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## Aviation Hull Insurance Conditions (LKB 2008)

GDV standard conditions

(Status: 22 February 2008)

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#### Scope of cover

The type of insurance cover provided, the aircraft insured, the purpose for which they are used, the persons authorised to steer the aircraft and the activities insured are detailed in the insurance application, the policy wording and its annexes.

#### 1 Subject matter of the insurance

- 1.1 Insurance cover is provided for standard equipment levels or aircraft variants.

Cover for special equipment is subject to separate agreement.

Hull insurance does not cover accessories. Accessories are defined as movable items which, while not components of the aircraft, are intended to support its operation on an ongoing basis and are located in or on the aircraft.

- 1.2 Subject to these conditions, the Insurer shall indemnify the Policyholder up to the amount of the sum insured for any external loss event impacting

the aircraft and leading to total or partial damage (insured event).

- 1.3 Under ground risk hull insurance, only those risks are covered to which the aircraft is exposed while parked, during engine testing and while taxiing, provided the latter is not in connection with a flight.

- 1.4 Aircraft are insured only if,

- 1.4.1 they were in a condition that complied with the legal provisions or official regulations governing the ownership and operation of aircraft and/or if all necessary official licences had been granted for them; at the time of the loss event,

- 1.4.2 at the time of the loss event, the pilot(s) of the aircraft possessed the prescribed permits, required authorizations or professional qualifications.

The absence of permits or authorisations has no influence on the insurance cover if the aircraft was used without the knowledge or permission of the

Policyholder and this was not the Policyholder's fault.

## 2 Scope

Insurance cover is granted worldwide for all insured events occurring within the policy term.

## 3 Scope of indemnity

### 3.1 Total loss

3.1.1 In the event of a total loss, the Insurer indemnifies the Policyholder for the replacement value of the aircraft (excluding the costs of replacement) at the time of the loss event, but only up to the sum insured. If an appraisal value has been agreed in the policy, the Insurer shall indemnify this amount, provided the Policyholder is not overinsured. The replacement value is defined as the purchase price the Policyholder has to pay to acquire a comparable aircraft. The Policyholder is deemed to be overinsured if the appraisal value of the aircraft was substantially more than its replacement value when the policy was concluded.

A total loss is deemed to have occurred either if the costs of restoration are likely to equal or exceed the replacement or appraisal value, or if the aircraft has been irrevocably lost. An aircraft is deemed to have been irrevocably lost if the cost of search, salvage, transport and restoration equals or exceeds the aircraft's replacement or appraisal value.

3.1.2 The replacement or appraisal value is reduced by an agreed deductible and by the value of the re-usable parts as determined by the Insurer in cases where the Insurer itself does not assume responsibility for their re-use. Until such time as the Insurer has decided on this matter, the Policyholder may dispose of the damaged aircraft or parts thereof only with the Insurer's prior approval.

The Insurer is entitled, but not obliged, to dispose of re-usable parts on its own account. In this case, the Policyholder must, at the Insurer's request, make available the aircraft or parts thereof as well as all corresponding documents and must make the declarations necessary to effect the transfer of ownership or to authorise the Insurer to do this, as applicable.

3.1.3 In addition to indemnification for aircraft suffering a total loss, the Insurer shall also reimburse verifiable expenses incurred

- for search, salvage and transport, up to a total amount of EUR xxx and
- for the disposal of parts or scrap that can no longer be re-used, up to a total amount of EUR xxx.

### 3.2 Partial loss

3.2.1 If an aircraft is partially damaged, the Insurer shall indemnify the Policyholder for the cost of repairing the damage to the aircraft caused by the loss event, less the agreed deductible; in the case of the loss or destruction of instruments and

components, the Insurer shall reimburse the replacement value less the agreed deductible.

A partial loss is deemed to have occurred if the costs of restoring the aircraft do not exceed the scope of cover defined in section 3.1.

Verifiable costs for the following are reimbursable:

3.2.1.1 search, salvage and transport, up to x% of the sum insured per aircraft, at least EUR xxx and at most EUR xxx.

Higher costs for the search, salvage and transport of a damaged aircraft can be reimbursed if they were incurred in the interests of the hull insurer and, together with the expected costs of restoration, are less than the sum insured.

