

**THE SCHEDULE**

**Policy Number:** \_\_\_\_\_

**Insured:** PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**Address of Insured:** \_\_\_\_\_

**Additional Insured(s):** As per the Insured's Hull "All Risks" Insurance

**Approved Lienholder(s) for Breach of Warranty protection:** As per the Insured's Hull "All Risks" Insurance

**Aircraft hereby insured:**

NO.	TYPE OF AIRCRAFT	SERIAL NUMBER	REGISTRATION	YEAR BUILT	HULL AGREED VALUE (USD)
Total Hull Agreed Value at Inception					

**Geographical Limits:** Worldwide subject to the following:

**KILN GEOGRAPHIC AREAS EXCLUSION 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, Cabinda, Central African Republic, Congo, Democratic Republic of Congo, Eritrea, Ethiopia, Ivory Coast, Liberia, Mauritania, Nigeria, Somalia, The Republic of Sudan, South Sudan.
- (b) Colombia, Ecuador, Peru.
- (c) Afghanistan, Jammu & Kashmir, Myanmar, North Korea, Pakistan.
- (d) Georgia, Nagorno-Karabakh, North Caucasian Federal District.
- (e) Iran, Iraq, Libya, 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 overflight 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 Insurers at terms to be agreed by the Insurer prior to flight.

**LSW617G (amended)**

**Excluding Confiscation,  
etcetera by Government(s) of:**

Indonesia or any public or local authority under its/their jurisdiction in respect of non-leased aircraft.

**Insurance Annual Aggregate Limit:**

The maximum limit of Insurers liability under this Insurance shall not exceed USD 50,000,000 in all during the Period of Insurance.

**Period of Insurance:**

From \_\_\_\_\_ to \_\_\_\_\_  
both days inclusive Standard Time at the address of the Insured.

**Premium:**

USD \_\_\_\_\_ based on \_\_\_\_\_% on Aircraft agreed values including consideration for Spares and Equipment.

**Premium Payment Clause**

1) It is understood and agreed that the premium due at the inception of this Insurance shall be payable in the following instalments:

<b>Instalment</b>	<b>% of Deposit</b>	<b>Due Date:</b>
1	16.67%	
2	16.67%	
3	16.67%	
4	16.67%	
5	16.66%	
6	16.66%	

2) Notwithstanding any cancellation provision contained within the Insurance, in the event that an instalment of premium is not paid by its due date Insurers shall have the right to terminate the cover afforded by the Insurance to the Insured and any other party(ies) protected thereby, whether by endorsement or otherwise, by the giving of not less than Thirty (30) days notice in writing to the Insured. Notice shall be deemed to commence from the date such notice is given by the Insurers. Nothing herein shall override any notice period greater than 30 days which Insurers may be obliged to give via any contractual provision applicable hereto.

**AVN 6A (amended)**

**Law and Jurisdiction:**

This Insurance shall be governed by and construed in accordance with the law of the Insured's country of domicile and each party agrees to submit to the exclusive jurisdiction of the courts of the Insured's country of domicile in any dispute arising hereunder.

**Immediate notice of changes in risk or of circumstances likely to give rise to a loss hereunder to be communicated to:**

PT. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_

http: \_\_\_\_\_ – email: \_\_\_\_\_

Jakarta, \_\_\_\_\_

PT. \_\_\_\_\_

\_\_\_\_\_  
Authorised Signatory

## AVIATION HULL "WAR AND ALLIED PERILS" INSURANCE

### SECTION ONE: LOSS OF OR DAMAGE TO AIRCRAFT

Subject to the terms, conditions and limitations set out below, this Insurance covers loss of or damage to the Aircraft owned or operated by Insured or for which the Insured is responsible (including passenger entertainment systems and video equipment) as stated in the Schedule against claims excluded from the Insured's Hull "All Risks" Insurance as 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) Strikes, riots, civil commotions or labour disturbances.
- (c) 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.
- (d) Any malicious act or act of sabotage.
- (e) 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.
- (f) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured. For the purpose of this paragraph (f) only, an aircraft is considered to be in flight at any time from the moment when all its external doors are closed following embarkation until the moment when any such door is opened for disembarkation or when the aircraft is in motion. A rotor-wing aircraft shall be deemed to be in flight when the rotors are in motion as a result of engine power, the momentum generated therefrom, or autorotation.

