

LONDON AIRCRAFT INSURANCE POLICY

AVN 105 AVIATION FUELLING LIABILITY INSURANCE

AVIATION FUELLING LIABILITY INSURANCE

SECTION 1 – PREMISES LIABILITY

The Insurers agree to pay on behalf of the Insured all sums, less any applicable deductible, which the Insured shall become legally liable to pay as damages for Bodily Injury and/or Property Damage caused by an Occurrence at any airport and/or heliport premises, subject to the Geographical Limits stated in Item 5 of the Schedule, arising out of the Insured's business of storage and supply of fuel and/or lubricants and/or hydraulic fluids and/or equipment related thereto, for use in connection with aircraft.

Exclusions Applicable to Section 1

This Section 1 does not cover

1. Bodily Injury or Property Damage caused by the use of any vehicle on the road in such a manner as to require insurance or security under any domestic or international law governing road traffic or, in the absence of any applicable law, to liability arising from the use of any vehicle on the public highway.

This exclusion does not apply in respect of any such liability arising from Occurrences within the confines of any airport or heliport premises

- (a) if there is no such applicable law
- (b) to the liability of the Insured to pay any amount which is in excess of
 - (i) any prescribed limit that is required to be insured where insurance may be effected to comply with the law whether the Insured effects an insurance policy in respect of such liability or not
 - (ii) the limit of liability of the insurance policy effected by the Insured in respect of such liability whichever is the greater.
2. Bodily Injury or Property Damage caused by any ships, vessels, craft or aircraft owned, chartered, used or operated by or on account of the Insured.
3. Bodily Injury or Property Damage arising out of any goods or products manufactured, constructed, altered, repaired, serviced, treated, refined, sold, supplied or distributed by the Insured after such goods or products have ceased to be in the possession or under the control of the Insured.
4. Liability arising out of the use or ownership of fuel lines, pipelines, fuel farms or bunkers or liability arising out of the transportation of fuels by land, sea, pipelines or other methods of conveyance other than on airport or heliport premises.

SECTION 2 – PRODUCTS LIABILITY

The Insurers agree to pay on behalf of the Insured all sums, less any applicable deductible, which the Insured shall become legally liable to pay as damages for Bodily Injury and/or Property Damage caused by an Occurrence arising out of the Products Hazard.

Exclusions Applicable to Section 2

This Section 2 does not cover

1. The cost of repairing or replacing any defective goods or products manufactured, constructed, altered, repaired, serviced, treated, refined, sold, supplied or distributed by the Insured or any defective part or parts thereof.
2. Loss arising out of improper or inadequate performance, design or specification but this exclusion shall be deemed not to apply to Bodily Injury or Property Damage insured hereby resulting therefrom.

General Exclusions

This Policy does not cover

1. Bodily Injury to any person who at the time of sustaining such Bodily Injury is engaged in the service of the Insured, or liability for which the Insured or their insurer may be held liable under any employer's liability, workers' compensation, unemployment compensation or disability benefits law or any similar law.
2. Property Damage to property owned, rented, leased, or occupied by the Insured or in the care, custody or control of the Insured other than Property Damage to:
 - (a) aircraft not owned, rented or leased by the Insured, while such aircraft are on the ground and in the care, custody or control of the Insured in connection with the Insured's fuelling operations
 - (b) vehicles not owned, rented or leased by the Insured, while such vehicles are at any airport and/or heliport premises.
3. The cost of making good any faulty workmanship but this exclusion shall not apply to Bodily Injury or Property Damage arising out of such faulty workmanship.
4. Bodily Injury or Property Damage arising out of construction of, demolition of or alterations to buildings, runways or installations (other than normal maintenance operations).
5. Liability assumed by the Insured by agreement under any contract unless such liability would have attached to the Insured even in the absence of such agreement.
6. Loss of use of any aircraft which has not been physically lost or damaged or destroyed.
7. Claims excluded by the attached

(a) War, Hi-Jacking and Other Perils Exclusion Clause (Aviation) AVN48B

(b) Noise and Pollution and Other Perils Exclusion Clause AVN46B

Paragraph 1(b) of the above Clause AVN46B shall not apply to pollution or contamination of goods or products sold or supplied by the Insured.

(c) Nuclear Risks Exclusion Clause AVN38B

(d) Date Recognition Exclusion Clause AVN2000A

(e) Asbestos Exclusion Clause 2488AGM00003

(f) Contracts (Rights of Third Parties) Act 1999 Exclusion Clause AVN72.

II. DEFENCE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS

With respect to such coverage as is afforded under this Policy the Insurers shall

1. Have the right and obligation to defend at their cost and expense in the name of and on behalf of the Insured any suit or other proceedings, even if groundless, false or fraudulent, brought against the Insured. However, the Insurers shall have the right to make such investigation, negotiation and settlement of any claim or suit as they deem expedient. Furthermore, the Insurers shall pay all expenses incurred by the Insured with the Insurers' approval (other than the salaries of the Insured's employees and the Insured's normal office expenses) in respect of any such suit or other proceedings brought against the Insured.
2. Pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this Policy and all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish any such bonds.
3. Pay all costs taxed against the Insured in any such suit or proceedings and all interest accruing after entry of judgement until the Insurers have paid, tendered or deposited in court, such part of such judgement as does not exceed the applicable limit of the Insurers' liability. The Insurers shall only be liable to pay for that proportion of the said costs and interest which the applicable limit of the Insurers' liability bears to the amount of such judgement.