The cost of transporting the aircraft from the scene of the accident to the repair shop approved by the Insurer and back to the aircraft's regular location is covered. Costs that would, even in the absence of the loss event, have been incurred to return the aircraft to its regular location are not reimbursable;

3.2.1.2 material and spare parts as well as labour costs without express or overtime surcharges;

3.2.1.3 workshop and acceptance flights;

3.2.1.4 the disposal of aircraft parts and consumables that had to be replaced as a result of the damage, up to EUR xxx.

3.2.2 In order to document the expenses to be reimbursed, the Insurer must be supplied with all documents, including the originals of any invoices from third parties.

The Policyholder must alert the aeronautical workshop to this fact when placing orders.

Invoices in currencies other than the currency used in this insurance policy will be converted using the exchange rate valid on their issue date.

3.2.3 If the Policyholder proves that the aircraft cannot be restored to its original condition, the Insurer shall pay appropriate compensation based on the most favourable cost estimate exclusive of VAT, but no more than the difference between the replacement value and the proceeds obtainable from the sale of the damaged aircraft. In this case, the sum insured is reduced by the amount of the indemnity.

3.2.4 If the sum insured was lower than the replacement value, the Insurer's indemnity is reduced in the same proportion that the sum insured bears to the replacement value.

3.3 The Insurer also bears the costs of any expert it appoints as well as the costs of any cost estimates it requests.

3.4 In the event that an aircraft is stolen or reported missing, payment of the indemnity is delayed for a period of three months. This three-month period begins on occurrence of the insured event.

## 4 Exclusions

4.1 No insurance cover is provided for damage

- 4.1.1 in connection with war or civil war, other hostilities, uprising, revolution, rebellion, strike, lockout, insurrection, civil commotion, industrial unrest, acts of terror or sabotage, aircraft hijackings, confiscation and other acts of authorities;
- 4.1.2 in connection with any detonation of a war weapon employing nuclear fission and/or fusion or radiation of another kind or with any type of explosive nuclear assembly or parts thereof;
- 4.1.3 arising out of the fact that the parked aircraft was not secured in accordance with the manufacturer's instructions or in another reasonable manner;
- 4.1.4 caused by the Policyholder or its personnel while carrying out work on the aircraft, i.e. damage to that part of an aircraft component (technical unit) on which they were working (error in workmanship). If work is being carried out on the aircraft as a whole, this exclusion applies only to those parts directly impacted by the workers;
- 4.1.5 directly attributable to faulty operation or internal operating procedures or which, given the nature of the operations, is the result of impacts that are either unavoidable, necessary or accepted as a matter of course (operational damage);
- 4.1.6 caused by an internal problem with the aircraft engine or through objects left in the engine intake area;
- 4.1.7 due to wear and tear, dilapidation, gradual impacts, ageing, corrosion, moisture or frost;
- 4.1.8 due to errors or defects in the aircraft of which the Policyholder was or should have been aware;
- 4.1.9 attributable to wilful acts or gross negligence on the part of the Policyholder.  
The Insurer shall have recourse to those persons named in the policy as authorised pilots, i.e. those who have used the aircraft with the permission of the Policyholder and/or operator, only if they caused the damage by a wilful act or gross negligence. Section 19 remains unaffected;
- 4.1.10 due to explosive or auto-igniting objects or liquids on board, with the exception of aviation fuel and fluids, and signal and emergency flares;
- 4.1.11 during the transport of aircraft or parts thereof, including loading/unloading; transport of this kind can be included in the insurance by separate agreement.  
The transport of gliders, powered gliders and balloons by road as well as the transport of aircraft or parts thereof in connection with an indemnifiable claim are insured without special agreement. If, during journeys of this kind, a part is removed from the aircraft and replaced with another one, this constitutes an aggravation of risk and, as such, must be notified to the Insurer;
- 4.1.12 due to the misappropriation or theft of aircraft parts and instruments that are not firmly installed in the aircraft;
- 4.1.13 if and to the extent that the damage is covered by a fire or property damage insurance policy.

