



FLOCK 

**Fly Unlimited: subscription insurance
for commercial drone operators**

Allianz Global Corporate & Specialty SE

Fly Unlimited: subscription insurance for commercial drone operators

Allianz Global Corporate & Specialty SE (Insurers) hereby agree, in consideration of the premium specified in the Schedule having been paid or agreed to be paid to us by or on behalf of the Insured and in reliance upon the statements in the Schedule, to indemnify the Insured against its legal liability or expense in the manner provided herein.



Authorised Signatory for and on behalf of
Allianz Global Corporate & Specialty SE
17/08/2018

Headings are inserted for the purpose of convenient reference only and are not to be deemed part of this Policy.

Certain words and phrases used in this Policy have special meanings which can be found in Section III (E) Definitions.

The Insurers agree to insure against loss, damage or liability, arising out of an Accident occurring during the Period of Insurance to the extent and in the manner provided in this Policy.

SECTION I

Loss of or damage to UAV

1. Coverage

- a. The **insurer** will pay for physical loss of or damage to the **UAV** (inclusive of detachable and non-detachable payloads) described in the Schedule arising from the risks covered, inclusive of theft, whilst in flight, on the ground or in **transit** up to the **insured value**. The final sum paid by the Insurer will be subject to amounts deducted as specified in Part 5 (Section 1- a) of the Schedule. In the instance of Water Damage claims, the excess will be increased by additional £250.
- b. If the UAV is insured hereby for the risks of Flight, the Insurers will, in addition, pay reasonable emergency expenses necessarily incurred by the Insured for the immediate safety of the UAV consequent upon damage or forced landing, up to 10 per cent of the limit specified in Part 5 (Section I – b) of the Schedule.

2. Exclusions applicable to this Section only

The Insurers shall not be liable for:

- a. Wear and Tear, Breakdown
 - i. wear and tear, deterioration, breakdown, defect or failure howsoever caused in any part of the UAV and the consequences thereof within such part;
 - ii. damage to any Unit by anything which has a progressive or cumulative effect but damage attributable to a single recorded incident is covered under paragraph 1(a) above.

HOWEVER accidental loss of or damage to the UAV consequent upon 2(a) or (b) above is covered under paragraph 1(a) above.

b. Theft

The Insurers shall not be liable for theft or attempted theft of the UAV:

- i. by you or with your knowledge or consent: or
- ii. by others. However, theft by others involving violent or forcible entry to or exit from a building, shipping container, gated compound secured

with a closed shackle padlock, or locked boot, trailer, roof box or locked compartment of a motor vehicle, is covered under this section provided all security measures on the motor vehicle, trailer or roof box are in force at the time of the theft or attempted theft and the UAV is kept out of sight at all times.

3. Conditions applicable to this Section only

a. Dismantling, Transport and Repairs

If the UAV is damaged...

- i. no dismantling or repairs shall be commenced without the consent of the Insurers except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority;
- ii. the Insurers will pay only for repairs and transport of labour and materials by the most economical method unless the Insurers agree otherwise with the Insured.

b. Payment or Replacement

If the Insurers exercise their option to pay for or replace the UAV

- i. the Insurers may take the UAV (together with all documents of record, registration and title thereto) as salvage;
- ii. the replacement UAV shall be of the same make and type and in reasonably like condition unless otherwise agreed with the Insured.

c. No Abandonment

Unless the Insurers elect to take the UAV as salvage the UAV shall at all times remain the property of the Insured who shall have no right of abandonment to the Insurers.

d. Other Insurance

No claim shall be payable under this Section if other insurance which is payable in consequence of loss or damage covered under this Section has been or shall be effected by or on behalf of the Insured without the knowledge or consent of the Insurers.

e. Equipment storage in residential premises

If the Insured lives on the Premises where equipment is stored, all equipment must be stored in a secure place in the residential part of the Premises.