Furthermore this Insurance covers claims excluded from the Hull "All Risks" Insurance from occurrences whilst the Aircraft is outside the control of the Insured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this Insurance, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

### SECTION TWO: EXTORTION, HI-JACK AND OTHER EXPENSES

1. This Insurance will also indemnify the Insured subject to the terms, conditions, exclusions and limitations set out below for:

- A 90% of any payment properly made in respect of:-
  - i threats against any Aircraft described in the Schedule or its passengers or crew
  - ii the kidnap or ransom of such persons
 made during the currency of this Insurance.

The liability of the Insurers under this Section Two 1.A shall be limited to a maximum of USD 5,000,000 any one occurrence and in the aggregate and subject to 10% of any such claim being self-insured.

- B 90% of any payment properly made in respect of extra expenses necessarily incurred following confiscation, etcetera (as Section One Clause (e)) or hi-jacking, etcetera (as Section One Clause (f)) of any Aircraft described in the Schedule.

The liability of the Insurers under this Section Two 1.B shall be limited to a maximum of USD \_\_\_\_\_ any one occurrence and in the aggregate and subject to 10% of any such claim being self-insured.

- C any expenses incurred by the Insured for the purpose of:-
- i search and rescue operations for any Aircraft described in the Schedule determined to be missing and unreported after the computed maximum endurance of the flight has been exceeded
  - ii the application of foam to a runway to prevent or mitigate loss of or damage to any Aircraft described in the Schedule
  - iii any attempted or actual raising, removal, disposal or destruction of the wreckage of any Aircraft described in the Schedule

The liability of the Insurers under this Section Two 1.C shall be limited to USD 5,000,000 any one occurrence / unlimited in all.

2. No cover will be provided under this Section of the Insurance in any territory where such insurance is not lawful, and the Insured is at all times responsible for ensuring that no arrangements of any kind are made which are not permitted by the proper authorities.

**509/CTB/00762 (amended)**

### **SECTION THREE: GENERAL EXCLUSIONS**

This Insurance excludes loss, damage or expense caused by one or any combinations of any of the following:

- (a) war (whether there be a declaration of war or not) between any of the following States: the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China; nevertheless, if any Aircraft is in the air when an outbreak of such war occurs, this exclusion shall not apply in respect of such Aircraft until the said Aircraft has completed its first landing thereafter;
- (b) confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the authority of the Government(s) stated in the Schedule, or any public or local authority under its jurisdiction;
- (c) the emission, discharge, release or escape of any chemical, biological or biochemical materials or the threat of same but this exclusion shall not apply;
  - (i) if such materials are used or threatened to be used solely and directly in:-
    - (1) the Hi-jacking, unlawful seizure or wrongful exercise of control of an Aircraft in flight and then only in respect of loss of or damage to such Aircraft the subject of a valid claim under clause (f) Section One above; or
    - (2) any threat against an Aircraft stated in the Schedule or its passengers or crew and then only in respect of payments as are insured under Section Two above;
  - (ii) other than as provided for in sub-paragraph (1) above, to loss of or damage to an Aircraft if the use of such materials is hostile and originates solely and directly;
    - (1) on board such Aircraft, whether it is on the ground or in the air,  
or
    - (2) external to such Aircraft and causes physical damage to the Aircraft whilst the Aircraft's wheels are not in contact with the ground.

Any emission, discharge, release or escape originating external to the Aircraft that causes damage to the Aircraft as a result of contamination without other physical damage to the Aircraft exterior is not covered by this Insurance.