- 4.2 The Insurer is released from its obligation to indemnify if
- 4.2.1 the aircraft is steered by persons other than those named in the insurance policy as authorised pilots or is used for purposes other than those for which it is insured; this does not apply to flights carried out by an aeronautical workshop in the course of contractually agreed servicing;
- 4.2.2 the Policyholder waives, to the detriment of the Insurer, a claim to damages to which it is entitled or waives future claims before the occurrence of the insured event and without the consent of the Insurer. Within clubs and associations of operators, the Insurer is released from its obligation to pay only if the waiver of future claims was either a wilful act or due to gross negligence;

### **Inception of insurance cover / premium payment**

#### **5 Inception of insurance cover**

Insurance cover commences at the time stated in the policy, provided that the Policyholder has paid the initial or single premium within the period provided for in section 6.1.

The invoiced premium includes the insurance tax payable by the Policyholder at the applicable statutory rate.

#### **6 Payment of premiums and consequences of late payment / initial or single premium**

- 6.1 The initial or single premium falls due two weeks after receipt of the policy.

##### Alternative:

- 6.1 *The initial or single premium falls due immediately upon conclusion of the contract, but not before the inception date given in the policy.*  
If the annual premium is payable in instalments, the first instalment of the first annual premium is regarded as the initial premium.
- 6.2 If the Policyholder pays the initial or single premium later than the due date, insurance cover shall not commence until the date of payment, provided the Policyholder was made aware of this legal consequence by means of a separate written communication or a prominent note in the policy wording. The above does not apply if the Policyholder can prove that non-payment was for reasons beyond its control.
- 6.3 If the Policyholder fails to pay the initial or single premium on time, the Insurer may withdraw from the contract until such time as the premium is paid. The Insurer is not entitled to withdraw from the contract if the Policyholder can prove that non-payment was for reasons beyond its control.
- #### **7 Payment of premiums and consequences of late payment / subsequent premium**
- 7.1 Unless otherwise agreed, the subsequent premiums are payable on the first day of the first month of the agreed premium-payment period.
- 7.2 If any subsequent premium is not paid on time, the Policyholder shall – without a reminder having been sent – be deemed in arrears, unless the

delay in payment is due to reasons beyond its control.

The Insurer is entitled to claim compensation for any losses sustained as a result of the delay in payment.

7.3 If any subsequent premium is not paid on time, the Insurer may, at the Policyholder's expense, inform the Policyholder in writing of a deadline for payment, which must be at least two weeks. This provision is valid only if the premium amount in arrears, interest and costs are set down separately in the communication and the legal consequences of failing to meet the deadline as described in sections 7.4 and 7.5 are stated.

7.4 If the Policyholder is still in arrears with the payment upon expiry of the deadline for payment, insurance cover shall be suspended, provided that the Policyholder was informed of this consequence in the request for payment described in section 7.3.

7.5 If the Policyholder is still in arrears with the payment upon expiry of the deadline for payment, the Insurer may terminate the insurance contract with immediate effect, provided that the Policyholder was informed of this consequence in the request for payment described in section 7.3.

If the Insurer exercises its right of termination but the Policyholder pays the outstanding amount within one month, the contract shall be reinstated. However, cover is not reinstated for any insured events which may have occurred in the period between service of the notice of termination and payment of the outstanding amount.

## 8 Timeliness of payment in the case of direct debiting

If payment of the premium by direct debit from a bank account has been agreed, payment shall be deemed to have been made on time if the premium can be debited on the due date and the Policyholder does not revoke an authorised debit.

If the Insurer is unable to debit a due premium through no fault of the Policyholder, payment shall be deemed to have been made on time if it is made without delay upon receipt of the Insurer's written request for payment.

If the Insurer is unable to debit a due premium because the Policyholder has revoked the authorised debit or if the Insurer is unable to debit a due premium for reasons for which the Policyholder is responsible, the Insurer may insist on future payments being made by a procedure other than by direct debit. The Policyholder is not obliged to pay the premium until the Insurer has requested it in writing to do so.

## 9 Payment of premiums in instalments and consequences of late payment

If the annual premium is payable in instalments, the remaining instalments become due immediately if the Policyholder falls into arrears on any one instalment.

Further, the Insurer may insist on annual advance payments in future.

