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the aircraft (such safe return shall required that the aircraft be parked with engines shut down and under no duress).

Date Recognition. This Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

- (a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) to accurately or completely process, exchange or transfer year, date or time data or information in connection with any change of year, date or time; whether on or before or after such change of year, date or time;
- (b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;
- (c) 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;

and any provision in this Policy concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

PART 4. MEDICAL COVERAGE

This part of the policy describes the Medical Coverage available under this policy. Medical Coverage payments are made no matter who is responsible for causing an **occurrence**.

If you have Medical Coverage, it will be shown on the Coverage Data Page.

What We Will Pay

We will pay the kinds of medical expenses described below, up to the applicable coverage limit, provided that you have this type of coverage shown on the Coverage Data Page.

Medical Expenses. If **passengers** sustain **bodily injury** as the result of an **occurrence**, we will pay the reasonable medical expenses they incur within a year of the **occurrence**. But we will pay these expenses only up to the applicable coverage limits. Reasonable medical expenses include:

- Fees for doctors, surgeons, and dentists;
- Costs for ambulance, x-ray and hospital services;
- Fees for professional nurses;
- Costs for prosthetic devices.

If a **passenger** dies within a year of an occurrence, as a result of injuries suffered in that occurrence, we will pay reasonable funeral expenses to the passenger's surviving spouse, or to his or her estate.

Coverage limits. Your Medical Coverage has a limit for "each **passenger**" shown on the Coverage Data Page. This limit is the most we will pay for all medical and funeral expenses incurred by each **passenger** as the result of any one **occurrence**. If we make any payments, we will apply them against your Medical Coverage limit.

We have the right to pay the injured **passenger** directly or to pay the organization or person providing the medical service. Any payment we make will not be an admission of your legal liability.

Proof of medical services. Before we make any payments under your Medical Coverage, we require that the injured **passenger**, or someone representing him or her, give us a written statement proving that medical services were received. The statement must reach us within 60 days after we request it and must include:

- the name and address of each person or organization providing the services;
- the dates the services were provided; and
- the amounts paid for the services.

Also, the statement must give us permission to obtain medical reports and copies of records.

We must receive proof of the services as soon as:

- the medical services are completed; or
- the cost of these services equals or exceeds the "each **passenger**" limit; or
- one year passes from the date of the **occurrence**.

PART 5. SUBSTITUTE, OTHER AND NEWLY ACQUIRED AIRCRAFT

This part of the policy describes the coverage you have for aircraft not described on the Coverage Data Page. For example, you may rent a substitute aircraft if your aircraft is temporarily unavailable for use. Or you may use other aircraft even when your aircraft is available. Or you may acquire one or more additional aircraft after the beginning of the **policy period**.

The kind of coverage you have under these circumstances is described in this part.

Use of Substitute Aircraft

If we insure all aircraft that you own or lease, we will extend your Liability and Medical Coverages to include your permissive and lawful use of a substitute aircraft if your aircraft is lost or destroyed, or if it is disabled or being repaired or serviced. But the following conditions will apply:

- The substitute aircraft must not be owned in whole or in part by you, or furnished to you for your regular use.
- The substitute aircraft must have a Certificate of Airworthiness issued by Transport Canada or have an equivalent certificate issued by another government.
- The substitute aircraft cannot be leased by you.
- If your aircraft described on the Coverage Data Page is a fixed wing aircraft, the substitute aircraft must also be a fixed wing aircraft though it may not be an Ultra-light, advanced Ultra-light, Amateur Built, Homebuilt or any aircraft which falls under the Owner Maintenance Program as defined by Transport Canada.
- The substitute aircraft cannot be a helicopter, unless your policy already covers a helicopter.
- If your aircraft which was withdrawn from use is a single-engine aircraft, the substitute aircraft must also be a single-engine aircraft. However, if your aircraft which was withdrawn from use is a multi-engine aircraft, the substitute aircraft may be either a single-engine or multi-engine aircraft.
- If your aircraft described on the Coverage Data Page is powered by a reciprocating engine, the substitute aircraft must also be powered by a reciprocating engine. However, if your aircraft described on the Coverage Data Page is powered by a turbine powered engine, the substitute aircraft may be powered by either a reciprocating engine or a turbine powered engine.
- The substitute aircraft must not have a maximum type certificated gross take off weight of more than 12,500 pounds nor can it have a maximum type certificated seating capacity (including crew) of more than 7 seats.
- This policy does not cover the owner of the substitute aircraft or any of that owner's employees, officers or directors.