- (d) any debt, failure to provide bond or security or any other financial cause under court order or otherwise;
- (e) the repossession or attempted repossession of the Aircraft either by any title holder, or arising out of any contractual agreement to which any Insured protected under this Insurance may be party;
- (f) delay, loss of use, or except as specifically provided in Section Two any other consequential loss; whether following upon loss of or damage to the Aircraft or otherwise.
- (g) any use, hostile or otherwise, of radioactive contamination or matter but this exclusion shall not apply to loss of or damage to an Aircraft if such use is hostile and originates solely and directly;
  - (i) on board such Aircraft, whether it is on the ground or in the air, or
  - (ii) external to such Aircraft and causes physical damage to the Aircraft whilst the Aircraft's wheels are no longer in contact with the ground

Any such use originating external to the Aircraft that causes damage to the Aircraft as a result of contamination without other physical damage to the Aircraft exterior is not covered by this Insurance.

- (h) any use, hostile or otherwise, of an electromagnetic pulse but this exclusion shall not apply to loss of or damage to an Aircraft if such use originates solely and directly on board such Aircraft, whether it is on the ground or in the air.
- (i) any detonation, hostile or otherwise, of any device employing atomic or nuclear fission and/or fusion or other like reaction, and notwithstanding (g) and (h) above, any radioactive contamination and electromagnetic pulse resulting directly from such detonation is also excluded by this Insurance.

#### **SECTION FOUR: GENERAL CONDITIONS**

1. This Insurance is subject to the same warranties, terms and conditions (except as regards the premium, the obligations to investigate and defend, the renewal agreement (if any), the amount of deductible or self-insurance provision where applicable AND EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or may be added to the Insured's Hull "All Risks" Insurance.
2. Should there be any Material Change in the nature or area of the Insured's operations, the Insured shall give immediate notice of such Change to the Insurers; no claim arising subsequent to a Material Change over which the Insured had control shall be recoverable hereunder unless such change has been accepted by the Insurers.

"Material Change" shall be understood to mean any change in the operation of the Insured which might reasonably be regarded by the Insurers as increasing their risk in degree or frequency, or reducing possibilities of recovery or subrogation.

3. The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Insurance shall be conditions precedent to any liability of the Insurers to make any payment under this Insurance: in particular the Insured should use all reasonable efforts to ensure that he complies and continues to comply with the laws (local or otherwise) of any country within whose jurisdiction the Aircraft may be, and to obtain all permits necessary for the lawful operation of the Aircraft.
4. Subject always to the provisions of Section Five, and the Schedule, Insurers hereon agree to automatically follow the Insured's Hull "All Risks" Insurance in respect of additional Insureds, hold harmless/ indemnity agreements, loss payees, waivers, breach of warranty, contractual agreements as may affect the Insured, including all current agreements.

Coverage hereon shall extend to include the provisions of financing or leasing agreements in respect of the Insured's Aircraft and Aircraft spares in accordance with Airline Finance/ Lease Contract Endorsement AVN 67B (Hull War) or such other endorsement as may be agreed under the Insured's Hull "All Risks" Insurance.

Insurers agrees that all existing AVN 67A/B (Hull War) endorsements are carried over from the expiring Insurance period and that the effective date of such endorsements hereunder is deemed to be Inception. The Insurer also agrees that within the annual premium charged for this Insurance an additional premium consideration has been allowed therefore.

Where required by the Insured, any new or existing finance/lease agreement can be automatically noted hereunder subject to Airline/Lease Contract Endorsement AVN 67C (Hull War).

5. This Insurance shall be governed by and construed in accordance with the law of the Insured's country of domicile and each party agrees to submit to the exclusive jurisdiction of the courts of the Insured's country of domicile in any dispute arising hereunder.

**SECTION FIVE: CANCELLATION REVISION AND AUTOMATIC TERMINATION**

Amendment of Terms or Cancellation                    1. (a) Insurers may give notice, effective on the expiry of 7 days from midnight G.M.T. on the day on which notice is issued , to review the rate of premium and/or the geographical limits. In the event of the review of the rate of premium and/or geographical limits not being accepted by the Insured then at the expiry of the said 7 days, this Insurance shall become cancelled at that date.