See also Section III (General Exclusions / Conditions)

SECTION II

Legal liability to third party

1. Coverage

- a. The Insurers will indemnify the Insured for all sums which the Insured shall become legally liable to pay, and shall pay, as compensatory damages (including costs awarded against the Insured) in respect of:
 - i. Accidental bodily injury (fatal or otherwise) and accidental damage to property caused by the UAV described in the Schedule or by any object falling therefrom.
 - ii. Invasion of privacy.

2. Exclusions applicable to this Section only

The Insurers shall not be liable for loss of or damage to any property belonging to or in the care, custody or control of the Insured.

3. Limit of Indemnity applicable to this Section

- a. The liability of the Insurers under this Section shall not exceed the amount stated in Part 5 (Section II - b) of the Schedule, less any amounts under Part 5 (Section II - a).

The liability for Invasion of privacy claims should be sub-limited to the amount stated in Part 5 (Section III – b) for each and every loss, less any amounts under Part 5 (Section III – a).

The Insurers will defray in addition any legal costs and expenses incurred with their written consent in defending any action which may be brought against the Insured in respect of any claim for compensatory damages covered by this Section, but should the amount paid or awarded in settlement of such claim exceed the Limit of Indemnity then the liability of the Insurers in respect of such legal costs and expenses shall be limited to such proportion of the said legal costs and expenses as the Limit of Indemnity bears to the amount paid for compensatory damages.

4. Noise

Subject to Section II Legal Liability to Third Parties being in place then coverage excluded by Attachment Number One of the Noise and Pollution and

Other Perils Exclusion Clause is hereby re-instated.

Cover under Section II Legal Liability to Third Parties is therefore extended, to cover claims directly or indirectly occasioned by, happening through or in consequence of noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith. (attachment 1)

See also Section III (General Exclusions / Conditions)

SECTION III - A

General exclusions applicable to all sections of this policy

This policy does not apply:

1. Illegal Uses

Whilst the UAV is being used for any illegal purpose or for any purpose other than those stated in Part 3 of the Schedule and as defined in the Definitions.

2. Geographical Limits

Whilst the UAV is outside the geographical limits stated in Part 4 of the Limits Schedule unless due to force majeure.

3. Operator

Whilst the UAV is being operated by any person not stated within Part 1 of the Schedule.

4. Landing and Take-off Areas

Whilst the UAV is landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the UAV except as a result of force majeure.

5. Contractual Liability

To liability assumed or rights waived by the Insured under any agreement except to the extent that such liability would have attached to the Insured in the absence of such agreement.

6. Non-Contribution

To claims which are payable under any other policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Policy not been effected.

7. Nuclear Risks

To claims excluded by the attached Nuclear Risks Exclusion Clause (attachment 2)

8. War, Hi-jacking, and Other Perils

1. To claims caused by:

- a. War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
 - b. Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 - c. Strikes, riots, civil commotions or labour disturbances.
 - d. Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
 - e. Any malicious act or act of sabotage.
 - f. Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.
 - g. Hi-jacking or any unlawful seizure or wrongful exercise of control of the UAV in Flight (including any attempt at such seizure or control) of the UAV acting without the consent of the Insured.
2. Furthermore this Policy does not cover claims arising whilst the UAV is outside the control of the Insured by reason of any of the above perils.
 3. The UAV shall be deemed to have been restored to the control of the Insured on the safe return of the UAV to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the UAV (such safe return shall require that the UAV be parked with engines shut down and under no duress).
9. **Noise and pollution**
To claims excluded by the attached Noise, Pollution and Other Perils Clause (attachment 1)
 10. **Asbestos Exclusion**
To claims excluded by the attached Asbestos Exclusion Clause (attachment 3)
 11. **Scratching/fogging**
In respect of camera equipment, coverage excludes scratching / fogging of lenses and mechanical derangement unless arising out of an accident to the UAV to which it is fitted on.
 12. **AVN 111 Clause**
Notwithstanding anything to the contrary in the Policy the following shall apply:

- a. If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Policy or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defence to the Insured or make any payment of defence costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such law or regulation.
- b. In circumstances where it is lawful for an Insurer to provide coverage under the Policy, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the Insurer will take all reasonable measures to obtain the necessary authorisation to make such payment.
- c. In the event of any law or regulation becoming applicable during the Policy period which will restrict the ability of an Insurer to provide coverage as specified in paragraph 1, then both the Insured and the Insurer shall have the right to cancel its participation on this Policy in accordance with the laws and regulations applicable to the Policy provided that in respect of cancellation by the Insurer a minimum of 30 days notice in writing be given.