## 10 Premium in the event of premature termination

10.1 In the absence of any legal provisions to the contrary, the Insurer is entitled only to that part of the premium corresponding to the period actually covered if the insurance contract is terminated before the expiry of the insurance period.

10.2 Notwithstanding section 10.1, if the insurance contract is terminated as a result of a total loss and the Insurer has paid an indemnity for that loss, the full premium for the entire policy year is due to the Insurer.

## Policy term and expiry / termination

### 11 Policy term and expiry

11.1 The insurance contract is concluded for the period specified in the policy document.

11.2 If this is a period of at least one year, the contract is automatically renewed on expiry from year to year for successive periods of one year unless terminated by either party at least three months prior to the expiry of any policy year.

11.3 If the insurance contract is concluded for a period of less than one year, it expires on the appointed date without notice of termination being necessary.

### 12 Cessation of the insured risk

If insured risks completely and permanently cease to exist, the insurance with regard to these risks lapses also. The Insurer is entitled to the premium that it would have been able to charge if application had been made for these risks to be insured only up to the time at which the Insurer became aware of the cessation of the risks. Section 10.2 remains unaffected.

### 13 Termination after occurrence of an insured event

13.1 The insurance contract may be terminated if the Insurer has paid an indemnity in accordance with section 3 or if a claim for such an indemnity has been brought against the Insurer in a court of law.

The notice of termination must be delivered in writing to the other contracting party at the latest one month after payment of the indemnity or – in the case of legal action – after admission, compromise or final judgement.

13.2 If the Policyholder has given notice of termination, termination shall take effect immediately upon delivery of the notice to the Insurer. The Policyholder may, however, specify that termination shall take effect at a later date, but not later than at the end of the current policy year.

Termination by the Insurer takes effect one month after delivery of the notice of termination to the Policyholder.



## Policyholder's obligations

### 14 Policyholder's precontractual duty of disclosure

#### 14.1 Accuracy and completeness of disclosure in respect of material facts

Before submitting its insurance application, the Policyholder must inform the Insurer in writing of all risk circumstances of which it is aware and details of which the Insurer has requested in writing and which are material to the Insurer's decision to conclude the insurance contract for the agreed scope and content. The Policyholder is also obliged to disclose such circumstances even if the Insurer poses the questions described in sentence 1 after the Policyholder has submitted its application and before the Insurer has accepted. All circumstances are deemed relevant to the risk that might influence the Insurer's decision to conclude the contract at all or for the proposed scope and content.

If a representative appointed by the Policyholder concludes the policy and the former is aware of a material fact, the Policyholder shall be deemed to have been aware of said material fact itself or to have fraudulently concealed it.

#### 14.2 Withdrawal

##### 14.2.1 Incomplete or inaccurate representations of material facts entitle the Insurer to withdraw from the insurance contract.

##### 14.2.2 The Insurer is not entitled to withdraw from the contract if the Policyholder can prove that neither it nor its legal representative made the incomplete or inaccurate representations wilfully or in a grossly negligent manner.

The Insurer's right to withdraw from the contract in cases of gross negligence in disclosure does not apply if the Policyholder can prove that the Insurer would still have concluded the contract, albeit on other conditions, if it had been aware of the undisclosed circumstances.

##### 14.2.3 If the Insurer withdraws from the contract, the insurance cover lapses.

If the Insurer withdraws from the contract after occurrence of an insured event, it may not deny insurance cover if the Policyholder can prove that the incomplete or inaccurate representation had no effect on the occurrence of the insured event nor on the ascertainment or scale of the indemnity paid by the Insurer. However, even in this case no insurance cover is granted if the Policyholder was in fraudulent breach of its duty of disclosure.

The Insurer is entitled to that portion of the premium covering the insured period until the date on which the notice of withdrawal takes effect.

#### 14.3 Termination

If the Insurer's right of withdrawal is ruled out because the breach of duty of disclosure was neither wilful nor an act of gross negligence, the Insurer may terminate the contract subject to a notice period of one month.

The Insurer's right to terminate the contract does not apply if the Policyholder can prove that the Insurer would still have concluded the contract, albeit on other conditions, if it had been aware of the undisclosed circumstances.