Automatic Review of Terms or Cancellation                    (b) Notwithstanding 1 (a) above, this Insurance is subject to automatic review by Insurers of the rate of premium and/or conditions and/or geographical limits effective on the expiry of 7 days from the time of any hostile detonation of any device including 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 Aircraft may be directly affected. In the event of the review of the rate of premium and/or conditions and/or geographical limits not being accepted by the Insured then at the expiry of the said 7 days, this Insurance shall become cancelled at that date.

Cancellation by Notice                    (c) This Insurance may be cancelled by the Insured or Insurers giving notice not less than 7 days prior to the end of each period of 3 months from inception.

Automatic Termination                    2. Whether or not such notice of cancellation has been given the coverage provided by paragraph (a) of Section One of this Insurance shall **TERMINATE AUTOMATICALLY**

Upon the outbreak of war (whether there be a declaration of war or not) between any of the following States, namely, the United Kingdom, the United States of America, France, the Russian Federation, the People’s Republic of China.

PROVIDED THAT if the Aircraft is in the air when such outbreak of war occurs then this insurance, subject to its terms and conditions and provided not otherwise cancelled, terminated or suspended, will be continued in respect of such Aircraft until the said Aircraft has completed its first landing thereafter.

**Endorsement No.1**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**SPARES AND EQUIPMENT**

It is agreed that the coverage granted by this Insurance applies to aircraft engines, spare parts, components and equipment (including ground support equipment and unlicensed vehicles) Aircraft spares kits and engineers and mechanics tools either owned by the Insured or the property of others for which the Insured is responsible.

Provided always that in respect of such property the liability of the Insurers shall not exceed USD \_\_\_\_\_ (or currency equivalent) any one location/occurrence, USD \_\_\_\_\_ any one sending.

It is agreed that in respect of such property:

(A) the coverage provided by this Insurance under paragraph (a) of Section One is restricted to air and sea transits subject to the following clauses:-

**Duration Clause applicable to air transits**

- 1 This insurance
  - 1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on the aircraft for the commencement of the air transit insured  
and
  - 1.2 terminates, subject to 2 and 3 below, either as the subject-matter insured and as to any part as that part is discharged from the aircraft at the final place of discharge  
or  
on expiry of 15 days counting from midnight of the day of arrival of the aircraft at the final place of discharge,  
whichever shall first occur;  
nevertheless,  
subject to prompt notice to the Insurers and to an additional premium, such insurance
  - 1.3 reattaches when, without having discharged the subject-matter insured at the final place of discharge, the aircraft departs therefrom,  
and
  - 1.4 terminates, subject to 2 and 3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the aircraft at the final (or substituted) place of discharge,  
or  
on expiry of 15 days counting from midnight of the day of re-arrival of the aircraft at the final place of discharge or arrival of the aircraft at a substituted place of discharge,  
whichever shall first occur.



- 2 If during the insured transit the aircraft arrives at an intermediate place to discharge the subject-matter insured for on-carriage by aircraft or overseas vessel, then, subject to 3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the aircraft at such place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying aircraft or oversea vessel. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such intermediate place. If the goods are on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 2.
- 2.1 where the on-carriage is by aircraft this insurance continues subject to the terms of these clauses,  
or
- 2.2 where the on-carriage is by oversea vessel, the current Institute War Clauses (Cargo) shall be deemed to form part of this insurance and shall apply to the on-carriage by sea.
- 3 If the air transit in the contract of carriage is terminated at a place other than the destination agreed therein, that place shall be deemed to be the final place of discharge and such insurance terminates in accordance with 1.2. If the subject-matter insured is subsequently consigned to the original or any other destination, then, provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium, such insurance reattaches
- 3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying aircraft for the transit;
- 3.2 in the case of the subject-matter insured not having been discharged, when the aircraft departs from such deemed final place of discharge;  
thereafter such insurance terminates in accordance with 1.4.
- 4 Subject to prompt notice to Insurers, and to an additional premium if required, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to the air carrier under the contract of carriage.