The amounts incurred under this clause, except settlements of claims and suits, are payable by the Insurers in addition to the limit of the Insurers' liability stated in the Schedule. However with respect to any coverage which is subject to an aggregate limit hereunder the Insurers shall not be obligated to defend any suit nor to pay any costs or expenses after the aggregate limit of liability under this Policy has been exhausted and in this event the Insured shall have the right to take over control of proceedings from the Insurers.

Definitions

BODILY INJURY

The term “Bodily Injury” means bodily injury, sickness or disease, including death at any time resulting therefrom.

PROPERTY DAMAGE

The term “Property Damage” means physical loss of or damage to or destruction of tangible property, including the resultant loss of use of such property.

PRODUCTS HAZARD

The term “Products Hazard” means the possession, use, consumption or handling of goods or products (being fuels, lubricants, hydraulic fluids and equipment related thereto) manufactured, constructed, altered, repaired, serviced, treated, refined, sold, supplied or distributed by the Insured but only in respect of such goods or products which are used in connection with aircraft and only after such goods or products have ceased to be in the possession or under the control of the Insured.

OCCURRENCE

The term “Occurrence” means an accident or a continued or repeated exposure to conditions occurring during the Period of Insurance which results in Bodily Injury and/or Property Damage neither expected nor intended from the standpoint of the Insured.

All liability arising out of such exposure to substantially the same general conditions shall be deemed to arise from one Occurrence.

INSURED

The term “Insured” means the Insured specified in Item 1 of the Schedule and shall include directors, officers and employees of the Insured whilst acting within the scope of their duties on behalf of the Insured

Conditions Precedent

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

- 1 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 prosecute 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, and the Insured shall give all such information and assistance as Insurers may require.
2. The Insured shall 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 and in proper order

and fit for the purpose for which they are used, and that all reasonable safeguards and precautions against Occurrences are provided and used.

3. The Insured shall comply with all international and government regulations and civil instructions.

General Conditions

1. Upon the happening of any event likely to give rise to a claim under this Policy or upon receipt by the Insured of notice of any claim or of any other subsequent proceedings, notice in writing with full particulars shall be given to the Insurers as soon as possible after same shall come to the knowledge of the Insured or the Insured's representative. Every letter, claim, writ, summons or process shall be forwarded to Insurers immediately on receipt by the Insured.
2. All notices as specified above shall be given by the Insured to the firm named for the purpose in Item 7 of the Schedule.
3. If the Insured has other insurance against loss covered by this Policy, the Insurers shall not be liable for a greater proportion of such loss than the limit of liability stated in the Schedule bears to the limit of indemnity of all valid and collectible insurance against such loss.
4. This Policy may be cancelled at any time at the written request of the Insured or may be cancelled by or on behalf of the Insurers provided 30 days' notice in writing be given. (Where 30 days' notice is contrary to law or statute then the minimum period that is permitted shall be substituted therefor).

If the Policy shall be cancelled by the Insured, the Insurers shall retain the proportion of the premium calculated in accordance with the following scale.

1 month on risk... ..	.20% annual premium
2 months on risk30% annual premium
3 months on risk40% annual premium
4 months on risk50% annual premium
5 months on risk... ..	.60% annual premium
6 months on risk... ..	.70% annual premium
7 months on risk75% annual premium
8 months on risk80% annual premium
9 months on risk... ..	.85% annual premium
Over 9 months equivalent to Annual.	

If the Policy shall be cancelled by Insurers, they shall retain the premium for the period that this Policy has been in force, calculated pro-rata. Notice of cancellation by the Insurers shall be effective even though the Insurers make no payment or tender of return premium.

- 5 Should there be any material 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.
- 6 An Insured shall not in the presentation and furtherance of any claim:
 - (a) deliberately or recklessly conceal from Insurers any information which such Insured knows or ought to know might be material to their consideration of any claim;
 - (b) provide to Insurers information, which such Insured knows to be false, with respect either to any event relied upon as a cause of loss or as to the amount claimed; nor
 - (c) otherwise use fraudulent means or devices, including suppressing a known defence to Insurers' liability.

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

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

- i) terminate the cover provided by the Policy to such Insured with effect from the date of the event relied upon for the claim;
- ii) recover any sums paid to such Insured in respect of losses occurring on or after the date of the event relied upon for the claim; and
- iii) retain any and all premium paid by such Insured.

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

7. 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 Insureds shall not exceed the limit of liability stated in the Schedule.
8. This Insurance shall be governed by and construed in accordance with the law of and each party agrees to submit to the exclusive jurisdiction of the Courts of in any dispute arising hereunder.
9. The coverage provided by this Policy shall not be invalidated by any reasonable act by or on behalf of the Insured for the purpose of protecting persons or property.

AVN 105 22.1.09

In common with all AICG produced AVN Clauses, this Clause is published by AICG, but it is expressly non-binding and AICG makes no recommendation as to its use in particular policies. Insurers are of course free to offer different policy wordings and clauses to their policy holders.

In this Policy Form the Clauses above are given in full, however insofar as they have been included in this Form Book they are presented only by their headings (Translator's remark)

AVN 1C 21.12.98