#### 14.4 Retroactive policy amendments

If the Insurer is unable to withdraw from or terminate the contract because it would still have concluded the contract, albeit on other conditions, if it had been aware of the undisclosed circumstances, these other conditions shall, at the Insurer's request, become part of the contract with retroactive effect. If the breach of duty was for reasons beyond the Policyholder's control, the other conditions shall form part of the contract commencing with the current policy period.

If the policy amendment results in a premium increase of more than 10% or if the Insurer excludes cover for the risk that the Policyholder failed to disclose, the Policyholder may terminate the contract without notice within one month of receiving the Insurer's notice.

#### 14.5 Exercising the Insurer's rights

The Insurer must exercise its rights as described in sections 14.2 to 14.4 in writing within one month. The one-month period commences on the date on which it became aware of the breach of that duty of disclosure on the basis of which it is exercising its rights. The Insurer must name the circumstances on which its declaration is based; the Insurer may, at a later date, name additional circumstances as the basis for its declaration, provided this is still done within the one-month period.

The Insurer is entitled to exercise its rights as described in sections 14.2 to 14.4 only if it has informed the Policyholder of the consequences of a breach of duty of disclosure in a separate written communication.

The Insurer has no recourse to the rights described in sections 14.2 to 14.4 if it was aware either of the undisclosed circumstance or that the disclosure was inaccurate.

#### 14.6 Avoidance

The Insurer's right to avoid the contract on the grounds of fraudulent misrepresentation remains unaffected. In the case of avoidance, the Insurer is entitled to that portion of the premium covering the insured period until the date on which the notice of avoidance takes effect.

### 15 Obligations before occurrence of an insured event

The Policyholder is obliged to rectify within a reasonable period any circumstances that represent a particular hazard and that the Insurer has required to be rectified. This does not apply if, after weighing up both parties' interests, rectification is deemed unreasonable. Any circumstance that has already given rise to a claim is deemed to represent a particular hazard.

## 16 Obligations after occurrence of the insured event

- 16.1 Every loss event must be reported without delay to the Insurer or the office named in the policy. The initial notification should contain the following:
- aircraft type, registration number and year of construction; time, place, probable cause and approximate scope of the damage,
  - address, phone number, fax number and e-mail address of the person responsible for the damaged aircraft.
- 16.2 The Policyholder must await the Insurer's instructions; in cases of absolute urgency, in particular where the circulation of traffic is blocked or weather conditions are threatening, the Policyholder is entitled to remove the damaged aircraft from the breakdown/accident site. In such cases, photos should be taken of the aircraft in the position it was in directly following the loss event and the photos sent to the Insurer.
- 16.3 After the initial notification, the Policyholder must immediately send the Insurer a full claim notice along with a report by the pilot responsible for the aircraft. If the Insurer has corresponding forms for this purpose, the Policyholder should use these.
- 16.4 The Policyholder is obliged to leave nothing undone to clarify the facts surrounding the loss event and to avoid further losses. The Policyholder must follow the instructions of the Insurer and its delegated experts regarding the handling of the loss. In particular, the Policyholder must put the insured aircraft and all related documents at the Insurer's disposal. The Insurer is entitled to remove parts of the damaged aircraft for test purposes.
- Where third parties or official or private offices are involved in the investigation, testing and repair of the aircraft, the Insurer is entitled to procure from them any information it deems useful.
- 16.5 The Insurer or its delegated experts shall decide where repairs are to be carried out and release the aircraft for repair. The Policyholder or another authorised party must issue the repair order.
- 16.6 Damage due to fire or criminal offences (e.g. theft, wilful damage to property) must also be reported without delay to the local police; in the case of theft, the Policyholder must also draw up and submit a list of all objects stolen, showing their type, serial number and year of manufacture. The claim notice must be accompanied by a confirmation from the police that the incident has been reported. If, as a result of a loss event, official or judicial proceedings are initiated, the Policyholder must inform the Insurer thereof without delay, even if the loss event itself has already been reported.
- 16.7 Once an insured event has occurred, the Policyholder is obliged to do everything within its power to avoid and mitigate the damage and, in so doing, must follow the instructions of the Insurer; where circumstances permit, the Policyholder must specifically request the Insurer's instructions.