13.AVN 72

Contracts (Rights of Third Parties) Act 1999 Exclusions Clause (attachment 5)

SECTION III – B

Extensions on coverage

1. Extended Coverage Endorsement (attachment 4)
2. Pilot Indemnity Clause (attachment 6)
3. Unauthorised Use Clause (attachment 7)
4. Civil Use of MOD Airfields Endorsement (attachment 8)
5. UAV Spares Extension Endorsement (attachment 9)
6. Transit extension Endorsement (attachment 10)
7. Geographic areas extension clause (attachment 11)
8. Data Event Clause (attachment 12)

SECTION III - C

Conditions precedent applicable to all sections

It is necessary that the Insured observes and fulfils the following Conditions before the Insurers have any liability to make any payment under this Policy.

1. Compliance with regulations

The Insured shall comply with all international and national regulation, with air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of the UAV and shall ensure that

- a. the UAV is airworthy at the commencement of each Flight;
- b. all Log Books and other records in connection with the UAV which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the Insurers or their agents on request;
- c. the employees and agents of the Insured comply with such orders and requirements.

2. No liability shall be admitted and no admission, arrangement, offer, promise or payment shall be made by the Insured without the written consent of Insurers, who shall be entitled, if they so desire, to take over and conduct in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise against any third party, and shall have full discretion in the conduct of any negotiations or proceedings or the settlement of any claim, and the Insured shall give all such information and assistance as Insurers may require.

SECTION III – D

General conditions applicable to all sections

1. Claims Procedure

Upon the happening of any accident likely to give rise to a claim under this Policy or upon the receipt by the Insured of notice of any claim or of any other subsequent proceedings, immediate notice shall be given to Insurers by notifying the Broker in the agreed manner. In all cases, the Insured shall:

- a. complete the claims form provided by the Broker with full particulars of the incident;
- b. render such further information and assistance as the Insurers may reasonably require;
- c. not act in any way to the detriment or prejudice of the interest of the Insurers.
- d. If any claim under this Policy is also covered in whole or in part by any other insurance, the liability of Insurers shall be limited to their rateable proportion of such claim.
- e. In the event of loss or damage by Theft, the Insured shall:
 - i. report to the Police any loss or damage from theft and obtain a crime reference number from them.
 - ii. notify the Insurer within 7 days with a crime reference number

The Insured shall not make any admission of liability or payment or offer or promise of payment without the written consent of the Insurers.

2. Flight Logs on Claim

In the event of a claim, the Insured shall provide the Flight Logs of the Flight they are claiming for. In cases where the Insured fails to do this:

- a. The Insured will be required to provide additional details outlining the reason for the absence of Flight Logs.
- b. If the Insured fails to provide both the flight logs and a valid reason for their absence, the Insurer will reserve the right to void any claim.

3. Proof of Purchase

As part of the claims handling procedure, the Insurer may request proof of purchase or cost of build records of the UAV and all damaged equipment. Failure to provide such documents shall render the Policy become void and all claims shall be forfeited.

4. Claims Control

The Insurers shall be entitled (if they so elect) at any time and for so long as they desire to take absolute control of all negotiations and proceedings and in the name of the Insured to settle, defend or pursue any claim.

5. Reasonable Care

The Insured shall and will at all times exercise reasonable care in seeing that the ways, implements, plant, machinery and appliances used in the Insured's business are substantial and sound in proper order, and fit for the purpose for which they are used, and that all reasonable safeguards and precautions against accidents are provided and used.