Use of Other Aircraft

If we insure all aircraft that you own or lease, we will extend your Liability and Medical Coverages to include your permissive and lawful use of another aircraft. If the **Named Insured** on the Coverage Data Page is an individual, we will also extend this coverage to the **Named Insured's** spouse (if he or she lives in your household) and to both the **Named Insured** and his or her spouse if another aircraft is used on behalf of the **Named Insured** or his or her spouse. But the following conditions must be satisfied in order for this extension of coverage to apply:

- The other aircraft must not be owned in whole or in part by you, or furnished to you for your regular use.
- The other aircraft must have a Certificate of Airworthiness issued by Transport Canada or have an equivalent certificate issued by another government.
- The other aircraft cannot be leased by you, your spouse or any other member of your household.
- The other aircraft cannot be a helicopter, unless your policy already covers a helicopter.
- If your aircraft described on the Coverage Data Page is a fixed wing aircraft, the substitute aircraft must also be a fixed wing aircraft though it may not be an Ultra-light, advanced Ultra-light, Amateur Built, Homebuilt or any aircraft which falls under the Owner Maintenance Program as defined by Transport Canada.

- The other aircraft cannot be a helicopter, unless your policy already covers a helicopter.
- If your aircraft described on the Coverage Data Page is a single-engine aircraft, the other aircraft must also be a single-engine aircraft. However, if your aircraft described on the Coverage Data Page is a multi-engine aircraft, the other aircraft may either a single-engine or multi-engine aircraft.
- If your aircraft described on the Coverage Data Page is powered by a reciprocating engine, the other aircraft must also be powered by a reciprocating engine. However, if your aircraft described on the Coverage Data Page is powered by a turbine powered engine, the other aircraft may be powered by either a reciprocating engine or a turbine powered engine.
- The other aircraft must not have a maximum type certificated gross take off weight of more than 12,500 pounds nor can it have a maximum type certificated seating capacity (including crew) of more than 7 seats.
- This policy does not cover the owner of the other aircraft or any of that owner's employees, officers or directors.

Physical Damage Liability Coverage for Substitute or Other Aircraft

If we insure all aircraft that you own or lease and you have Comprehensive Physical Damage Coverage on one or more aircraft shown on the Coverage Data Page, we will pay for damages to a substitute or other aircraft that is permissibly and lawfully in your control up to 110% of the highest Coverage Limit amount shown under PHYSICAL DAMAGE COVERAGE on the Coverage Data Page, less a deductible of \$1,000. The following conditions will apply:

- The substitute or other aircraft must not be owned in whole or in part by you, or furnished to you for your regular use.
- The substitute or other aircraft must have a Certificate of Airworthiness issued by Transport Canada or have an equivalent certificate issued by another government.
- If your aircraft described on the Coverage Data Page is a fixed wing aircraft, the substitute or other aircraft must also be a fixed wing aircraft though it may not be an Ultra-light, advanced Ultra-light, Amateur Built, Homebuilt or any aircraft which falls under the Owner Maintenance Program as defined by Transport Canada.
- The substitute or other aircraft cannot be a helicopter, unless your policy already covers a helicopter.
- If your aircraft described on the Coverage Data Page is a single-engine aircraft, the substitute or other aircraft must also be a single engine aircraft. However, if your aircraft described on the Coverage Data Page is a multi-engine aircraft, the substitute or other aircraft may be either a single-engine or multi-engine aircraft.
- If your aircraft described on the Coverage Data Page is powered by a reciprocating engine, the substitute or other aircraft must also be powered by a reciprocating engine. However, if your aircraft described on the Coverage Data Page is powered by a turbine powered engine, the substitute or other aircraft may be powered by either a reciprocating engine or a turbine powered engine.
- The substitute or other aircraft must not have a maximum type certificated gross take off weight of more than 12,500 pounds nor can it have a maximum type certificated seating capacity (including crew) of more than 7 seats.
- This policy does not cover the owner of the substitute or other aircraft or any of that owner's employees, officers or directors.
- The Canadian Aviation Regulations must not require the pilot of the substitute or other aircraft to have a valid type rating.

Newly Acquired Aircraft

If you buy or lease an aircraft and notify us within 30 days, we will automatically extend your coverage from the date you acquire the additional aircraft. But we will do this only if, at the beginning of the **Policy Period**, we insure all of the aircraft you own or lease. In return, you agree to pay us an additional premium for this increased coverage.