"oversea vessel" shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage involves a sea passage by that vessel

**Duration Clause applicable to sea transits**

- 1 This insurance
- 1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel  
and
- 1.2 terminates, subject to 2 and 3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge  
or  
on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge,  
whichever shall first occur;

- nevertheless,
- subject to prompt notice to the Insurers and to an additional premium, such insurance
- 1.3 reattaches when, without having discharged the subject-matter insured at the final port or place of discharge, the vessel sails therefrom,  
and
- 1.4 terminates, subject to 2 and 3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge,  
or  
on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge,  
whichever shall first occur.
- 2 If during the insured voyage the oversea vessel arrives at an intermediate port or place to discharge the subject-matter insured for on-carriage by oversea vessel or by aircraft, or the goods are discharged from the vessel at a port or place of refuge, then subject to 3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the goods are on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 2
- 2.1 where the on-carriage is by oversea vessel this insurance continues subject to the terms of these clauses,  
or
- 2.2 where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) (excluding sendings by Post) shall be deemed to form part of this insurance and shall apply to the on-carriage by air.
- 3 If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed to be the final port of discharge and such insurance terminates in accordance with 1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then, provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium, such insurance reattaches.
- 3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;
- 3.2 in the case of the subject-matter insured not having been discharged, when the vessel sails from such deemed final port of discharge;  
thereafter such insurance terminates in accordance with 1.4.
- 4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the oversea vessel, but in no case beyond the expiry of 60 days after discharge from the oversea vessel unless otherwise specially agreed by the Insurers.
- 5 Subject to prompt notice to Insurers, and to an additional premium if required, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to ship owners or charterers under

the contract of affreightment.

"arrival" shall be deemed to mean that the vessel is anchored, moored or otherwise secured at a berth or place within the Harbour Authority area. If such a berth or place is not available, arrival is deemed to have occurred when the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge.

"oversea vessel" shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage involves a sea passage by that vessel.

- (B) the coverage provided by this Insurance under paragraph (a) of Section One may be cancelled at any time by giving 7 days notice such notice, however, not to prejudice any risk which has commenced prior to expiry of the notice.

**509/CTB/00741**

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Effective Date: Inception

**Endorsement No.2**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**ADDITIONS AND DELETIONS**

This Insurance is subject to the automatic addition, deletion and substitution of Aircraft and changes in agreed values to follow the Insured's Hull "All Risks" Insurance subject to a maximum agreed value of USD 20,000,000 (or currency equivalent) any one aircraft with declaration to Insurers and pro-rata adjustment of premium at expiry.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception

**Endorsement No.3**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**EMERGENCY PROCEDURES CENTRE**

This Insurance is extended to cover Costs arising out of the use of Emergency Procedures Information Centre (or equivalent) included hereunder where resulting from an occurrence recoverable hereunder, up to maximum USD 2,000,000 any one occurrence and in the aggregate.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception

**Endorsement No.4**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**BUYER FURNISHED EQUIPMENT**

This Insurance is extended to include coverage in respect of buyer furnished equipment prior to and after being installed in new/additional Aircraft before such Aircraft are accepted by the Insured subject to a maximum sum insured of USD 1,000,000 any one Aircraft/any one location.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception

**Endorsement No.5**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**FLIGHT SPARES KITS**

This Insurance is extended to include coverage for flight spares kits whilst on board Aircraft or whilst temporarily removed and not replaced in addition to the applicable Aircraft Agreed Value.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception

**Endorsement No.6**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**LEASED ENGINE(S)/COMPONENT(S)**

It is understood and agreed that when leased engines/components are installed on Aircraft insured hereunder, the agreed value of such Aircraft shall be automatically increased by the amount required to be insured under the lease agreement in respect of such engines/components for the period that such leased engines/components are installed. Where such amount is not specified in the lease agreement, this shall be the fair market value of such engines/components as agreed between the Insurers and the owners of the engines/components at the time of the loss. Subject always to the maximum hull agreed value not being exceeded and the benefit of salvage of the removed engines/components to Insurers in the event that the Aircraft is the subject of a claim adjustable on the basis of a total loss. However, the foregoing increase in the stated agreed value shall not be taken into account when calculating whether a Constructive Total Loss may be declared hereunder.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception



**Endorsement No.7**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**INNOCENT OPERATOR'S COVERAGE CLAUSE**

This Insurance is extended to cover physical damage to the Aircraft hereby insured, including the cost of reassembly, arising from the action of any Government, Government Department, Authority or Agency by reason of actual or alleged infringement of Customs, Quarantine or Public Health regulations. Warranted the Insured shall:

- (a) not knowingly carry cargo Incorrectly described or labelled;
- (b) take reasonable precautions to adhere to any Customs, Quarantine or Public Health regulations.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception

**Endorsement No.8**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**CUSTOMS, QUARANTINE OR PUBLIC HEALTH REGULATIONS**

This Insurance is extended to pay for additional expenses incurred by the Insured arising from any actual or alleged infringement of customs, quarantine or public health regulations subject to a maximum sum insured of USD 7,500,000 (or currency equivalent) any one incident. Nevertheless, this extension shall exclude the payment of any fines and/or penalties.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception

**Endorsement No.9**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**PROTECTION OF SUBJECT MATTER INSURED**

It is understood and agreed that where the Insured is rendered unable by any peril covered by Section One of this Insurance to protect the Aircraft and/or Spares (hereinafter referred to as subject matter insured) from damage or wear, tear or gradual deterioration or are prevented thereby from performing any service to any part of the subject matter insured made necessary by the passage of time, Insurers shall cover all costs and expenses necessarily incurred to reinstate the subject matter insured to its condition immediately prior to exposure to such peril subject to the Maximum Agreed Value of the subject matter insured.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception

**Endorsement No.10**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

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**SETTLEMENT FOLLOWING PARAGRAPH (E) OR (F) OF SECTION ONE**

Insurers agree to pay as a Total Loss the Agreed Value of an Aircraft insured hereunder within a period of 45 days in the event the Aircraft is outside the control of the Insured by reason of a peril covered by Paragraph (e) or (f) of Section One of this Insurance.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

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Effective Date: Inception

**Endorsement No.11**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**UNEARNED PREMIUM INSURANCE CLAUSE**

In the event of a claim adjustable on the basis of a total loss the Insurers will indemnify the Insured for and will pay as a claim the unearned portion of the premium paid for loss of or physical damage to the Aircraft the subject of the loss computed at pro rata from the day following the loss to the expiry date of this Insurance.

**AVN 79**

Effective Date: Inception

**Endorsement No.12**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**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**

Effective Date: Inception

**Endorsement No.13**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**CONTINGENT HULL WAR AND ALLIED PERILS INSURANCE**

It is understood and agreed that this Insurance is extended to automatically include contingent Hull War and Allied Perils Insurance in respect of Aircraft and Spare engines which are dry-leased out but only to pay in the event of the Insured failing to be indemnified under the terms of the Aircraft Operators Insurance, excluding financial default, liquidation and insolvency of any organisation or person or their Insurers. Excluding claims arising out of exhaustion (partial or total) of aggregate limit available under the Aircraft Operators Insurance.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception

**Endorsement No.14**

**Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

**DIVERSION COSTS**

It is understood and agreed that this Insurance is extended to include additional expenses incurred in respect of diversion costs due to an on board incident, subject to a limit of USD 1,500,000 any one occurrence which is included within the annual aggregate limit.

Subject to all the definitions, provisions, exclusions and conditions of this Insurance except as specifically varied or provided by the terms of this Endorsement.