6. Due Diligence

The Insured shall at all times use due diligence and do and concur in doing everything reasonably practicable to avoid accidents and to avoid or diminish any loss hereon.

7. Subrogation

Upon an indemnity being given or a payment being made by the Insurers under this Policy, they shall be subrogated to the rights and remedies of the Insured who shall co-operate with and do all things necessary to assist the Insurers to exercise such rights and remedies.

8. Variation in Risk

Should there be any change in the circumstances or nature of the risks which are the basis of this contract the Insured shall give immediate notice thereof to the Insurers and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted by the Insurers.

9. Cover Adjustment

The policy details as per the Schedule can be modified at any time during the policy period by the Insured.

Upon modifying the Schedule, the Premium will be re-calculated on a pro-rata basis for the remainder of the period until the Expiration Date.

1. If the changes indicate an increase in Premium, an Adjustment Payment becomes payable. Once the Adjustment Payment has successfully cleared, the Schedule becomes updated and the new coverage comes into effect immediately.

2. If the changes indicate a reduction in Premium, the Schedule will be updated at the next renewal, meaning the existing coverages remain in place until the Expiration Date.

There is no limit on the amount of modifications which can be made during the policy period.

10. **Automatic Renewal**

On the Expiration Date, the policy will renew automatically for the same Cover Duration and with the same Schedule details as the expiring policy.

The Activation Payment for the renewal policy will be collected on the Expiration Date via the Insureds preferred means of payment.

If the Activation Payment fails, the policy will not renew.

11. **Cancellation**

This Policy may be cancelled by either the Insurers or the Insured the Cool-Off Period and the full cost of the policy will be refunded.

After the Cool-Off Period, the Policy may be cancelled by either the Insurers or the Insured, however the policy will remain in force until the Expiration Date.

As such, no refund will be paid.

There will be no return of premium in respect of any policy on which there has been a claim notification.

Cancellation provision as per the Nuclear Risk clause remains paramount.

12. **Assignment**

This Policy shall not be assigned in whole or in part except with the consent of the Insurers verified by endorsement hereon.

13. **Not Marine Insurance**

This Policy is not and the parties hereto expressly agree that it shall not be construed as a policy of marine insurance.

14. **Arbitration**

This Policy shall be construed in accordance with English Law and any dispute or difference between the Insured and the Insurers shall be submitted to arbitration in London in accordance with the Statutory provision for arbitration for the time being in force.

15. **Two or More UAV**

When two or more UAS are insured hereunder the terms of this Policy apply separately to each.

16. **Limit(s) of Indemnity**

Notwithstanding the inclusion herein of more than one Insured, whether by endorsement or otherwise, the total liability of the Insurers in respect of any or all Insured's shall not exceed the Limit(s) of Indemnity stated in this Policy.

17.False and Fraudulent Claims

If the Insured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise this Policy shall become void and all claims hereunder shall be forfeited.

SECTION III – E

Definitions

"ACCIDENT" means any one accident or series of accidents arising out of one event.

"ACTIVATION PAYMENT" is the successful payment made by the Insured immediately prior to the commencement of the policy, receipt of which activates the policy.

"ADJUSTMENT PAYMENT" is the successful payment made, following the modification of policy details per the Schedule during the policy period.

"BUSINESS" means for business or professional purposes but NOT use for hire or reward.

"COMMERCIAL OPERATIONS" means any operation of an aircraft other than for public transport -

1. which is available to the public; or
2. which, when not made available to the public, is performed
3. under a contract between an operator and a customer, where the latter has no control over the operator, in return for remuneration or other valuable consideration.

"COOL-OFF PERIOD" is the 24 hours following the Activation Payment.

"COVER DURATION" is the length of time between the Activation Date and the Expiration Date per the Policy Schedule.

"FLIGHT" means from the time the UAV is switched on, moves forward in taking off or attempting to take off, whilst in the air, and until the UAV completes its landing run. A rotary-wing UAV shall be deemed to be in Flight when the UAV is switched on and the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.