We will cover a newly acquired helicopter only if you already have a helicopter covered under this policy. And we will cover newly acquired multi-engine aircraft only if your policy already covers multi-engine aircraft.

The following coverage limits will apply to newly acquired aircraft:

- The Physical Damage Coverage limit shall be the actual cost of the newly acquired aircraft to the **Named Insured**, but shall not exceed 125% of the highest insured value of any aircraft described on the Coverage Data Page.
- The Liability and Medical Coverage limits applicable to your aircraft with the largest seating capacity shown on the Coverage Data Page.

PART 6. GENERAL PROVISIONS

This part of the policy describes certain obligations you have under this policy and certain limitations on the use of your aircraft. It also explains our rights under the policy. These general provisions apply to all parts of this policy.

Certificate of Airworthiness

Your aircraft must have a Certificate of Airworthiness issued by Transport Canada, or it must have an equivalent certificate issued by another government. Your aircraft must also have been subjected to the appropriate airworthiness inspection(s) as required under current applicable Canadian Aviation Regulations, or its foreign equivalent, for the operations involved.

Increased Value of Your Aircraft

If you modify or add equipment to your aircraft, and the change does not affect the Certificate of Airworthiness issued by Transport Canada, we will automatically increase your Physical Damage Coverage limit shown on the Coverage Data Page to reflect the value of the addition. You must notify us of any such change to your aircraft within 30 days and agree to pay us an additional premium for the increased coverage.

This increased coverage, however, cannot be for more than 25% of your Physical Damage Coverage limit.

Other Insurance

The following rules apply to all losses covered by any other insurance policies available to you or anyone else covered under Part 3 of the policy, but these rules do not apply to your Medical Coverage or Voluntary Payments for Bodily Injury Coverage (if Voluntary Payments for Bodily Injury Coverage is added to your policy). Also if there are two or more policies issued by us that cover the same loss, damage or claim we will only pay up to the highest applicable coverage limit for a covered loss, damage or claim.

For your aircraft. The most we will pay for loss or damage to your aircraft, or on your behalf for a covered claim against you by someone else if the loss, damage or claim is also covered by other insurance, is computed this way:

1. We will determine the percentage that this policy's applicable coverage limit represents of the total valid and collectible insurance that is payable for the covered loss, damage or claim.
2. We will then multiply the amount of the loss, damage or claim by this percentage. The result is the amount we will pay.

Example: Assume your coverage for **bodily injury** and **property damage** claims under this policy is \$300,000. You also have another policy with a \$200,000 coverage limit for these types of claims. The total of your coverage limits is \$500,000. If there is a \$100,000 **bodily injury** or **property damage** claim against you, and the claim is covered under both policies, we will pay 60% (\$300,000/\$500,000) of the claim, which is \$60,000.

However, if you bought the other policy as excess insurance to apply only after your applicable coverage limit on this policy has been exhausted, we will not use the other policy when we compute the amount we will pay after a loss, damage or claim.

For substitute aircraft and other aircraft. If there is a covered claim against you for your use of substitute aircraft or other aircraft, we will not pay for that claim under this policy until all other valid and collectible insurance has been exhausted.

Transfer of Legal Rights

You agree not to transfer any legal rights you have under this policy without our prior written consent.

If we are notified in writing within 60 days of your death, or within 60 days of your being declared bankrupt, we will provide the following coverage:

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

Inspection and Audit

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

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

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

Actions Against the Company

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

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

Recovering Damages from Other People

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

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

Voiding the Policy

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

Changes

If you simply notify us or your agent about a change or waiver, this will not alter this policy. Nor will it prevent us from exercising our rights under this policy. You can, however, change or waive your coverage by having amendments added to this policy. Contact us or your agent for information about policy amendments.

Warning – Offences

It is an offence under the Insurance Act to knowingly make a false or misleading statement or representation to an Insurer in connection with the person's entitlement to a benefit under a contract of insurance, or to willfully fail to inform the Insurer of a material change in circumstances within 14 days, in connection with such entitlement. The offence is punishable on conviction by a maximum fine of \$100,000 for the first offence and a maximum fine of \$200,000 for any subsequent conviction.

It is an offence under the federal Criminal Code for anyone to knowingly make or use a false document with the intent it be acted on as genuine and the offence is punishable, on conviction, by a maximum of 10 years imprisonment.