## 17 Legal consequences of breach of obligation

- 17.1 If the Policyholder breaches a contractual obligation that it must fulfil before occurrence of an insured event, the Insurer may terminate the contract without notice within one month of gaining knowledge of the breach of obligation. The Insurer is not entitled to terminate the contract if the Policyholder can prove that the breach of obligation was neither wilful nor the result of gross negligence on its part.
- 17.2 If the Policyholder wilfully breaches one of its obligations under the insurance contract, it shall forfeit its insurance cover. In the case of breach of obligation due to gross negligence, the Insurer is entitled to reduce its indemnification in proportion to the degree to which the Policyholder was at fault.
- If the Policyholder breaches a duty of notification or disclosure that arises after the occurrence of an insured event, its insurance cover may be partially or completely withdrawn provided the Insurer had already informed it in a separate written communication of the legal consequences of said breach.
- If the Policyholder can prove that its breach of obligation was not due to gross negligence, its insurance cover remains in place.
- The insurance cover also remains in place if the Policyholder can prove that the breach of obligation caused neither the occurrence or ascertainment of the insured event nor the ascertainment or scope of the Insurer's indemnification. This does not apply if the Policyholder fraudulently breached its obligation.
- The foregoing provisions apply regardless of whether the Insurer exercises its right of termination under section 17.1.
- Section 20.1 remains unaffected.

### Other conditions

#### 18 Legal status of the contracting parties

- 18.1 Claims under this insurance policy may be neither transferred nor ceded without the consent of the Insurer.
- 18.2 Insofar as insurance cover extends to persons other than the Policyholder, all the provisions of the insurance policy also apply *mutatis mutandis* to these persons.

#### 19 Recourse

- 19.1 If the Policyholder has a right of recourse against a third party, this right shall be transferred to the Insurer once it has indemnified the Policyholder. The Policyholder must uphold the right of recourse against the third party and provide the Insurer with any support it requires in enforcing that right. In particular, this includes bringing the claim before a court of law in the Policyholder's name at the Insurer's request. The Insurer shall bear the relevant costs and advance these upon request. Reference is made to section 4.1.9.

19.2 If the damage is attributable to gross negligence on the part of the Policyholder and, as a result, the Insurer is liable to indemnify third parties on the basis and within the framework of special agreements – e.g. a confirmation of cover vis-à-vis a third-party bank – the Insurer shall have a right of recourse or repayment against the Policyholder.

## 20 Notification periods / time limits

20.1 If the Policyholder fails to notify the Insurer of a loss event within six months of its occurrence, stating the date and location of loss as well as the type and registration of the damaged aircraft, it shall have no claim to indemnification.

20.2 Claims arising under this policy are subject to a limitation period of three years. This time limit is calculated with reference to the general provisions of the German Civil Code.

20.3 If a claim under the insurance policy has been reported to the Insurer, it is exempt from limitation from the time it is reported until such time as the Insurer informs the claimant in writing of its decision in respect of the claim.

## 21 Expert procedure

21.1 In the case of differences of opinion as to the amount of the damage, the replacement value or the nature and scope of necessary restoration work, a committee of experts shall be called upon to decide the issue.

21.2 The committee comprises two members, one of which is nominated by the Insurer, the other by the Policyholder. If either one of the parties fails to nominate its expert committee member within two weeks of being called upon in writing to do so, nomination of that member shall fall to the other party.

21.3 If the committee members are unable to reach an agreement, an umpire selected by them before commencement of the proceedings shall decide the matter within the limits set by each member's estimate. If the members of the committee fail to agree on an umpire, the German Federal Aviation Office (Luftfahrt-Bundesamt) shall appoint one.

21.4 Both the committee members and the umpire must be aviation experts.

21.5 If the expert committee votes in favour of the Policyholder's claim, the Insurer shall bear the costs of the proceedings in full. If the committee agrees on a figure that does not exceed the Insurer's offer, the Policyholder shall bear the costs of the proceedings in full. If the committee agrees on a figure that is somewhere between the Insurer's offer and the Policyholder's claim, the costs of proceedings shall be divided up proportionally.

## 22 Applicable law

This contract is governed by German law.