"FLIGHT LOGS" means a file automatically generated by the UAV, a controller or ground control, containing Flight details, including, but not limited to, the time-stamped location of the UAV during Flight, on-board sensor data and user inputs into the controller.

"GROUND" means whilst the UAV is not in flight.

"INVASION OF PRIVACY" means data collected from the UAV whilst in flight and subsequently made available to third parties without the consent of the party to whom the data relates, including any breach of confidentiality, infringement, or violation of any right to privacy, or of any statutes, laws and regulations associated with the confidentiality, access, control, and use of personally identifiable, non-public information.

"UAV", which may be referred to as "DRONE" in the Flock Cover app or other documents related to this policy, shall mean the airborne Unmanned Aerial Vehicle described herein, and in addition to the airframe shall include power plants, propellers, rotors and appliances attached to the Unmanned Aerial Vehicle at the inception of coverage hereunder.

"WATER DAMAGE" means incidents emerging from the UAV submerging in water. Including submersion in, but not limited to, rivers, lakes, sea, ponds, reservoirs or swimming pools.

ATTACHMENT 1

Noise and pollution and other perils exclusion clause

1. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:
 - a. noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
 - b. pollution and contamination of any kind whatsoever,
 - c. electrical and electromagnetic interference, unless such interference is evaluated pre-Flight and appropriate mitigating action undertaken,
 - d. interference with the use of property;

unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal UAV operation.
2. With respect to any provision in the Policy concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend:
 - a. claims excluded by Paragraph 1 or
 - b. a claim or claims covered by the Policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").
3. In respect of any Combined Claims, Underwriters shall (subject to proof of loss and the limits of the Policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Policy:
 - a. damages awarded against the Insured and
 - b. defence fees and expenses incurred by the Insured.
4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

AVN.46B (amended) - 01.10.96

ATTACHMENT 2

Nuclear risks exclusion clause

1. This Policy does not cover:
 - a. 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
 - b. any legal liability of whatsoever nature
2. 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.
3. It is understood and agreed that such radioactive material or other radioactive source in paragraphs (1) (b) and (c) above shall not include:
 - a. depleted uranium and natural uranium in any form;
 - b. radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
4. 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:
 - a. 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
 - b. any person or organization is required to maintain financial protection pursuant to legislation in any country; or

- c. the Insured under this Policy is, or had this Policy not been issued would be, entitled to indemnification from any government or agency thereof.
5. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph (2) shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Policy) be covered, provided that;
- a. 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;
 - b. 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;
 - c. in the case of any claim for the loss of or destruction of or damage to or loss of use of an UAV 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 (IAEA Health and Safety Regulations)	Maximum permissible level of non-fixed radioactive surface contamination (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)

- d. the cover afforded hereby may be cancelled at any time by the Insurers giving seven days' notice of cancellation.

AVN 38B (amended) - 22.07.96

ATTACHMENT 3

Asbestos exclusion clause

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

- a. the actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain, asbestos; or
 - b. any obligation, request, demand, order, or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, neutralise, protect against or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.
2. However, this exclusion shall not apply to any claim caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal UAV operation.

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

All other terms and conditions of the policy remain unchanged.

ATTACHMENT 4

Extended coverage endorsement (aviation liabilities)

1. WHEREAS the Policy of which this Endorsement forms part includes General Exclusion 8 - War, Hi-Jacking and Other Perils Exclusion Clause it is hereby understood and agreed that all sub-paragraphs other than 'b' are deleted SUBJECT TO all terms and conditions of this Endorsement.
2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of General Exclusion 8
3. **LIMITATION OF LIABILITY**
The limit of Insurers' liability in respect of the coverage provided by this Endorsement shall be the applicable Policy limit any one Occurrence and in the annual aggregate (the "sub-limit"). This sub-limit shall apply within the full Policy limit and not in addition thereto.