It is an offence under the federal Criminal Code for anyone, by deceit, falsehood or other dishonest act, to defraud or to attempt to defraud an insurance company. The offence is punishable, on conviction, by a maximum of 10 years imprisonment for cases involving an amount over \$5,000 or otherwise a maximum of 2 years imprisonment.

Changes

If you simply notify us or your agent about a change or waiver, this will not alter this policy. Nor will it prevent us from exercising our rights under this policy. You can, however, change or waive your coverage by having amendments added to this policy. Contact us or your agent for information about policy amendments.

Applicable law

If necessary, the terms of this policy are amended to comply with the laws of the province where this policy is issued.

Cancellation

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

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

A copy of any notice of cancellation will also be mailed to the lienholder, if any.

Return of Unearned Premium

If we cancel this policy, the unearned premium will be returned to you. The return will be on a pro-rata basis, which is computed this way:

1. First, we calculate how much time there is remaining between the effective date of the cancellation and the day this policy expires.
2. We then figure out the percentage of your **policy period** that this remaining time represents.
3. Finally, we multiply this percentage by the amount of your premium. The result is the unearned premium that we return to you.

If you cancel this policy, we will compute the return premium by calculating the unearned premium on a pro-rata basis, then subtracting 10%.

Return of unearned premium after a loss. If your aircraft suffers a total loss or a constructive total loss, we will return the unearned part of your insurance premium on a pro-rata basis.

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

Physical Damage to Aircraft

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

- Protect your aircraft, whether or not you think the loss is covered under this policy. Any further loss or damage that results because you fail to protect your aircraft will not be covered under this policy.
- Notify us or your agent immediately. You must also notify the police immediately if there is any theft, robbery, or pilferage of your aircraft.
- Within 90 days after the loss, send us a sworn proof of loss including the following:
 1. the time, place, and nature of the loss;
 2. your interest in the damaged or lost aircraft;
 3. the interest anyone else has in the damaged or lost aircraft; and,
 4. any other insurance you have on your aircraft.

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

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

Liability Claim or Suit

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

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

Examination and proof. The injured person or his or her representative will, at the earliest reasonable date, give us any available information about the occurrence and injuries, and will help us obtain medical reports or copies of these. In the case of Medical Coverage, we have the right to have the injured **passenger** medically examined at our own expense as often as is reasonable while we are making payments to that person. If there is a death that we cover under Voluntary Payments for Bodily Injury Coverage (if Voluntary Payments for Bodily Injury Coverage is added to your policy), we have the right to require an autopsy where the law allows us to do so.

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

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

PART 8. GLOSSARY

The glossary provides definitions of several key words that are used in this policy.

“Bodily injury” means physical injury to someone's body, death, disease and mental anguish.

“Betterment” means a reduction in the claim payment arising out of the overhaul or replacement of a part or component during the repair process which is worn or has a specified time life by the manufacturer and must be overhauled or replaced with new or overhauled part. *For example, if a propeller that has a time-life specified by its manufacturer of 2,000 operational hours/6 years and had accumulated 1,000 hours/ 3 years at the time of the accident it will be subject to a reduction in the claim payment of 50% based upon the average overhaul cost or replacement cost assuming the propeller would be eligible for overhaul at the end of its time life period.*

“Derivative claim” means a claim for **bodily injury** asserted by a person who was not physically injured in an **occurrence** and was not exposed to an unreasonable risk of physical injury in that **occurrence** by direct contact with your aircraft.

“Holding Company” means a corporation formed primarily for the ownership and operation of aircraft and whose principal asset is the aircraft insured by this policy.

“In Motion” means any time your aircraft is in flight or the aircraft is moving under its own power, or momentum from this power, on the ground. If your aircraft is a helicopter, **“in motion”** means any time the engines are operating or attempting to operate or the rotors are rotating or attempting to rotate.

“Named Insured” means the person, persons, or organization named in the **Named Insured** section on the Coverage Data Page and is referred to throughout the policy as “you” and “your”. If the **Named Insured** is a partnership, the term **Named Insured** will include any partner thereof. If the **Named Insured** is a corporation, it will include any officer, director or employee of the **Named Insured**. If the **Named Insured** is a **Holding Company**, the term **Named Insured** shall include any officer, director, employee, owner, stockholder or member of the corporation.

“Not In Motion” means all circumstances not covered by **in motion**.