Effective Date: Inception



**Endorsement No.15****Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

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**SANCTIONS AND EMBARGO CLAUSE**

Notwithstanding anything to the contrary in the Insurance the following shall apply:

1. If, by virtue of any law or regulation which is applicable to an Insurer at the inception of this Insurance 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.
2. In circumstances where it is lawful for an Insurer to provide coverage under the Insurance, 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.
3. In the event of any law or regulation becoming applicable during the Period of Insurance 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 Insurance in accordance with the laws and regulations applicable to the Insurance provided that in respect of cancellation by the Insurer a minimum of 30 days notice in writing be given. In the event of cancellation by either the Insured or the Insurer, the Insurer shall retain the pro rata proportion of the premium for the period that the Insurance has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the Insurer, and in the absence of a more specific provision in the Insurance relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the Insurer shall be effective even though the Insurer makes no payment or tender of return premium.

**AVN 111**

**Endorsement No.16****Attaching to Policy No.** \_\_\_\_\_

In the name of PT. \_\_\_\_\_ and/or associated and/or subsidiary and/or affiliated Companies now existing or as may be hereafter constituted, jointly and severally for their respective rights and interests.

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**DISPUTE**

In the event of any dispute arising between the Insurer and the Insured as consequence of the interpretation of liability or amount of indemnity of this Policy, the dispute shall be settled amicably within 60 (sixty) calendar days from the dispute arose. The dispute arises since the Insured or the Insurer has expressed in writing his disagreement on the subject matter of the dispute.

If the dispute could not be settled amicably, the Insurer shall give the option to the Insured to select either one of the following dispute clauses as stated below:

**A. Indonesian Insurance Mediation Board**

It is hereby declared and agreed that the Insured and the Insurer shall settle the dispute through Indonesian Insurance Mediation Board (BMAI) subject to the terms and conditions applied by BMAI.

**B. Arbitration**

It is hereby declared and agreed that the Insured and the Insurer shall settle the dispute through Arbitration Ad Hoc as follows :

1. The Arbitration Ad Hoc consists of 3 (three) Arbitrators. The Insured and the Insurer shall each appoint one Arbitrator within 30 (thirty) calendar days from the date of the receipt of the written notification, then the two Arbitrators shall choose and appoint the third Arbitrator within 14 (fourteen) calendar days from the date of appointment of the second Arbitrator. The third Arbitrator shall act as Umpire of the Arbitration Ad Hoc.
2. Should there be any failure as to the appointment of the third Arbitrator, the Insured and or the Insurer could request the Chairman of the court (Ketua Pengadilan Negeri) where the defendant domiciles to appoint the Umpire.
3. The examination of the dispute shall be settled within 180 (one hundred and eighty) calendar days from the date of the formation of the Arbitration Ad Hoc. The period of examination of the case could be extended. Upon the agreement of both parties and if it is deemed necessary by the Arbitration Ad Hoc, the period of examination of the dispute could be extended.
4. The Arbitration award is final and enforceable at law and binding the Insured and the Insurer. Should the Insured and or the Insurer fail to comply with the arbitration award, then the award shall be executed under the order of the Chairman of the court (Ketua Pengadilan Negeri) where the defendant domiciles at the request of the other party in dispute.
5. Other matters which are not provided under this clause shall be subject to the provisions of laws on arbitration, which currently be the Act of the Republic of Indonesia Nr. 30 year 1999 dated August 12, 1999 regarding Arbitration and Alternative Dispute Resolution.

**C. Court**

It is hereby declared and agreed that the Insured and the Insurer shall settle the dispute through the Court (Pengadilan Negeri) within the territory of the Republic of Indonesia.

**CURRENCY**

In case of premium and or claim under this Policy is denominated in foreign currency but the payment will be settled in Rupiah currency, such payment shall be executed based on the selling rate of Bank Indonesia at the time of payment.

**WAIVER CLAUSE**

It is hereby declared that in the event of the Insured or the Insurer terminates this Insurance, then both parties agree to waive articles 1266 and 1267 of the Indonesian Civil Code and such termination shall be made without requiring any consent of the court (Pengadilan Negeri) within the territory of the Republic of Indonesia.