To the extent coverage is afforded to an Insured under the Policy, this sub-limit shall not apply to such Insured's liability for cargo and mail while it is on board the UAV of any UAV operator to whom the Policy affords cover for liability for such cargo and mail arising out of its operation of UAV.

4. **AUTOMATIC TERMINATION**
To the extent provided below, cover extended by this Endorsement shall be cancelled in the following circumstances.
 - a. Any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B - upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the Insured UAV may be involved
 - b. All cover in respect of any of the Insured UAV requisitioned for either title or use- upon such requisition

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

AVN 52E 12.12.01 (Amended)

ATTACHMENT 5

Contracts (rights of third parties) act 1999 exclusion clause

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

AVN 72 9.2.00

ATTACHMENT 6

Pilot indemnity clause

1. The Sections of this Policy covering bodily injury liability and property damage liability are extended to cover, as if he/she were the Insured, any UAV operator authorised by the Insured under the terms of the Policy in respect of injury or damage arising out of the operation of the UAV described in the Schedule to the Policy, but not so as to increase the liability of Insurers beyond the amount which would otherwise have been payable under this Policy had liability been incurred by the Insured.
2. Provided always that
 - a. At the time of any accident giving rise to a claim under this Clause the said UAV Operator
 - i. shall as though he/she were the Insured, observe, fulfil and be subject to the terms, conditions and exclusions contained in the Policy, and
 - ii. is not entitled to indemnity under any other policy.

There shall be no indemnity under this Clause in respect of claims made against the UAV Operator by the Insured and/or with respect to the UAV described in the Schedule to the Policy.

AVN 74 9.2.01 (Amended)

ATTACHMENT 7

Unauthorised use clause

No claim under this Policy shall be rejected on the grounds that the UAV was used in a place or in a manner or by a person not permitted under the terms of this Policy provided such use was not authorised by the Insured and that the Insured had taken reasonable precautions to prevent such unauthorised use. Any consent given by an employee or agent of the Insured outside the normal scope of his authority shall be deemed not to be authorisation given by the Insured.

AVN 77 9.2.01 (amended)

ATTACHMENT 8

Civil use of mod airfields endorsement

1. It is noted that the Insured(s) may wish to use, for civil aircraft purposes, Ministry of Defence (MOD) airfields and be required to enter into an agreement with the Crown incorporating certain conditions for the civil (flying) use of such airfields and to afford an indemnity to the Crown in the form of INDEM3.81/Form 4a.
2. The Insurers will indemnify the Insured for all sums which the Insured shall become legally liable to pay and shall pay to the Crown under such an agreement as compensatory damages (including costs awarded against the Insured) in respect of accidental bodily injury (fatal or otherwise) and accidental damage to property caused by any UAV insured under the Policy or object falling therefrom.
3. The limit applicable to this Endorsement is GBP 7,500,000. Any one Accident and such limit shall not be in addition to or nor in excess of any other limit of liability provided in the Policy.
4. Additional Premium: Included herein
5. Unless the Policy otherwise provides, the following General Exclusions shall apply:
 - a. General Exclusion 7 - Nuclear Risks Exclusion Clause;
 - b. General Exclusion 8 - War, Hi-jacking and Other Perils Exclusion Clause (Aviation) AVN 48B;
 - c. General Exclusion 9 - Noise and Pollution and Other Perils Exclusion Clause AVN 46B; and
 - d. General Exclusion 13 - Contracts (Rights of Third Parties) Act 1999 Exclusion Clause AVN 72;
 - e. Nothing in this Endorsement shall restrict the coverages otherwise provided under the Policy.

AVN 95 30.4.02 (amended)

ATTACHMENT 9

UAV spares extension endorsement

1. Intention

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

2. Conditions

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

a. Air Transits

Institute Cargo Clauses (AIR) 1/1/82

b. Marine Transits

Institute Cargo Clauses (A) 1/1/82

3. Geographical limits

This Extension covers the property described above, against the risks described above, and operating as per the geographical limits shown in the Schedule.