## 23 Legal venue

23.1 The jurisdiction for legal actions brought against the Insurer on the basis of this insurance policy resides with the competent court at the domicile of

the Insurer or at the location of the branch office responsible for the insurance contract. If the Policyholder is an individual, the legal venue may also be the competent local court of the district in which the Policyholder was officially resident when the indictment was filed or, in the absence thereof, in which the Policyholder had its customary place of residence.

23.2 If the Policyholder is an individual, any legal actions concerning the insurance policy must be brought against him/her in a competent court of his/her official place of residence or, in the absence thereof, of his/her customary place of residence. If the Policyholder is a legal entity, the legal venue may also be decided on the basis of the Policyholder's place domicile or that of its competent branch office. The same applies if the Policyholder is a general commercial partnership, a limited partnership, private partnership or registered limited partnership company.

23.3 If neither the Policyholder's official nor customary place of residence is known when the action is brought, the venue for any legal action against the Policyholder in connection with the insurance policy shall be determined on the basis of the Insurer's domicile or that of the branch office responsible for the insurance contract.

## 24 Notifications and declarations of intent

24.1 All notifications and declarations intended for the Insurer should be sent to the Insurer's head office or to the branch office designated as competent in the insurance policy or any endorsements thereto.

24.2 If the Policyholder has failed to notify the Insurer of a change of address, any declaration of intent to be made to the Policyholder may be sent by registered letter to the last address known to the Insurer. The declaration is deemed to have been received three days after being sent. The same applies *mutatis mutandis* if the Policyholder's name changes.

24.3 If the Policyholder concluded the insurance contract for its commercial operations, the provisions of section 24.2 apply *mutatis mutandis* if the location of the commercial branch office changes.

## SPECIAL CONDITIONS

### Fleet insurance

- 1 Cover is granted for all aircraft operated and/or chartered by the Policyholder from the date that they are registered with the Insurer.
- 2 Upon any change in the insured risk – which covers any inclusion or exclusion of aircraft – the Insurer is entitled to amend the terms and conditions of the policy.
- 3 If less than a total of ... aircraft are insured at any one time, even if only temporarily, the fleet discount shall lapse and the remaining aircraft shall be insured on an individual basis.

### Dealers' hull insurance

1. Insurance cover is granted for aircraft that the Policyholder operates permanently or temporarily for sales purposes or which it accepts for resale. The insurance covers risks to aircraft when on the ground, ferry flights, flights for demonstration or presentation purposes made by the Policyholder's own pilots as well as all test flights made by potential buyers within Europe. No insurance cover is granted if the aircraft are used by third parties for other purposes.
- 2 Insurance cover for each aircraft begins when the Policyholder takes delivery of it and ends with delivery to the buyer.
- 3 The sum insured is equivalent to the replacement value of the aircraft, but no more than the maximum individual sum insured stated in the policy. Aircraft whose replacement value is less than ... % of their as-new value may be insured only with the Insurer's prior consent.

- 4 The Policyholder must provide the Insurer ... a year with a list of the insured aircraft, containing the following information:

aircraft type, registration number, sum insured, date of delivery to Policyholder and date of delivery to buyer.

### Workshops' hull insurance

- 1 Insurance cover is available only to licensed aeronautical workshops. Insurance is provided for damage to third-party aircraft occurring during the period of cover or while the Policyholder is working on the aircraft in Germany or in domestic workshops. Cover is provided for risks to the aircraft while on the ground as well as risks associated with test and acceptance flights.

Cover also extends to parts removed from the aircraft and intended for re-installation, provided they are not removed from the immediate vicinity of the insured aircraft. New parts are not insured until installed in the aircraft.

- 2 Insurance cover for each aircraft begins when the Policyholder takes delivery of it or begins work on it and ends with delivery to the client.
- 3 Apart from the cover it provides under Section 4.1.4 of the Aviation Hull Insurance Conditions (LKB 2008), the Insurer shall not cover damage
  - 3.1 to aircraft engines removed from the aircraft during work on those engines;
  - 3.2 to parts removed from the aircraft if they are not intended for re-installation; cover for such parts ends with their removal from the aircraft.
- 4 No cover is granted for aircraft whose replacement value is more than the agreed maximum sum insured or for aircraft that are to be restored following a total loss.