“Occurrence” means a sudden unforeseen accident, or a series of accidents arising from that accident that must occur during the policy period and which results in bodily injury or property damage. All injury or damage resulting from the same accident will be considered one occurrence.

“Passenger” means someone, including crew, who is either inside your aircraft or is entering or leaving your aircraft before or after a flight.

“Policy Period” means the inclusive dates that this policy is in effect. These dates are shown on the Coverage Data Page.

“Property Damage” means damage to or destruction of tangible property belonging to someone other than you; it includes the loss of use of that property.

INSURANCE IS PROVIDED BY
OLD REPUBLIC INSURANCE COMPANY OF CANADA

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by law, this policy shall not be valid unless countersigned by our authorized representative.

OLD REPUBLIC INSURANCE COMPANY OF CANADA

Box 557, 100 King St W
Hamilton, ON L8N 3K9, Canada

A handwritten signature in blue ink, appearing to read 'PMF', is centered on the page.

Paul M. Field, CPA CA
President and Chief Executive Officer

Insuring New HorizonsSM

OLD REPUBLIC INSURANCE COMPANY OF CANADA AND YOUR PRIVACY

We are committed to protecting your privacy

Collecting personal information about you is essential to our ability to offer you high-quality insurance products and service. We take great care to keep your personal information, which we collect, accurate, confidential and secure.

Our Policy sets high standards for collecting, using, disclosing and storing personal information. Old Republic Insurance Company of Canada's Privacy Code complements our Privacy Policy.

If you have any questions about Old Republic Insurance Company of Canada's Privacy Policy or Privacy Code, please contact our Privacy Officer at (905) 523-5587 or by email at Privacy@orican.com

In this document, you and your mean the individual who is a customer or potential customer of Old Republic Insurance Company of Canada (Old Republic Canada) and we, us and our mean Old Republic Canada.

OLD REPUBLIC INSURANCE COMPANY OF CANADA'S PRIVACY POLICY

1. How we collect, use and disclose personal information
2. We will protect your personal information
3. Your right to access your personal information
4. How to register a complaint
5. For more information

1. How we collect, use and disclose personal information

We ask you for only the information we need.

We collect only the information we need for the purposes we have identified to you.

Our files are kept for the purpose of providing and servicing insurance products and services that we believe are right for you, over your lifetime.

We will not sell your personal information.

Why we need the information.

Generally, we need to collect personal information to:

- understand your needs,
- determine your eligibility,
- continue to offer you the full range of products and services that we believe meet your changing needs and to service such products and services,

- meet regulatory or contractual requirements relating to the services and products provided to you.

We will make sure you understand why we need the information by identifying the purpose in clear, understandable language.

We will obtain your permission.

We collect, use or disclose your personal information only with your permission.

Your permission may be expressed in writing or be implied and you may give it to us verbally, electronically, or through your authorized representative.

You may withdraw your permission to collect, use and disclose your personal information at any time, subject to legal and contractual restrictions and reasonable notice.

Where your medical information is collected or released, we will obtain your consent to do so.

Before we make information available to third parties, other than an agent or service provider who needs it, we will tell you at the time we obtain your consent or before we make the information available, who those persons or organizations are, the kind of information we want to share with them and why.

We will limit how long we keep information.

We will keep your personal information as long as it is necessary, including updating the product or service or as required by law.

When we destroy personal information, we will use safeguards to prevent unauthorized parties from gaining access to the information during the process.

2. We will protect your personal information

We are responsible for your information.

We are responsible for all personal information in our possession; including information transferred to a third party service provider or agent, so that we can provide you with a product or service.

All employees, agents and authorized service providers of Old Republic Canada are required to protect the confidentiality of your personal information.

How we protect information.

Access to your personal information is restricted to those of Old Republic Canada's employees, agents and authorized service providers who need it to do their jobs.

We have developed and are continuing to improve security procedures to safeguard and protect personal information against loss, theft, unauthorized disclosure, copying, and unauthorized use or modification.

We maintain appropriate safeguards and security procedures that reflect the types of documents, including electronic or paper records. We have instituted organizational measures including security clearances and limiting access on a "need-to-know" basis, and technological measures such as the use of passwords and encryption.

While we endeavor to protect all information, the most sensitive information, such as medical information, receives the highest level of protection.

3. Your right to access your personal information

Your rights.

You have the right to ask whether we hold any personal information about you and to see that information, as provided by law. Where we have obtained medical information about you from a third party, we will release this information only through your physician.