4. Exclusions

This coverage does not insure:

- a. Loss of or damage to any such property occurring at any time after the commencement of the operation of fitting it to or placing it on board the UAV to which it is destined.
- b. Loss of or damage to an Engine occurring during the running or testing thereof.
- c. Mechanical or electrical derangement.
- d. Loss or damage caused by wear, tear or gradual deterioration.

- e. Loss or damage caused by or resulting from neglect of the Insured to use reasonable means to save and preserve the property at the time of and after any loss or damage.
 - f. Loss of or damage to any property which has been detached from an UAV and which is intended to be refitted to the UAV and not to be replaced by other property.
 - g. Loss of or damage to any property hereby insured which may be sustained whilst the same is under any process and directly resulting therefrom.
 - h. Property carried in an UAV as a spare parts kit.
 - i. Property fitted to or forming part of an UAV.
 - j. The property of others carried or stored by the Insured for hire or reward.
 - k. Mysterious disappearance or unexplained loss or shortage disclosed upon taking inventory.
5. This Extension is subject to the Nuclear Risks Exclusion Clause AVN71.
6. This Extension does not cover claims caused by:
- a. War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
 - b. Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 - c. Strikes, riots, civil commotions or labour disturbances.
 - d. Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
 - e. Any malicious act or act of sabotage.
 - f. Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil, military or de facto) or public or local authority.
 - g. A UAV being outside the control of the Insured by reason of a peril excluded by paragraphs (e) or (f).
7. **Deductible clause**
Each claim for loss or damage arising out of one event shall be adjusted

separately and from the amount of such adjusted claim the sum specified in Part 5(Section I - a) of the Schedule shall be deducted.

8. Limits of liability

The liability of the Insurers shall not exceed:

- a. The amount specified in Part 5(Section II - b) of the Schedule for any one building and/or location
- 4.
- b. The amount specified in Part 5(Section II - b) of the Schedule for any one sending
- 5.
- c. The cost of repair or the cost of replacement or the insured value, whichever shall be the least amount, in respect of any one item of property.

9. Salvage and recoveries clause

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

10. Loss clause

Any loss hereunder shall not reduce the amount of the Policy to which this Endorsement is attached.

ATTACHMENT 10

Transit extension endorsement

1. Subject to the terms, conditions and exclusions of the Policy to which this Endorsement is attached, and to the following terms, conditions and exclusions hereinafter contained, the Policy is extended to insure the UAV described in the schedule of the Policy to which this Endorsement is attached against physical loss or physical damage occurring during the period of insurance while in transit within the geographical limits
2. The Insurers are only liable to the extent that any other valid insurance had not been issued.

3. Exclusions:

This coverage does not insure:

1. Loss or damage occurring:
 - a. while an insured UAV is on the runway after being cleared for take-off;
 - b. to an insured UAV while in flight;
 - c. before an insured UAV reaches the runway exit after landing.
2. the cost of making good wear and tear, gradual deterioration, inherent defect, rust or oxidation, moth or vermin damage, warping or shrinkage.
3. loss or damage caused by or resulting from:
 - a. maintenance, repair, renovation, restoration, modification or any similar process;
 - b. aridity, humidity, exposure to light or extremes of temperature unless such loss or damage caused by storm or fire.
4. loss from or damage in or on unattended vehicles, unless the UAV is stored within.
5. a locked boot, trailer, roof box or locked compartment of such motor vehicle, all security measures on the motor vehicle, trailer or roof box are in force and the UAV is kept out of sight at all times.
6. electrical or mechanical fault or breakdown.
7. depreciation.
8. any loss other than the direct cost of repairing or replacing the insured UAS in accordance with the basis of settlement.

9. loss of or damage to an insured UAS which is subject to any lease, conditional sale, charge or other encumbrance.
10. increased cost or expense due to compliance with any airworthiness directives.
11. accessories and/or spare parts.
12. loss or damage arising directly or indirectly from seepage, pollution or contamination, however such seepage, pollution or contamination may have been caused.
13. loss or damage or liability directly or indirectly occasioned by, happening through, or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.
14. loss or damage caused by or resulting from confiscation, nationalisation, requisition or destruction of or damage to property by or under the order of any government or public local authority.
15.
 - a. loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;
 - b. any legal liability of whatsoever nature; directly or indirectly caused by or contributed to by or arising from:
 - i. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - ii. the radioactive toxic, explosive or other hazardous properties of any explosive nuclear assembly thereof;
 - iii. nuclear reaction, nuclear radiation or radioactive contamination.

4. Conditions:

The Insurers shall not be liable to pay any claim under this insurance unless the Insured complies with all the requirements in the following conditions.

1. Due diligence

The Insured must take all reasonable care and measures to protect the insured UAS and to maintain it in good and proper condition.

2. Transit

The Insured must ensure that the insured property is packed and unpacked for transit by competent professional packers/manufacturers guidelines.

3. Security and protections

The Insured must ensure that all fire alarm and security systems, locks and all other physical protections notified to the Insurers are fully engaged whenever the insured UAS is left unattended.

4. Misrepresentation and fraud

If the Insured has concealed or misrepresented any material fact or circumstance relating to this insurance or makes any claim knowing it to be fraudulent, this insurance shall become void.

5. Governing Law and Jurisdiction

This insurance is governed by and construed in accordance with the laws of England, and the courts of England and Wales have exclusive jurisdiction to adjudicate any dispute.

ATTACHMENT 11

Geographic areas extension clause

- 1. Notwithstanding any provisions to the contrary and subject to clauses 2 and 3 below, this Policy excludes any loss, damage or expense howsoever occurring within the geographical limits of any of the following countries and regions:**
 - (a) Algeria, Burundi, Far North Region of Cameroon, Central African Republic, Democratic Republic of Congo, Ethiopia, Kenya, Mali, Mauritania, Nigeria, Somalia, The Republic of Sudan, South Sudan.
 - (b) Colombia, Peru.
 - (c) Afghanistan, Jammu & Kashmir, North Korea, Pakistan.
 - (d) Abkhazia, Donetsk & Lugansk regions of Ukraine, Nagorno-Karabakh, North Caucasian Federal District, South Ossetia.
 - (e) Iran, Iraq, Lebanon, Libya, North Sinai Province of Egypt (including Taba International Airport), Syria, Yemen.
 - (f) Any country where the operation of the insured Aircraft is in breach of United Nations sanctions
- 2. However coverage pursuant to this Policy is granted:**
 - a. for the over flight of any excluded country where the flight is within an internationally recognised air corridor and is performed in accordance with I.C.A.O. recommendations; or
 - b. in circumstances where an insured Aircraft has landed in an excluded country as a direct consequence and exclusively as a result of force majeure.
- 3. Any excluded country may be covered by underwriters at terms to be agreed by the Slip Leader only prior to flight.**

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ATTACHMENT 12

Data Event Clause

This Policy does not cover any loss, damage, expense or liability arising out of a Data Event.

Data Event means any access to, inability to access, loss of, loss of use of, damage to, corruption of, alteration to or disclosure of Data.

Data means any information, text, figures, voice, images or any machine readable data, software or programs including any person's or organisation's confidential, proprietary or personal information.

This exclusion does not apply to:

1. physical loss of or physical damage to an aircraft or spares and equipment; and/or
2. bodily injury and/or property damage caused by an aircraft accident; and/or
3. bodily injury and/or damage to tangible property including resultant loss of use of such property arising out of the Insured's aviation operations caused other than by an aircraft accident.

Within sub-paragraph 3:

- a. solely for the purposes of this sub-paragraph and without prejudice to the meaning of the words in any other context, "bodily injury" shall mean only physical corporeal injury, fatal or otherwise, and unless arising directly therefrom shall not include mental anguish, fright or shock; and
 - b. Data shall not be considered as tangible property.
4. the following coverages afforded by the Policy: none (unless specified below).

Nothing herein shall override any other exclusion clause attached to or forming part of this Policy.

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