You also have the right to know:

- how we collected your personal information,
- how we are using it, and
- to whom it may have been disclosed.

How to request an update or correction.

If you believe any of the information we have collected about you is incorrect or incomplete, you have the right to ask us to change it.

If you show that your personal information is inaccurate or incomplete, we will make the necessary

If you feel we have not dealt with your request to your satisfaction, you can follow our complaint resolution procedures.

4. How to register a complaint

You may register a privacy-related complaint by contacting Old Republic Canada's Privacy Officer. We will explain Old Republic Canada's complaint procedure to you and investigate all complaints. If a complaint is justified, we will take all appropriate steps to set the situation right, including changing our policies and practices if necessary. We will also let you know what other complaint procedures may be available to you.

5. For more information

For more information, please contact Old Republic Canada's Privacy Officer by email at Privacy@orican.com

or by regular mail to: Privacy Officer,
Old Republic Insurance Company of Canada
Box 557, 100 King Street West
Hamilton ON L8N 3K9

Principle 1: Accountability

Each member, employee or agent of Old Republic Canada is responsible for personal information under his or her control. Old Republic Canada has designated a Privacy Officer to be accountable for compliance with this Code.

Principle 2: Identifying Purposes

The purposes for which personal information is collected shall be identified before or at the time the information is collected.

Principle 3: Consent

The prior knowledge and permission of the individual are required for the collection, use or disclosure of personal information, except for legal or security reasons.

Principle 4: Limiting Collection

The collection of personal information shall be limited to that which is necessary for the purposes identified. Personal information shall be collected by fair and lawful means.

Principle 5: Limiting Use, Disclosure and Retention

Personal information will not be used, disclosed or retained for purposes other than those for which the information was collected, except with the permission of the individual, or as permitted or required by law.

Principle 6: Accuracy

Personal information shall be as accurate, complete and current as is necessary for the identified purposes for which it is to be used.

Principle 7: Safeguarding Information

Personal information will be protected by safeguards appropriate to the sensitivity of the information.

Principle 8: Openness

Old Republic Canada will make readily available to our customers specific information about our policies and procedures relating to the management of their personal information.

Principle 9: Individual Access

Upon request, an individual will be informed of the existence, use and disclosure of his or her personal information and shall be given access to it. An individual will be able to challenge the accuracy and completeness of the information and have it amended as appropriate.

Principle 10: Handling Customer Complaints and Suggestions

Individuals can address any complaint regarding compliance with the above principles to:

Privacy Officer,
Old Republic Insurance Company of Canada
Box 557, 100 King Street West, Hamilton ON L8N 3K9



OLD REPUBLIC INSURANCE COMPANY OF CANADA

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**Exceptional aviation claim
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McLarens Aviation is the claim handling administrator and claims can be reported online at www.oldrepubliccanadaaero.com.

Or, contact the McLarens Aviation claim office at: Tel: +1 450.672.6090

**Send all mail to: McLarens Aviation
2035 Victoria, Suite 207
St-Lambert, Quebec J4S 1H1
Canada**

OLD REPUBLIC INSURANCE COMPANY OF CANADA

STATUTORY CONDITIONS

Policy Number: PC 22402401 Insured: Mark Sorrey

Policy Period: From: October 10, 2021 To: October 10, 2022

Effective Date of This Amendment: October 10, 2021 12:01 am Standard Time

THIS AMENDMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

This policy is hereby amended and such provision contained herein, when applicable, shall take precedence over conflicting terms contained in this policy, otherwise the terms of the policy shall prevail:

Misrepresentation

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

Property of others

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

Change of interest

3. The insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

Material change in risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

Termination of insurance

5. (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.

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- (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

Requirements after loss

- 6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
 - ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - iv) stating the amount of other insurances and the names of other insurers,
 - v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - vii) stating the place where the insured property was at the time of loss,
 - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

- 7. Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

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Who may give notice and proof

8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made
- (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
 - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

Salvage

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

10. After loss or damage to insured property, the insurer has
- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
 - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In case of disagreement

11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
- (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

When loss payable

12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.
- Repair or replacement
13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

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Notice

14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.
- (3) A copy of such written notice to the insurer shall be sent to the insurer's agent at

Old Republic Insurance Company of Canada
Stelco Tower
100 King St W
Hamilton, Ontario L8P 1A2, Canada

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.